NATIONAL PRESTO INDUSTRIES INC
Form 8-K
August 11, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): **August 11, 2006**

National Presto Industries, Inc.

(Exact name of registrant as specified in its chapter)

Wisconsin	**811-21874**	**39-0494170**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3925 North Hastings Way **Eau Claire, Wisconsin**	**54703-3703**
(Address of principal executive office)	(Zip Code)

Registrant s telephone number, including area code: **715-839-2121**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)) o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

Item 2.02 Results of Operations and Financial Condition

On August 11, 2006, the registrant issued a Quarterly Report regarding the registrant s results of operations for the second quarter ended July 2, 2006, which is filed as Exhibit 99.1 to this Form 8-K. Although the report uses the format for and contains the footnotes and disclosures found in the SEC s Form 10-Q, the figures have not been reviewed by an independent accountant. For this same reason, the certifications pursuant to the Sarbanes-Oxley Act of 2002 are not attached. Such Exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

Exhibit 99.1 Quarterly Report of National Presto Industries, Inc. for the quarter ended July 2, 2006

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

National Presto Industries, Inc.

(Registrant)

/s/ Maryjo Cohen

Date **August 11, 2006**

(Signature) **Maryjo Cohen, President and Chief Executive Officer**

ALIGN="top"> B+ 11,397,600 2,500

Sprint Corporation

7.250% 9/15/21 B+ 2,332,825 29,000

Sprint Corporation, (8)

7.875% 9/15/23 B+ 26,480,770 5,000

T-Mobile USA Inc., (8)

6.250% 4/01/21 BB 5,231,250 12,000

T-Mobile USA Inc., (8)

6.375% 3/01/25 BB 12,840,000 74,500

Total Wireless Telecommunication Services

72,273,105 $388,475

Total Corporate Bonds (cost $380,379,184)

313,749,996

Total Long-Term Investments (cost $2,006,496,814)

1,896,704,074 Principal
Amount (000) Description (1) Coupon Maturity Value

SHORT-TERM INVESTMENTS 8.3% (5.2% of Total Investments)

REPURCHASE AGREEMENTS 8.3% (5.2% of Total Investments) $104,538

Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/29/16, repurchase price $104,538,215, collateralized by $97,940,000 U.S. Treasury Notes, 2.500%, due 8/15/23, value $106,632,175

0.030% 8/01/16 $104,537,954

Total Short-Term Investments (cost $104,537,954)

104,537,954

Total Investments (cost $2,111,034,768) 159.4%

2,001,242,028

Borrowings (44.7)% (10), (11)

(561,000,000)

Reverse Repurchase Agreements (11.5)% (12)

(145,229,113)

Other Assets Less Liabilities (3.2)% (13)

(39,759,162)

Net Assets Applicable to Common Shares 100%

$1,255,253,753

JQC Nuveen Credit Strategies Income Fund
Portfolio of Investments (continued) **July 31, 2016**

Investments in Derivatives as of July 31, 2016

Credit Default Swaps

Counterparty	Referenced Entity	Buy/Sell Protection (14)	Current Credit Spread (15)	Notional Amount	Fixed Rate (Annualized)	Termination Date	Value	Variation Margin Receivable (Payable)	Unrealized Appreciation (Depreciation)
Morgan Stanley Capital Services LLC*	CDX.NA.HY.26	Sell	0.47%	$ 20,000,000	5.000%	6/20/21	$ 957,527	$ 75,448	$ 454,325

* Morgan Stanley Capital Services LLC is also the clearing broker for this transaction.

For Fund portfolio compliance purposes, the Fund s industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.

(2) Senior loans generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a borrower to prepay, prepayments of senior loans may occur. As a result, the actual remaining maturity of senior loans held may be substantially less than the stated maturities shown.

(3) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor s Group (Standard & Poor s), Moody s Investors Service, Inc. (Moody s) or Fitch, Inc. (Fitch) rating. This treat of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor s, Baa by Moody s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.

(4) Senior loans generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate (LIBOR), or (ii) the prime rate offered by one or more major United States banks. Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan. The rate shown is the coupon as of the end of the reporting period.

(5) For fair value measurement disclosure purposes, investment classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.

(6) Non-income producing; issuer has not declared a dividend within the past twelve months.

(7) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board. For fair value measurement disclosure purposes, investment classified as Level 3. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.

(8) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in reverse repurchase agreements.

(9) A copy of the most recent financial statements for these exchange-traded funds can be obtained directly from the Securities and Exchange Commission on its website at http://www.sec.gov.

(10) Borrowings as a percentage of Total Investments is 28.0%.

(11) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives or reverse repurchase agreements, when applicable) in the Portfolio of Investments as collateral for borrowings.

(12) Reverse Repurchase Agreements as a percentage of Total Investments is 7.3%.

(13) Other assets less liabilities includes the unrealized appreciation (depreciation) of certain over-the-counter (OTC) derivatives as presented on the Statement of Assets and Liabilities, when applicable. The unrealized appreciation (depreciation) of OTC-cleared and exchange-traded derivatives is recognized as part of the cash collateral at brokers and/or the receivable or payable for variation margin as presented on the Statement of Assets and Liabilities, when applicable.

(14) The Fund entered into the credit default swap to gain investment exposure to the referenced entity. Selling protection has a similar credit risk position to owning that referenced entity. Buying protection has a similar credit risk position to selling the referenced entity short.

(15) The credit spread generally serves as an indication of the current status of the payment/performance risk and therefore the likelihood of default of the credit derivative. The credit spread also reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into a credit default swap contract. Higher credit spreads are indicative of a higher likelihood of performance by the seller of protection.

(DD1) Portion of investment purchased on a delayed delivery basis.

(WI/DD)	Purchased on a when-issued or delayed delivery basis.
144A	Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
TBD	Senior loan purchased on a when-issued or delayed-delivery basis. Certain details associated with this purchase are not known prior to the settlement date of the transaction. In addition, senior loans typically trade without accrued interest and therefore a coupon rate is not available prior to settlement. At settlement, if still unknown, the borrower or counterparty will provide the Fund with the final coupon rate and maturity date.

See accompanying notes to financial statements.

Statement of

Assets and Liabilities **July 31, 2016**

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Assets					
Long-term investments, at value (cost $422,814,593, $1,015,915,551, $704,748,964, $282,702,857 and $2,006,496,814, respectively)	$ 396,932,537	$ 956,367,823	$ 662,228,090	$ 270,109,686	$ 1,896,704,074
Short-term investments, at value (cost approximates value)	15,887,007	31,702,838	24,416,875	7,550,711	104,537,954
Cash collateral at brokers(1)					649,995
Cash denominated in foreign currencies (cost $7,628, $19,422, $12,975, $ and $, respectively)	7,536	19,188	12,818		
Credit default swaps premiums paid				196,558	503,202
Unrealized appreciation on interest rate swaps, net				11,088	
Receivable for:					
Interest	3,145,522	7,124,902	5,545,847	1,999,300	16,171,018
Investments sold	10,587,689	26,000,435	15,136,398	8,515,502	60,553,944
Reclaims					34,845
Variation margin on swaps					75,448
Deferred offering costs	86,870	189,225	135,730	821,449	
Other assets	187,677	386,185	244,659	22,062	333,368
Total assets	426,834,838	1,021,790,596	707,720,417	289,226,356	2,079,563,848
Liabilities					
Borrowings	101,000,000	240,800,000	166,800,000	64,000,000	561,000,000
Reverse repurchase agreements (including accrued interest)					145,229,113
Credit default swaps premiums received				4,949	
Unrealized depreciation on credit default swaps				158,625	
Payable for:					
Dividends	1,362,123	3,366,114	2,460,044	906,049	6,911,168
Investments purchased	17,688,256	41,541,297	27,205,929	12,223,314	108,303,150
				35,000,000	

Term Preferred Shares (Term Preferred), at liquidation preference					
Variable Rate Term Preferred (VRTP) Shares, at liquidation preference	45,000,000	108,000,000	75,000,000		
Accrued expenses:					
Interest	136,450	320,615	226,582	127,974	886,181
Management fees	278,037	654,976	457,609	188,211	1,329,898
Trustees fees	63,583	115,775	72,753	11,425	317,902
Other	235,075	365,090	308,671	75,266	332,683
Total liabilities	165,763,524	395,163,867	272,531,588	112,695,813	824,310,095
Net assets applicable to common shares	$ 261,071,314	$ 626,626,729	$ 435,188,829	$ 176,530,543	$ 1,255,253,753
Common shares outstanding	38,621,872	55,169,216	38,478,782	10,095,286	135,766,990
Net asset value (NAV) per common share outstanding	$ 6.76	$ 11.36	$ 11.31	$ 17.49	$ 9.25
Net assets applicable to common shares consist of:					
Common shares, $0.01 par value per share	$ 386,219	$ 551,692	$ 384,788	$ 100,953	$ 1,357,670
Paid-in surplus	324,463,130	765,737,345	526,376,739	192,244,418	1,685,676,692
Undistributed (Over-distribution of) net investment income	1,135,413	(275,469)	406,098	(527,708)	(729,773)
Accumulated net realized gain (loss)	(39,031,300)	(79,838,877)	(49,457,765)	(2,546,412)	(321,713,398)
Net unrealized appreciation (depreciation)	(25,882,148)	(59,547,962)	(42,521,031)	(12,740,708)	(109,337,438)
Net assets applicable to common shares	$ 261,071,314	$ 626,626,729	$ 435,188,829	$ 176,530,543	$ 1,255,253,753
Authorized shares:					
Common	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Preferred	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

(1) Cash pledged to collateralize the net payment obligations for investments in derivatives.

See accompanying notes to financial statements.

Statement of Operations					**Year Ended July 31, 2016**
	Senior Income (NSL)	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**	**Short Duration Credit Opportunities (JSD)**	**Credit Strategies Income (JQC)**
Investment Income					
Interest and dividends (net of foreign tax withheld of $, $, $,$ and $49,026, respectively)	$ 23,480,784	$ 54,032,224	$ 39,386,429	$ 15,889,974	$ 106,183,052
Fees	529,972	1,124,334	744,167	319,187	2,043,776
Total investment income	24,010,756	55,156,558	40,130,596	16,209,161	108,226,828
Expenses					
Management fees	3,331,690	7,858,476	5,504,011	2,197,363	15,974,811
Interest expense and amortization of offering costs	2,773,839	6,606,147	4,613,499	1,427,796	12,475,890
Custodian fees	140,666	278,585	203,118	108,779	486,280
Trustees fees	11,557	28,058	19,476	7,969	59,805
Professional fees	82,146	109,456	94,934	91,554	395,561
Shareholder reporting expenses	23,773	72,835	70,195	32,421	215,131
Shareholder servicing agent fees	18,564	17,028	16,600	13,847	5,056
Stock exchange listing fees	12,366	17,660	12,318	7,889	43,535
Investor relations expenses	40,080	75,848	53,532	34,754	169,170
Other	41,588	52,556	47,572	24,210	41,879
Total expenses	6,476,269	15,116,649	10,635,255	3,946,582	29,867,118
Net investment income (loss)	17,534,487	40,039,909	29,495,341	12,262,579	78,359,710
Realized and Unrealized Gain (Loss)					
Net realized gain (loss) from:					
Investments and foreign currency	(1,495,922)	(2,197,879)	(2,403,022)	(2,399,349)	(19,197,503)
Swaps				(411,245)	115,868
Change in net unrealized appreciation (depreciation) of:					
Investments and foreign currency	(15,170,917)	(34,129,400)	(26,311,460)	(8,940,636)	(63,796,853)
Swaps				50,691	454,325

Net realized and unrealized gain (loss)	(16,666,839)	(36,327,279)	(28,714,482)	(11,700,539)	(82,424,163)
Net increase (decrease) in net assets applicable to common shares from operations	$ 867,648	$ 3,712,630	$ 780,859	$ 562,040	$ (4,064,453)

See accompanying notes to financial statements.

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Statement of

Changes in Net Assets

	Senior Income (NSL)		Floating Rate Income (JFR)	
	Year Ended 7/31/16	Year Ended 7/31/15	Year Ended 7/31/16	Year Ended 7/31/15
Operations				
Net investment income (loss)	$ 17,534,487	$ 17,200,574	$ 40,039,909	$ 41,166,584
Net realized gain (loss) from:				
Investments and foreign currency	(1,495,922)	(370,349)	(2,197,879)	1,075,483
Swaps		(607,114)		(1,623,403)
Change in net unrealized appreciation (depreciation) of:				
Investments and foreign currency	(15,170,917)	(14,108,045)	(34,129,400)	(34,151,330)
Swaps		550,340		1,471,592
Net increase (decrease) in net assets applicable to common shares from operations	867,648	2,665,406	3,712,630	7,938,926
Distributions to Common Shareholders				
From net investment income	(16,299,305)	(16,223,287)	(39,887,343)	(39,721,836)
From accumulated net realized gains				
Decrease in net assets applicable to common shares from distributions to common shareholders	(16,299,305)	(16,223,287)	(39,887,343)	(39,721,836)
Capital Share Transactions				
Cost of common shares repurchased and retired	(27,250)			
Net increase (decrease) in net assets applicable to common shares from capital share transactions	(27,250)			
Net increase (decrease) in net assets applicable to common shares	(15,458,907)	(13,557,881)	(36,174,713)	(31,782,910)
Net assets applicable to common shares at the beginning of period	276,530,221	290,088,102	662,801,442	694,584,352
Net assets applicable to common shares at the end of period	$ 261,071,314	$ 276,530,221	$ 626,626,729	$ 662,801,442
Undistributed (Over-distribution of) net investment income at the end of period	$ 1,135,413	$ (342,112)	$ (275,469)	$ (1,108,914)

See accompanying notes to financial statements.

Statement of Changes in Net Assets (continued)

	Floating Rate Income Opportunity (JRO)		Short Duration Credit Opportunities (JSD)	
	Year Ended 7/31/16	**Year Ended 7/31/15**	**Year Ended 7/31/16**	**Year Ended 7/31/15**
Operations				
Net investment income (loss)	$ 29,495,341	$ 30,408,679	$ 12,262,579	$ 12,327,386
Net realized gain (loss) from:				
Investments and foreign currency	(2,403,022)	890,595	(2,399,349)	401,299
Swaps		(962,762)	(411,245)	(438,439)
Change in net unrealized appreciation (depreciation) of:				
Investments and foreign currency	(26,311,460)	(26,174,687)	(8,940,636)	(8,796,752)
Swaps		872,730	50,691	54,909
Net increase (decrease) in net assets applicable to common shares from operations	780,859	5,034,555	562,040	3,548,403
Distributions to Common Shareholders				
From net investment income	(29,320,832)	(29,089,959)	(11,750,913)	(11,750,913)
From accumulated net realized gains			(311,944)	(379,583)
Decrease in net assets applicable to common shares from distributions to common shareholders	(29,320,832)	(29,089,959)	(12,062,857)	(12,130,496)
Capital Share Transactions				
Cost of common shares repurchased and retired				
Net increase (decrease) in net assets applicable to common shares from capital share transactions				
Net increase (decrease) in net assets applicable to common shares	(28,539,973)	(24,055,404)	(11,500,817)	(8,582,093)
Net assets applicable to common shares at the beginning of period	463,728,802	487,784,206	188,031,360	196,613,453
Net assets applicable to common shares at the end of period	$ 435,188,829	$ 463,728,802	$ 176,530,543	$ 188,031,360
Undistributed (Over-distribution of) net investment income at the end of period	$ 406,098	$ (282,189)	$ (527,708)	$ (899,188)

See accompanying notes to financial statements.

	Credit Strategies Income (JQC)	
	Year Ended 7/31/16	**Year Ended 7/31/15**
Operations		
Net investment income (loss)	$ 78,359,710	$ 84,707,962
Net realized gain (loss) from:		
Investments and foreign currency	(19,197,503)	22,176,347
Swaps	115,868	(3,031,192)
Change in net unrealized appreciation (depreciation) of:		
Investments and foreign currency	(63,796,853)	(81,354,562)
Swaps	454,325	2,744,568
Net increase (decrease) in net assets applicable to common shares from operations	(4,064,453)	25,243,123
Distributions to Common Shareholders		
From net investment income	(83,158,181)	(75,543,576)
From accumulated net realized gains		
Decrease in net assets applicable to common shares from distributions to common shareholders	(83,158,181)	(75,543,576)
Capital Share Transactions		
Cost of common shares repurchased and retired	(2,286,458)	(1,239,262)
Net increase (decrease) in net assets applicable to common shares from capital share transactions	(2,286,458)	(1,239,262)
Net increase (decrease) in net assets applicable to common shares	(89,509,092)	(51,539,715)
Net assets applicable to common shares at the beginning of period	1,344,762,845	1,396,302,560
Net assets applicable to common shares at the end of period	$ 1,255,253,753	$ 1,344,762,845
Undistributed (Over-distribution of) net investment income at the end of period	$ (729,773)	$ 2,140,829

See accompanying notes to financial statements.

Statement of

Cash Flows **Year Ended July 31, 2016**

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Cash Flows from Operating Activities:					
Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations	$ 867,648	$ 3,712,630	$ 780,859	$ 562,040	$ (4,064,453)
Adjustments to reconcile the net increase (decrease) in net assets applicable to common shares from operations to net cash provided by (used in) operating activities:					
Purchases of investments	(119,477,501)	(253,885,863)	(182,804,758)	(108,352,339)	(861,055,362)
Proceeds from sales and maturities of investments	140,660,982	285,285,558	217,343,180	93,226,476	958,439,442
Proceeds from (Purchases of) short-term investments, net	23,392,317	67,241,064	37,384,279	8,306,294	(31,064,060)
Proceeds from (Payments for) swap contracts, net				(411,245)	115,868
Proceeds from (Payments for) cash denominated in foreign currencies, net	(5,823)	(14,825)	(9,904)		
Proceeds from (Payments for) closed foreign currency spot contracts	236	601	401		54
Premiums received (paid) for credit default swaps				151,606	(503,202)
Payment-in-kind distributions	(151,073)	(333,282)	(260,170)	(62,901)	(820,658)
Taxes paid			(6,287)		
Proceeds from litigation settlement					447,111
Amortization (Accretion) of premiums and discounts, net	(1,052,919)	(1,285,495)	(1,318,554)	(858,620)	645,354
Amortization of deferred offering costs	246,606	536,128	392,497	77,500	
(Increase) Decrease in:					
Cash collateral at brokers				650,000	(649,995)
Receivable for dividends	806	2,498	1,962		72,701
Receivable for interest	(255,208)	(396,447)	(368,741)	(184,417)	1,993,680
	(7,516,431)	(15,463,034)	(9,116,078)	(7,549,020)	28,679,002

Receivable for investments sold					
Receivable for reclaims					(10,607)
Receivable for variation margin on swaps					(75,448)
Other assets	10,391	34,339	18,872	(477)	2,312
Increase (Decrease) in:					
Payable for investments purchased	(12,554,150)	(21,395,451)	(16,454,852)	1,860,057	4,235,068
Accrued interest	26,358	55,464	40,827	50,003	74,064
Accrued management fees	(31,981)	(74,657)	(57,666)	(1,287)	(134,941)
Accrued Trustees fees	(796)	(21)	263	1,422	(3,702)
Accrued other expenses	(34,545)	(48,867)	(28,431)	(5,169)	18,569
Net realized (gain) loss from:					
Investments and foreign currency	1,495,922	2,197,879	2,403,022	2,399,349	19,197,503
Swaps				411,245	(115,868)
Change in net unrealized (appreciation) depreciation of:					
Investments and foreign currency	15,170,917	34,129,400	26,311,460	8,940,636	63,796,853
Swaps(1)				(50,691)	
Net cash provided by (used in) operating activities	40,791,756	100,297,619	74,252,181	(839,538)	179,219,285
Cash Flows from Financing Activities:					
Proceeds from borrowings	13,000,000	31,000,000	23,000,000		
Repayments of borrowings	(24,500,000)	(60,500,000)	(45,000,000)	(21,200,000)	(79,000,000)
Net borrowings through reverse repurchase agreements					(14,965,152)
(Payments for) deferred offering costs				(898,949)	
Increase (Decrease) in:					
VRTP Shares, at liquidation preference	(13,000,000)	(31,000,000)	(23,000,000)		
Term Preferred, at liquidation preference				35,000,000	
Cash distributions paid to common shareholders	(16,264,506)	(39,797,619)	(29,252,181)	(12,061,513)	(82,967,675)
Cost of common shares repurchased and retired	(27,250)				(2,286,458)
Net cash provided by (used in) financing activities	(40,791,756)	(100,297,619)	(74,252,181)	839,538	(179,219,285)
Net Increase (Decrease) in Cash					
Cash at the beginning of period					
Cash at the end of period	$	$	$	$	$

Supplemental Disclosure of Cash Flow Information	**Senior Income (NSL)**	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**	**Short Duration Credit Opportunities (JSD)**	**Credit Strategies Income (JQC)**
Cash paid for interest on borrowings (excluding borrowing and amortization of offering costs)	$ 2,317,072	$ 5,573,019	$ 3,872,640	$ 1,166,371	$ 12,401,826

(1) Excluding over-the-counter cleared swaps.

See accompanying notes to financial statements.

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Financial

Highlights

Selected data for a common share outstanding throughout each period:

		Investment Operations			Less Distributions to Common Shareholders			Common Share				
	Beginning Common Share NAV	Net Investment Income (Loss)(a)	Net Realized/ Unrealized Gain (Loss)	Total	From Net Investment Income	From Accumulated Net Realized Gains	Total	Offering Costs	Discount from Shares Repurchased and Retired	Premium from Shares Sold through Shelf Offering	Ending NAV	Ending Share Price
Senior Income (NSL)												
Year Ended 7/31:												
2016	$ 7.16	$ 0.45	$ (0.43)	$ 0.02	$ (0.42)	$	$ (0.42)	$	*	$	$ 6.76	$ 6.25
2015	7.51	0.45	(0.38)	0.07	(0.42)		(0.42)				7.16	6.34
2014	7.46	0.44	0.05	0.49	(0.44)		(0.44)				7.51	6.98
2013	7.07	0.54	0.35	0.89	(0.56)		(0.56)	(0.01)		0.07	7.46	7.45
2012	7.12	0.57	(0.10)	0.47	(0.54)		(0.54)			0.02	7.07	7.29
Floating Rate Income (JFR)												
Year Ended 7/31:												
2016	12.01	0.73	(0.66)	0.07	(0.72)		(0.72)				11.36	10.68
2015	12.59	0.75	(0.61)	0.14	(0.72)		(0.72)				12.01	10.67
2014	12.54	0.75	0.06	0.81	(0.76)		(0.76)		*	*	12.59	11.72
2013	11.87	0.90	0.68	1.58	(0.97)		(0.97)		*	0.06	12.54	12.72
2012	12.06	1.02	(0.25)	0.77	(0.96)		(0.96)			*	11.87	11.78

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.
(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund s market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

(c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to preferred shares (as described in Note 4 Fund Shares, Preferred Shares) and/or borrowings (as described in Note 9 Borrowing Arrangements), where applicable.
Each ratio includes the effect of all interest expense paid and other costs related to preferred shares and/or borrowings, where applicable, as follows:

	Ratios of Interest Expense to Average Net Assets Applicable to Common Shares
Senior Income (NSL)	
Year Ended 7/31:	
2016	1.08%
2015	0.89
2014	0.72
2013	0.47
2012	0.47

	Ratios of Interest Expense to Average Net Assets Applicable to Common Shares
Floating Rate Income (JFR)	
Year Ended 7/31:	
2016	1.08%
2015	0.88
2014	0.71
2013	0.48
2012	0.51

Common Share Total Returns			Common Share Supplemental Data/ Ratios Applicable to Common Shares				
			Ratios to Average Net Assets Before Reimbursement(c)		Ratios to Average Net Assets After Reimbursement(c)(d)		
Based on NAV(b)	Based on Share Price(b)	Ending Net Assets (000)	Expenses	Net Investment Income (Loss)(e)	Expenses	Net Investment Income (Loss)(e)	Portfolio Turnover Rate(g)
0.61%	5.89%	$ 261,071	2.53%	6.84%	N/A	N/A	29%
0.96	(3.25)	276,530	2.37	6.08	N/A	N/A	34
6.78	(0.29)	290,088	2.15	5.89	N/A	N/A	58
13.89	10.23	288,025	1.74	7.32	N/A	N/A	76
7.34	12.78	231,866	1.82	8.34	N/A	N/A	64
0.93	7.50	626,627	2.46	6.52	N/A	N/A	26
1.15	(2.88)	662,801	2.29	6.08	N/A	N/A	33
6.62	(1.84)	694,584	2.05	5.94	N/A	N/A	52
14.26	16.76	691,312	1.71	7.34	N/A	N/A	69
6.91	12.43	572,118	1.79	8.72	1.72%	8.80%	57

(d) After expense reimbursement from the Adviser, where applicable. As of March 31, 2012, the Adviser is no longer reimbursing Floating Rate Income (JFR) for any fees or expenses.

(e) Each Ratio of Net Investment Income (Loss) includes the effect of the increase (decrease) of the net realizable value of the receivable for the matured senior loans. The increase (decrease) to the Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares were as follows:

	Increase (Decrease) of Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares(f)
Senior Income (NSL)	
Year Ended 7/31:	
2016	%
2015	
2014	
2013	
2012	(0.01)
	Increase (Decrease) of Ratios of Net Investment Income (Loss) to Average Net

	Assets Applicable to Common Shares(f)	
Floating Rate Income (JFR)		
Year Ended 7/31:		
2016		%
2015		
2014		
2013		
2012	0.01	

(f) The Fund had no matured senior loans subsequent to the fiscal year ended July 31, 2012.
(g) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.
* Rounds to less than $0.01 per share.
N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a common share outstanding throughout each period:

		Investment Operations			Less Distributions to Common Shareholders			Common Share			
	Beginning Common Share NAV	Net Investment Income (Loss)(a)	Net Realized/ Unrealized Gain (Loss)	Total	From Net Investment Income	From Accumulated Net Realized Gains	Total	Offering Costs	Premium from Shares Sold through Shelf Offering	Ending NAV	Ending Share Price
Floating Rate Income Opportunity (JRO)											
Year Ended 7/31:											
2016	$ 12.05	$ 0.77	$ (0.75)	$ 0.02	$ (0.76)	$	$ (0.76)	$	$	$ 11.31	$ 10.72
2015	12.68	0.79	(0.66)	0.13	(0.76)		(0.76)			12.05	10.82
2014	12.55	0.78	0.14	0.92	(0.79)		(0.79)	*	*	12.68	12.40
2013	11.84	0.95	0.68	1.63	(1.04)		(1.04)	(0.01)	0.13	12.55	12.73
2012	11.96	1.13	(0.26)	0.87	(1.01)		(1.01)		0.02	11.84	12.09
Short Duration Credit Opportunities (JSD)											
Year Ended 7/31:											
2016	18.63	1.21	(1.16)	0.05	(1.16)	(0.03)	(1.19)			17.49	16.16
2015	19.48	1.22	(0.87)	0.35	(1.16)	(0.04)	(1.20)			18.63	16.41
2014	19.91	1.29	(0.02)	1.27	(1.37)	(0.33)	(1.70)	*		19.48	18.20
2013	19.49	1.61	0.49	2.10	(1.61)	(0.07)	(1.68)		*	19.91	19.89
2012	19.08	1.56	0.25	1.81	(1.40)		(1.40)			19.49	19.54

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund s market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

(c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to preferred shares (as described in Note 4 Fund Shares, Preferred Shares) and/or borrowings (as described in Note

9 Borrowing Arrangements), where applicable.

Each ratio includes the effect of all interest expense paid and other costs related to preferred shares and/or borrowings, where applicable, as follows:

	Ratios of Interest Expense to Average Net Assets Applicable to Common Shares
Floating Rate Income Opportunity (JRO)	
Year Ended 7/31:	
2016	1.08%
2015	0.89
2014	0.71
2013	0.46
2012	0.47

	Ratios of Interest Expense to Average Net Assets Applicable to Common Shares
Short Duration Credit Opportunities (JSD)	
Year Ended 7/31:	
2016	0.82%
2015	0.45
2014	0.50
2013	0.50
2012	0.47

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Common Share Total Returns			Common Share Supplemental Data/ Ratios Applicable to Common Shares				
			Ratios to Average Net Assets Before Reimbursement(c)		Ratios to Average Net Assets After Reimbursement(c)(d)		
Based on NAV(b)	Based on Share Price(b)	Ending Net Assets (000)	Expenses	Net Investment Income (Loss)(e)	Expenses	Net Investment Income (Loss)(e)	Portfolio Turnover Rate(g)
0.53%	6.91%	$ 435,189	2.49%	6.91%	N/A	N/A	27%
1.03	(6.74)	463,729	2.31	6.41	N/A	N/A	34
7.54	3.91	487,784	2.07	6.16	N/A	N/A	55
15.27	14.42	482,204	1.71	7.73	N/A	N/A	72
8.03	15.20	369,939	1.74	9.75	1.65%	9.85%	85
0.62	6.52	176,531	2.27	7.05	N/A	N/A	34
1.87	(3.27)	188,031	1.78	6.43	N/A	N/A	31
6.59	0.16	196,613	1.88	6.52	N/A	N/A	45
11.17	10.77	201,031	1.80	8.12	N/A	N/A	82
9.96	14.77	195,165	1.75	8.25	N/A	N/A	62

(d) After expense reimbursement from the Adviser, where applicable. As of July 31, 2012, the Adviser is no longer reimbursing Floating Rate Income Opportunity (JRO) for any fees or expenses.

(e) Each Ratio of Net Investment Income (Loss) includes the effect of the increase (decrease) of the net realizable value of the receivable for matured senior loans. The increase (decrease) to the Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares were as follows:

	Increase (Decrease) to Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares(f)
Floating Rate Income Opportunity (JRO)	
Year Ended 7/31:	
2016	%
2015	
2014	
2013	
2012	0.01

Increase (Decrease) to Ratios of Net Investment Income (Loss) to

	Average Net Assets Applicable to Common Shares(f)	
Short Duration Credit Opportunities (JSD)		
Year Ended 7/31:		
2016		%
2015		
2014		
2013		
2012		

(f) Floating Rate Income Opportunity (JRO) had no matured senior loans subsequent to the fiscal year ended July 31, 2012. Short Duration Credit Opportunities (JSD) has not had any matured senior loans since its commencement of operations on May 25, 2011.

(g) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.

* Rounds to less than $0.01 per share.

N/A Fund does not have, or no longer has, a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a common share outstanding throughout each period:

		Investment Operations			Less Distributions to Common Shareholders				Common Share		
	Beginning Common Share NAV	**Net Investment Income (Loss)(a)**	**Net Realized/ Unrealized Gain (Loss)**	**Total**	**From Net Investment Income**	**From Accumulated Net Realized Gains**	**Return of Capital**	**Total**	**Discount from Shares Repurchased and Retired**	**Ending NAV**	**Ending Share Price**
Credit Strategies Income (JQC)											
Year Ended 7/31:											
2016	$ 9.88	$ 0.58	$ (0.60)	$ (0.02)	$ (0.61)	$	$	$ (0.61)	$ *	$ 9.25	$ 8.43
2015	10.25	0.62	(0.43)	0.19	(0.56)			(0.56)	*	9.88	8.59
2014	10.13	0.60	0.16	0.76	(0.64)			(0.64)	*	10.25	9.05
2013(j)	9.88	0.42	0.29	0.71	(0.46)			(0.46)		10.13	10.03
Year Ended 12/31:											
2012	9.18	0.78	0.72	1.50	(0.80)			(0.80)		9.88	9.65
2011	10.13	0.55	(0.72)	(0.17)	(0.79)			(0.79)	0.01	9.18	8.05

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund s market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

(c) After expense reimbursement from the Adviser, where applicable. As of June 30, 2011, the Adviser is no longer reimbursing the Fund for any fees or expenses.

(d) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to reverse repurchase agreements and borrowings, where applicable (as described in Note 9 Borrowing Arrangements).

Each ratio includes the effect of dividends expense on securities sold short and all interest expense and other costs related to reverse repurchase agreements and borrowings, where applicable, as follows:

Credit Strategies Income (JQC)	Ratios of Dividends Expense on Securities Sold Short to Average Net Assets Applicable to Common Shares(i)	Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares
Year Ended 7/31:		
2016	%	1.01%
2015		0.66
2014		0.52
2013(j)		0.55***
Year Ended 12/31:		
2012	**	0.58
2011	**	0.43

Common Share Total Returns			Common Share Supplemental Data/ Ratios Applicable to Common Shares				
			Ratios to Average Net Assets Before Reimbursement(d)		Ratios to Average Net Assets After Reimbursement(c)(d)		
Based on NAV(b)	Based on Share Price(b)	Ending Net Assets (000)	Expenses	Net Investment Income Loss(f)	Expenses	Net Investment Income Loss(f)	Portfolio Turnover Rate(h)
0.11%	5.98%	$ 1,255,254	2.41%	6.32%	N/A	N/A	46%
1.82	1.02	1,344,763	1.95	6.16	N/A	N/A	61
7.74	(3.44)	1,396,303	1.77	5.84	1.76%(e)	5.85%(e)	65
7.32	8.80	1,380,261	1.77***	7.22***	N/A	N/A	44
16.80	30.55	1,345,657	1.86	8.07	N/A	N/A	127
(1.70)	0.24	1,250,245	1.70	5.44	1.65%	5.49%	37

(e) During the fiscal year ended July 31, 2014, the Adviser voluntarily reimbursed the Fund for certain expenses incurred in connection with a common shares equity shelf program. As a result the Expenses and Net Investment Income (Loss) Ratios to Average Net Assets Applicable to Common Shares reflect the voluntary expense reimbursement from Adviser.

(f) Each Ratio of Net Investment Income (Loss) includes the effect of the increase (decrease) of the net realizable value of the receivable for matured senior loans. The increase (decrease) to the Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares were as follows:

	Increase (Decrease) to Ratios of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares(g)
Year Ended 7/31:	
2016	%
2015	
2014	
2013(j)	
Year Ended 12/31:	
2012	**
2011	**

(g) The Fund had no matured senior loans subsequent to the fiscal year ended December 31, 2012.

(h) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.
(i) Effective for periods beginning after December 31, 2012, the Fund no longer makes short sales of securities.
(j) For the seven months ended July 31, 2013.
* Rounds to less than $0.01 per share.
** Rounds to less than 0.01%.
*** Annualized.
N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

Financial Highlights (continued)

	Borrowings at the End of Period		VRTP Shares at the End of Period		Term Preferred at the End of Period		Borrowings, VRTP Shares and/or Term Preferred at the End of Period
	Aggregate Amount Outstanding (000)	**Asset Coverage Per $1,000 Share**	**Aggregate Amount Outstanding (000)**	**Asset Coverage Per $100,000 Share**	**Aggregate Amount Outstanding (000)**	**Asset Coverage Per $1,000 Share**	**Asset Coverage Per $1 Liquidation Preference**
Senior Income (NSL)							
Year Ended 7/31:							
2016	$ 101,000	$ 2,788	$ 45,000	$ 278,816	$	$	$ 2.79
2015	112,500	2,622	58,000	262,188			2.62
2014	112,000	2,706	58,000	270,640			2.71
2013	123,000	3,342					
2012	100,000	3,319					
Floating Rate Income (JFR)							
Year Ended 7/31:							
2016	240,800	2,797	108,000	279,652			2.80
2015	270,300	2,619	139,000	261,935			2.62
2014	269,000	2,702	139,000	270,241			2.70
2013	295,200	3,342					
2012	249,200	3,296					
Floating Rate Income Opportunity (JRO)							
Year Ended 7/31:							
2016	166,800	2,800	75,000	279,979			2.80
2015	188,800	2,617	98,000	261,691			2.62
2014	188,000	2,706	98,000	270,554			2.71
2013	201,900	3,388					
2012	159,900	3,314					
Short Duration Credit Opportunities (JSD)							
Year Ended 7/31:							
2016	64,000	2,783			35,000	2,783	2.78
2015	85,200	3,207					
2014	85,000	3,313					
2013	85,000	3,365					
2012	85,000	3,296					
Credit Strategies Income (JQC)							
Year Ended 7/31:							

2016	561,000	3,238
2015	640,000	3,101
2014	606,000	3,304
2013(a)	561,000	3,460
Year Ended 12/31:		
2012	561,000	3,399
2011	517,000	3,418

(a) For the seven months ended July 31, 2013.

See accompanying notes to financial statements.

Notes to

Financial Statements

1. General Information and Significant Accounting Policies

General Information

Fund Information

The funds covered in this report and their corresponding New York Stock Exchange (NYSE) symbols are as follows (each a Fund and collectively, the Funds):

Nuveen Senior Income Fund (NSL) (Senior Income (NSL))

Nuveen Floating Rate Income Fund (JFR) (Floating Rate Income (JFR))

Nuveen Floating Rate Income Opportunity Fund (JRO) (Floating Rate Income Opportunity (JRO))

Nuveen Short Duration Credit Opportunities Fund (JSD) (Short Duration Credit Opportunities (JSD))

Nuveen Credit Strategies Income Fund (JQC) (Credit Strategies Income (JQC))

The Funds are registered under the Investment Company Act of 1940, as amended, as diversified closed-end management investment companies. Senior Income (NSL), Floating Rate Income (JFR), Floating Rate Income Opportunity (JRO), Short Duration Credit Opportunities (JSD) and Credit Strategies Income (JQC) were organized as Massachusetts business trusts on August 13, 1999, January 15, 2004, April 27, 2004, January 3, 2011 and May 17, 2003, respectively.

The end of the reporting period for the Funds is July 31, 2016, and the period covered by these Notes to Financial Statements is the fiscal year ended July 31, 2016 (the current fiscal period).

Investment Adviser

The Funds investment adviser is Nuveen Fund Advisors, LLC (the Adviser), a wholly owned subsidiary of Nuveen Investments, Inc. (Nuveen). Nuveen is an operating division of TIAA Global Asset Management. The Adviser has overall responsibility for management of the Funds, oversees the management of the Funds portfolios, manages the Funds business affairs and provides certain clerical, bookkeeping and other administrative services, and, if necessary, asset allocation decisions. The Adviser has entered into sub-advisory agreements with Symphony Asset Management, LLC (Symphony), an affiliate of Nuveen, under which Symphony manages the investment portfolios of the Funds. The Adviser is responsible for overseeing the Funds investments in interest rate and credit default swap contracts.

Investment Objectives and Principal Investment Strategies

Senior Income s (NSL) investment objective is to achieve a high level of current income, consistent with capital preservation. The Fund invests at least 80% of its managed assets (as defined in Note 7 Management Fees and Other Transactions with Affiliates) in adjustable rate senior loans. Senior loans that satisfy the 80% requirement may be secured or unsecured so long as any unsecured senior loans are investment grade quality. The Fund invests at least 65% of its managed assets in adjustable rate senior loans that are secured by specific collateral. The Fund may invest a substantial portion of its managed assets in senior loans and other debt instruments that are, at the time of investment, rated below investment grade or are unrated but judged to be of comparable quality by Symphony.

Floating Rate Income s (JFR) investment objective is to achieve a high level of current income. The Fund invests at least 80% of its managed assets in adjustable rate loans, primarily secured senior loans. As part of the 80% requirement, the Fund also may invest in unsecured senior loans and secured and unsecured subordinated loans. The Fund invests at least 65% of its managed assets in adjustable rate senior loans that are secured by specific collateral. The Fund may invest a substantial portion of its managed assets in senior loans and other debt instruments that are, at the time of investment, rated below investment grade or are unrated but judged to be of comparable quality by Symphony.

Floating Rate Income Opportunity s (JRO) investment objective is to achieve a high level of current income. The Fund invests at least 80% of its managed assets in adjustable rate loans, primarily secured senior loans. As part of the 80% requirement, the Fund also may invest in unsecured senior loans and secured and unsecured subordinated loans. The Fund invests at least 65% of its managed assets in adjustable rate senior loans that are secured by specific collateral.

Short Duration Credit Opportunities (JSD) investment objective is to provide current income and the potential for capital appreciation. Under normal market circumstances the Fund will invest at least 70% of its managed assets in adjustable rate corporate debt instruments, including senior secured loans, second lien loans and other adjustable rate corporate debt instruments. The Fund may make limited tactical investments in high yield debt and other debt instruments of up to 30% of its managed assets. No more than 30% of the Fund s managed assets may be invested in debt instruments that

Notes to Financial Statements (continued)

are, at the time of investment, rated CCC+ or Caa or below by any Nationally Recognized Statistical Rating Organization or that are unrated but judged by Symphony, to be of comparable quality. The Fund may enter into tactical short positions consisting primarily of high yield debt, either directly or through the use of derivatives, including credit default swaps, creating investment exposure or hedging existing long (positive) investment exposure in a notional amount up to 20% of its managed assets. The Fund may invest up to 20% of its managed assets in debt instruments of non-U.S. issuers that are U.S. dollar or non-U.S. dollar denominated. The Fund s investments in debt instruments of non-U.S. issuers may include debt instruments of issuers located, or conducting their business, in emerging markets countries.

Credit Strategies Income s (JQC) investment objectives are high current income and total return. The Fund meets its investment objectives by investing approximately 70% of its managed assets in senior secured and second lien loans, and up to 30% of its managed assets across the capital structure of companies (including equity securities) with a primary emphasis on high yield bonds, convertible securities and other forms of income-producing securities.

Effective September 30, 2015, the Funds can invest up to 5% in iBOXX Loan Total Return Swaps.

Significant Accounting Policies

Each Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 Financial Services Investment Companies. The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Investment Transactions

Investment transactions are recorded on a trade date basis. Trade date for senior and subordinated loans purchased in the primary market is considered the date on which the loan allocations are determined. Trade date for senior and subordinated loans purchased in the secondary market is the date on which the transaction is entered into. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have earmarked securities in their portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments.

As of the end of the reporting period, the Funds outstanding when-issued/delayed delivery purchase commitments were as follows:

	Senior Income (NSL)	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**	**Short Duration Credit Opportunities (JSD)**	**Credit Strategies Income (JQC)**
Outstanding when-issued/delayed delivery purchase commitments	$ 17,688,036	$ 41,540,783	$ 27,205,562	$ 12,223,168	$ 108,303,150

Investment Income

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Fee income consists primarily of amendment fees. Amendment fees are earned as compensation for evaluating and accepting changes to an original senior loan agreement and are recognized when received. Fee income and amendment fees, if any, are recognized as Fees on the Statement of Operations.

Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. If a refund is received for workout expenditures paid in a prior reporting period, such amounts will be recognized as Legal fee refund on the Statement of Operations.

Dividends and Distributions to Common Shareholders

Dividends from net investment income to common shareholders are declared monthly. Net realized capital gains from investment transactions, if any, are declared and distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to common shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

Indemnifications

Under the Funds organizational documents, their officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Netting Agreements

In the ordinary course of business, the Funds may enter into transactions subject to enforceable master repurchase agreements, International Swaps and Derivative Association, Inc. (ISDA) master agreements or other similar arrangements (netting agreements). Generally, the right to offset in netting agreements allows each Fund to offset certain securities and derivatives with a specific counterparty, when applicable, as well as any collateral received or delivered to that counterparty based on the terms of the agreements. Generally, each Fund manages its cash collateral and securities collateral on a counterparty basis.

The Funds investments subject to netting agreements as of the end of the reporting period, if any, are further described in Note 3 Portfolio Securities and Investments in Derivatives.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to common shares from operations during the reporting period. Actual results may differ from those estimates.

2. Investment Valuation and Fair Value Measurements

The fair valuation input levels as described below are for fair value measurement purposes.

Fair value is defined as the price that would be received upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity s own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.
Level 2 Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3 Prices are determined using significant unobservable inputs (including management s assumptions in determining the fair value of investments).

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1. Securities primarily traded on the NASDAQ National Market (NASDAQ) are valued at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2.

Prices of fixed-income securities are provided by an independent pricing service (pricing service) approved by the Funds Board of Trustees (the Board). The pricing service establishes a security s fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor s credit characteristics considered relevant. These securities are generally classified as Level 2. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer or market activity provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs.

Like most fixed-income securities, the senior and subordinated loans in which the Funds invest are not listed on an organized exchange. The secondary market of such investments may be less liquid relative to markets for other fixed-income securities. Consequently, the value of senior and subordinated loans, determined as described above, may differ significantly from the value that would have been determined had there been an active market for that senior loan. These securities are generally classified as Level 2.

Prices of swap contracts are also provided by an independent pricing service approved by the Board using the same methods as described above and are generally classified as Level 2.

Exchange-traded funds are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1.

Investments in investment companies are valued at their respective net asset value (NAV) on the valuation date and are generally classified as Level 1.

Repurchase agreements are valued at contract amount plus accrued interest, which approximates market value. These securities are generally classified as Level 2.

Notes to Financial Statements (continued)

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the NAV of the Funds shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed and an investor is not able to purchase, redeem or exchange shares. If significant market events occur between the time of determination of the closing price of a foreign security on an exchange and the time that the Funds NAV is determined, or if under the Funds procedures, the closing price of a foreign security is not deemed to be reliable, the security would be valued at fair value as determined in accordance with procedures established in good faith by the Board. These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Board and/or its appointee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund s NAV (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security s fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor s credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Board and/or its appointee.

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund s fair value measurements as of the end of the reporting period:

Senior Income (NSL)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-Term Investments*:				
Variable Rate Senior Loan Interests**	$	$ 348,121,496	$ 200	$ 348,121,696
Common Stocks**	3,316,962	1,926,040	***	5,243,002
$25 Par (or similar) Retail Preferred**		435		435
Corporate Bonds		43,567,404		43,567,404
Short-Term Investments:				
Repurchase Agreements		15,887,007		15,887,007
Total	$ 3,316,962	$ 409,502,382	$ 200	$ 412,819,544

Floating Rate Income (JFR)				
Long-Term Investments*:				
Variable Rate Senior Loan Interests**	$	$ 803,055,743	$ 563	$ 803,056,306
Common Stocks**	5,054,292	4,187,780	1	9,242,073
$25 Par (or similar) Retail Preferred**		2,747		2,747
Convertible Bonds		752,250		752,250
Corporate Bonds		91,953,183		91,953,183
Asset-Backed Securities		40,391,616		40,391,616
Investment Companies	10,969,648			10,969,648
Short-Term Investments:				
Repurchase Agreements		31,702,838		31,702,838
Total	$ 16,023,940	$ 972,046,157	$ 564	$ 988,070,661
Floating Rate Income Opportunity (JRO)				
Long-Term Investments*:				
Variable Rate Senior Loan Interests**	$	$ 554,050,165	$ 312	$ 554,050,477
Common Stocks**	4,503,056	3,795,735	1	8,298,792
$25 Par (or similar) Retail Preferred**		869		869
Convertible Bonds		486,750		486,750
Corporate Bonds		72,677,127		72,677,127
Asset-Backed Securities		26,714,075		26,714,075
Short-Term Investments:				
Repurchase Agreements		24,416,875		24,416,875
Total	$ 4,503,056	$ 682,141,596	$ 313	$ 686,644,965

Short Duration Credit Opportunities (JSD)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-Term Investments*:				
Variable Rate Senior Loan Interests	$	$ 239,970,367	$	$ 239,970,367
Common Stocks**	36,174	1,043,902		1,080,076
Corporate Bonds		29,059,243		29,059,243
Short-Term Investments:				
Repurchase Agreements		7,550,711		7,550,711
Investments in Derivatives:				
Interest Rate Swaps****		(371,936)	383,024	11,088
Credit Default Swaps****		(158,625)		(158,625)
Total	$ 36,174	$ 277,093,662	$ 383,024	$ 277,512,860
Credit Strategies Income (JQC)				
Long-Term Investments*:				
Variable Rate Senior Loan Interests	$	$ 1,494,076,620	$	$ 1,494,076,620
Common Stocks**	1,435,643	10,633,958	***	12,069,601
Exchange-Traded Funds	67,835,839			67,835,839
Convertible Preferred Securities	8,972,018			8,972,018
Corporate Bonds		313,749,996		313,749,996
Short-Term Investments:				
Repurchase Agreements		104,537,954		104,537,954
Investments in Derivatives:				
Credit Default Swaps****		454,325		454,325
Total	$ 78,243,500	$ 1,923,452,853	$	$ 2,001,696,353

* Refer to the Fund s Portfolio of Investments for industry classifications.

** Refer to the Fund s Portfolio of Investments for securities classified as Level 2 and/or Level 3.

*** Value equals zero as of the end of the reporting period.

**** Represents net unrealized appreciation (depreciation) as reported in the Fund s Portfolio of Investments.

The Board is responsible for the valuation process and has appointed the oversight of the daily valuation process to the Adviser s Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board, is responsible for making fair value determinations, evaluating the effectiveness of the Funds pricing policies and reporting to the Board. The Valuation Committee is aided in its efforts by the Adviser s dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the Funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

(i) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.

(ii) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument s current value.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board.

Notes to Financial Statements (continued)

3. Portfolio Securities and Investments in Derivatives

Portfolio Securities

Foreign Currency Transactions

To the extent that the Funds may invest in securities and/or contracts that are denominated in a currency other than U.S. dollars, the Funds will be subject to currency risk, which is the risk that an increase in the U.S. dollar relative to the foreign currency will reduce returns or portfolio value. Generally, when the U.S. dollar rises in value against a foreign currency, the Funds investments denominated in that currency will lose value because its currency is worth fewer U.S. dollars; the opposite effect occurs if the U.S. dollar falls in relative value. Investments and other assets and liabilities denominated in foreign currencies are converted into U.S. dollars on a spot (i.e. cash) basis at the spot rate prevailing in the foreign currency exchange market at the time of valuation. Purchases and sales of investments and income denominated in foreign currencies are translated into U.S. dollars on the respective dates of such transactions.

The books and records of the Funds are maintained in U.S. dollars. Foreign currencies, assets and liabilities are translated into U.S. dollars at 4:00 p.m. Eastern Time. Investment transactions, income and expenses are translated on the respective dates of such transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date of the transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of a Fund and the amounts actually received.

The realized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with (i) foreign currency, (ii) investments, (iii) investments in derivatives and (iv) other assets and liabilities are recognized as a component of Net realized gain (loss) from investments and foreign currency on the Statement of Operations, when applicable.

The unrealized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with (i) investments and (ii) other assets and liabilities are recognized as a component of Change in net unrealized appreciation (depreciation) of investments and foreign currency on the Statement of Operations, when applicable. The unrealized gains and losses resulting from changes in foreign exchange rates associated with investments in derivatives are recognized as a component of the respective derivative s related Change in net unrealized appreciation (depreciation) on the Statement of Operations, when applicable.

Repurchase Agreements

In connection with transactions in repurchase agreements, it is each Fund s policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the counterparty defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

The following table presents the repurchase agreements for the Funds that are subject to netting agreements as of the end of the reporting period, and the collateral delivered related to those repurchase agreements.

Fund	Counterparty	Short-Term Investments, at Value	Collateral Pledged (From) Counterparty*	Net Exposure
Senior Income (NSL)	Fixed Income Clearing Corporation	$ 15,887,007	$ (15,887,007)	$
Floating Rate Income (JFR)	Fixed Income Clearing Corporation	31,702,838	(31,702,838)	
Floating Rate Income Opportunity (JRO)	Fixed Income Clearing Corporation	24,416,875	(24,416,875)	
Short Duration Credit Opportunities (JSD)	Fixed Income Clearing Corporation	7,550,711	(7,550,711)	
Credit Strategies Income (JQC)	Fixed Income Clearing Corporation	104,537,954	(104,537,954)	

* As of the end of the reporting period, the value of the collateral pledged from the counterparty exceeded the value of the repurchase agreements. Refer to the Fund s Portfolio of Investments for details on the repurchase agreements.

Zero Coupon Securities

A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Investments in Derivatives

Each Fund is authorized to invest in certain derivative instruments, such as futures, options and swap contracts. Each Fund limits its investments in futures, options on futures and swap contracts to the extent necessary for the Adviser to claim the exclusion from registration by the Commodity Futures Trading Commission as a commodity pool operator with respect to the Fund. The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

Interest Rate Swap Contracts

Interest rate swap contracts involve a Fund s agreement with the counterparty to pay or receive a fixed rate payment in exchange for the counterparty receiving or paying a variable rate payment. Forward interest rate swap contracts involve a Fund s agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which begin at a specified date in the future (the effective date).

The amount of the payment obligation for an interest rate swap is based on the notional amount and the termination date of the contract. Interest rate swap contracts do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that the Fund is to receive.

Interest rate swap contracts are valued daily. Upon entering into an interest rate swap contract (and beginning on the effective date for a forward interest rate swap contract), the Fund accrues the fixed rate payment expected to be paid or received and the variable rate payment expected to be received or paid on the interest rate swap contracts on a daily basis, and recognizes the daily change in the fair value of the Fund s contractual rights and obligations under the contracts. For an over-the-counter (OTC) swap that is not cleared through a clearing house (OTC Uncleared), the net amount recorded on these transactions, for each counterparty, is recognized on the Statement of Assets and Liabilities as a component of Unrealized appreciation or depreciation on interest rate swaps (, net).

Upon the execution of an OTC swap cleared through a clearing house (OTC Cleared), the Fund is obligated to deposit cash or eligible securities, also known as initial margin, into an account at its clearing broker equal to a specified percentage of the contract amount. Cash deposited by the Fund to cover initial margin requirements on open swap contracts, if any, is recognized as a component of Cash collateral at brokers on the Statement of Assets and Liabilities. Investments in OTC Cleared swaps obligate the Fund and the clearing broker to settle monies on a daily basis representing changes in the prior day s mark-to-market of the swap contract. If the Fund has unrealized appreciation, the clearing broker will credit the Fund s account with an amount equal to the appreciation. Conversely, if the Fund has unrealized depreciation, the clearing broker will debit the Fund s account with an amount equal to the depreciation. These daily cash settlements are also known as variation margin. Variation margin for OTC Cleared swaps is recognized as a receivable and/or payable for Variation margin on swap contracts on the Statement of Assets and Liabilities. Upon the execution of an OTC Uncleared swap, neither the Fund nor the counterparty is required to deposit initial margin as the trades are recorded bilaterally between both parties to the swap contract, and the terms of the variation margin are subject to a predetermined threshold negotiated by the Fund and the counterparty. Variation margin for OTC Uncleared swaps is recognized as a component of Unrealized appreciation or depreciation on interest rate swaps (, net) as described in the preceding paragraph.

The net amount of periodic payments settled in cash are recognized as a component of Net realized gain (loss) from swaps on the Statement of Operations, in addition to the net realized gain or loss recorded upon the termination of the swap contract. For tax purposes, payments expected to be received or paid on the swap contracts are treated as ordinary income or expense, respectively. Changes in the value of the swap contracts during the fiscal period are recognized as a component of Change in net unrealized appreciation (depreciation) of swaps on the Statement of Operations. In certain instances, payments are made or received upon entering into the swap contract to compensate for differences between the stated terms of the swap agreements and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Payments received or made at the beginning of the measurement period, if any, are recognized as Interest rate swaps premiums paid and/or received on the Statement of Assets and Liabilities.

During the current fiscal period, Short Duration Credit Opportunities (JSD) used interest rate swaps in which the Fund received payments based upon floating (one- or three-month) LIBOR rates, and paid a fixed rate of interest. The purpose of the interest rate swaps is to convert some portion of the Fund s floating rate leverage (bank borrowings) to fixed rate through the maturity date of the swap. The Fund also entered into a cancellable interest rate swap in which the Fund received payments based upon pre-determined fixed rates and paid one-month LIBOR plus a fixed spread. After a non-callable period, the swap counterparty owns the right on future monthly dates to terminate the swap at par. The purpose of the cancellable interest rate swap is to convert a fixed rate Term Preferred Share issuance to floating rate, and the cancellation dates of the swap correspond to dates on which the Fund can call the Term Preferred Share issue.

The average notional amount of interest rate swap contracts outstanding during the current fiscal period was as follows:

	Short Duration Credit Opportunities (JSD)
Average notional amount of interest rate swap contracts outstanding*	$ 38,500,000

* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal period and at the end of each fiscal quarter within the current fiscal period.

Notes to Financial Statements (continued)

Credit Default Swap Contracts

A Fund may enter into a credit default swap contract to seek to maintain a total return on a particular investment or portion of its portfolio, or to take an active long or short position with respect to the likelihood of a particular issuer s default. Credit default swap contracts involve one party making a stream of payments to another party in exchange for the right to receive a specified return if/when there is a credit event by a third party. Generally, a credit event means bankruptcy, failure to pay, or restructuring. The specific credit events applicable for each credit default swap are stated in the terms of the particular swap agreement. When the Fund has bought (sold) protection in a credit default swap, upon occurrence of a specific credit event with respect to the underlying referenced entity, the Fund will either (i) deliver (receive) that security, or an equivalent amount of cash, from the counterparty in exchange for receipt (payment) of the notional amount to the counterparty, or (ii) receive (pay) a net settlement amount of the credit default swap contract less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The difference between the value of the security received (delivered) and the notional amount delivered (received) is recorded as a realized gain or loss. Payments paid (received) or made at the beginning of the measurement period are recognized as a component of Credit default swaps premiums paid and/or received on the Statement of Assets and Liabilities, when applicable.

Credit default swap contracts are valued daily. Changes in the value of a credit default swap during the fiscal period are recognized as a component of Change in net unrealized appreciation (depreciation) of swaps and realized gains and losses are recognized as a component of Net realized gain (loss) from swaps on the Statement of Operations.

For OTC swaps not cleared through a clearing house (OTC Uncleared), the daily change in the market value of the swap contract, along with any daily interest fees accrued, are recognized as components of Unrealized appreciation or depreciation on credit default swaps (, net) on the Statement of Assets and Liabilities.

Upon the execution of an OTC swap cleared through a clearing house (OTC Cleared), a Fund is obligated to deposit cash or eligible securities, also known as initial margin, into an account at its clearing broker equal to a specified percentage of the contract amount. Cash held by the broker to cover initial margin requirements on open swap contracts, if any, is recognized as Cash collateral at brokers on the Statement of Assets and Liabilities. Investments in OTC Cleared swaps obligate a Fund and the clearing broker to settle monies on a daily basis representing changes in the prior day s mark-to-market of the swap. If a Fund has unrealized appreciation the clearing broker would credit the Fund s account with an amount equal to the appreciation and conversely if a Fund has unrealized depreciation the clearing broker would debit a Fund s account with an amount equal to the depreciation. These daily cash settlements are also known as variation margin. Variation margin for OTC Cleared swaps is recognized as a receivable and/or payable for Variation margin on swap contracts on the Statement of Assets and Liabilities. Upon the execution of an OTC Uncleared swap, neither the Fund nor the counterparty is required to deposit initial margin as the trades are recorded bilaterally between both parties to the swap contract, and the terms of the variation margin are subject to a predetermined threshold negotiated by the Fund and the counterparty. Variation margin for OTC Uncleared swaps is recognized as a component of Unrealized appreciation or depreciation on interest rate swaps (, net) as described in the preceding paragraph. The maximum potential amount of future payments the Fund could incur as a buyer or seller of protection in a credit default swap contract is limited to the notional amount of the contract. The maximum potential amount would be offset by the recovery value, if any, of the respective referenced entity.

During the current fiscal period, Short Duration Credit Opportunities (JSD) and Credit Strategies Income (JQC) invested in credit default swap contracts to provide a benefit if particular bonds credit quality worsened.

The average notional amount of credit default swap contracts outstanding during the current fiscal period was as follows:

	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Average notional amount of credit default swap contracts outstanding*	$ 7,700,000	$ 6,000,000

* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal period and at the end of each fiscal quarter within the current fiscal period.

The following table presents the fair value of all swap contracts held by the Funds as of the end of the reporting period, the location of these instruments on the Statement of Assets and Liabilities and the primary underlying risk exposure.

		Location on the Statement of Assets and Liabilities			
Underlying	Derivative	Asset Derivatives		(Liability) Derivatives	
Risk Exposure	Instrument	Location	Value	Location	Value
Short Duration Credit Opportunities (JSD)					
Interest rate	Swaps (OTC Uncleared)	Unrealized appreciation on interest rate swaps, net	$ (371,936)		$
Interest rate	Swaps (OTC Uncleared)	Unrealized appreciation on interest rate swaps, net	383,024		
Credit	Swaps (OTC Uncleared)			Unrealized depreciation on credit default swaps^	(158,625)
Total			$ 11,088		$ (158,625)
Credit Strategies Income (JQC)					
Credit	Swaps (OTC Cleared)	Receivable for variation margin on swap contracts**^	$ 454,325		$

** Value represents the unrealized appreciation (depreciation) of swaps as reported in the Fund s Portfolio of Investments and not the asset and/or liability amount as described above.

^ Some swap contracts require a counterparty to pay or receive a premium, which is disclosed on the Statement of Assets and Liabilities and is not reflected in the cumulative unrealized appreciation (depreciation) presented above.

The following tables present the swap contracts subject to netting agreements and the collateral delivered related to those swap contracts as of end of the reporting period.

Fund	Counterparty	Gross Unrealized Appreciation on Interest Rate Swaps***	Gross Unrealized (Depreciation) on Interest Rate Swaps***	Amounts Netted on Statement of Assets and Liabilities	Net Unrealized Appreciation (Depreciation) on Interest Rate Swaps	Collateral Pledged to (from) Counterparty	Net Exposure
Short Duration Credit Opportunities (JSD)	Morgan Stanley Capital Services LLC	$ 383,024	$ (371,936)	$ (371,936)	$ 11,088	$	$ 11,088

Fund	Counterparty	Gross Unrealized Appreciation on Credit Default Swaps***	Gross Unrealized (Depreciation) on Credit Default Swaps***	Amounts Netted on Statement of Assets and Liabilities	Net Unrealized Appreciation (Depreciation) on Credit Default Swaps	Collateral Pledged to (from) Counterparty	Net Exposure
Short Duration Credit							

Opportunities (JSD)	JPMorgan Chase Bank, N.A.	$	$ (78,357)	$	$ (78,357)	$	$ (78,357)
	Citibank, National Association		(15,952)		(15,952)		(15,952)
	Goldman Sachs Bank USA		(64,316)		(64,316)		(64,316)
Total		$	$ (158,625)	$	$ (158,625)	$	$ (158,625)

*** Represents gross unrealized appreciation (depreciation) for the counterparty as reported in the Fund s Portfolio of Investments.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on swap contracts on the Statement of Operations during the current fiscal period, and the primary underlying risk exposure.

Fund	**Underlying Risk Exposure**	**Derivative Instrument**	**Net Realized Gain (Loss) from Swaps**	**Change in Net Unrealized Appreciation (Depreciation) of Swaps**
Short Duration Credit Opportunities (JSD)				
	Credit	Swaps	$ (287,967)	$ (262,425)
	Interest rate	Swaps	(123,278)	313,116
Total			$ (411,245)	$ 50,691
Credit Strategies Income (JQC)				
	Credit	Swaps	$ 115,868	$ 454,325

Notes to Financial Statements (continued)

Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund s exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

4. Fund Shares

Common Shares Equity Shelf Programs and Offering Costs

The following Funds have each filed registration statements with the Securities and Exchange Commission (SEC) authorizing the Funds to issue additional common shares through an equity shelf program (Shelf Offering), which became effective with the SEC during a prior fiscal period.

Under these Shelf Offerings, the Funds, subject to market conditions, may raise additional equity capital by issuing additional common shares from time to time in varying amounts and by different offering methods at a net price at or above the Fund s NAV per common share. In the event each Fund s Shelf Offering registration is no longer current, the Funds may not issue additional common shares until a post-effective amendment to the registration statement has been filed with the SEC.

Additional authorized common shares, common shares sold and offering proceeds, net of offering costs under each Fund s Shelf Offering during the current and prior fiscal periods were as follows:

	Short Duration Credit Opportunities (JSD)		**Credit Strategies Income (JQC)**	
	Year Ended 7/31/16	**Year Ended 7/31/15***	**Year Ended 7/31/16**	**Year Ended 7/31/15***
Additional authorized common shares		1,000,000		13,600,000
Common shares sold				
Offering proceeds, net of offering costs	$	$	$	$

* Represents authorized common shares for the period August 1, 2014 through November 30, 2014.
Costs incurred by the Funds in connection with their Shelf Offerings were recorded as a deferred charge and recognized as a component of Deferred offering costs on the Statement of Assets and Liabilities. The deferred asset is reduced during the one-year period that additional common shares are sold by reducing the proceeds from such sales and is recognized as a component of Proceeds from shelf offering, net of offering costs and adjustments on the Statement of Changes in Net Assets. Any remaining deferred charges at the end of the one-year life of the Shelf Offering period will be expensed accordingly, as well as any additional Shelf Offering costs the Funds may incur. As Shelf Offering costs are expensed they are recognized as a component of Other expenses on the Statement of Operations.

Common Share Transactions

Transactions in common shares for the following Funds during the current and prior fiscal period were as follows:

	Senior Income (NSL)	
	Year Ended 7/31/16	**Year Ended 7/31/15**
Common shares repurchased and retired	(5,000)	
Weighted average common share:		
Price per share repurchased and retired	$ 5.43	$
Discount per share repurchased and retired	15.42%	%

	Credit Strategies Income (JQC) Year Ended 7/31/16	Year Ended 7/31/15
Common shares repurchased and retired	(304,100)	(144,208)
Weighted average common share:		
Price per share repurchased and retired	$ 7.50	$ 8.57
Discount per share repurchased and retired	16.69%	13.77%

Preferred Shares

Term Preferred Shares

The following Fund has issued and has outstanding Term Preferred Shares (Term Preferred), with a $1,000 liquidation preference per share.

As of the end of the reporting period, the outstanding Term Preferred, at liquidation preference, for the Fund was as follows:

Fund	Series	Shares Outstanding	Liquidation Preference
Short Duration Credit Opportunities (JSD)	2020	35,000	$ 35,000,000

The Fund is obligated to redeem its Term Preferred by the date as specified in its offering document (Term Redemption Date), unless earlier redeemed or repurchased by the Fund. The Term Preferred are subject to redemption at the option of the Fund, subject to payment of a premium for approximately one year following the date of issuance (Optional Redemption Premium Expiration Date), and at liquidation preference per share plus accumulated but unpaid dividends. Term Preferred are subject to mandatory redemption in certain circumstances. The Fund may be obligated to redeem a certain amount of the Term Preferred if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation preference per share (plus any premium) plus any accumulated but unpaid dividends. The Term Redemption Date and Optional Redemption Premium Expiration Date for the Fund s series of Term Preferred are as follows:

Fund	Series	Term Redemption Date	Optional Redemption Premium Expiration Date
Short Duration Credit Opportunities (JSD)	2020	November 1, 2020	October 31, 2016

The average liquidation preference of Term Preferred outstanding and the annualized dividend rate for the Fund during the current fiscal period were as follows:

	Duration Credit Opportunities

		(JSD)*
Average liquidation preference of TPS outstanding	$	35,000,000
Annualized dividend rate		1.51%

* For the period November 16, 2015 (first issuance of shares) through July 31, 2016.

Term Preferred generally do not trade, and market quotations are generally not available. Term Preferred are short-term instruments that pay a dividend rate, subject to adjustment as set forth in accordance with the offering documents. The fair value of Term Preferred is expected to be approximately its liquidation preference so long as the fixed spread on the Term Preferred remains roughly in line with the spread being demanded by investors on instruments having similar terms in the current market environment. In present market conditions, the Fund s Adviser has determined that the fair value of Term Preferred is approximately its liquidation preference, but its fair value could vary if market conditions change materially. For financial reporting purposes, the liquidation preference of Term Preferred is a liability and is recognized as Term Preferred Shares (Term Preferred), at liquidation preference on the Statement of Assets and Liabilities.

Dividends on Term Preferred (which are treated as interest payments for financial reporting purposes) are at the rates set forth in its offering document. The initial dividend rate will expire approximately two years after the first issuance of shares and will be adjusted upwards semi-annually thereafter. Unpaid dividends on Term Preferred are recognized as a component of Interest payable on the Statement of Assets and Liabilities, when applicable. Dividends accrued on Term Preferred are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations.

The Fund incurred offering costs of $898,949 in connection with its issuance of Series 2020 Term Preferred, which was recorded as a deferred charge and is being amortized over the life of the shares. These offering costs are recognized as components of Deferred offering costs on the Statement of Assets and Liabilities and Interest expense and amortization of offering costs on the Statement of Operations.

Notes to Financial Statements (continued)

Variable Rate Term Preferred Shares

The following Funds have issued and have outstanding Variable Rate Term Preferred (VRTP) Shares, with a $100,000 liquidation preference per share. VRTP Shares are issued via private placement and are not publicly available.

As of the end of the reporting period, VRTP Shares outstanding, at liquidation preference, for each Fund was as follows:

Fund	Series	Shares Outstanding	Liquidation Preference
Senior Income (NSL)	C-4	450	$ 45,000,000
Floating Rate Income (JFR)	C-4	1,080	$ 108,000,000
Floating Rate Income Opportunity (JRO)	C-4	750	$ 75,000,000

Each Fund is obligated to redeem its VRTP Shares by the date as specified in its offering document (Term Redemption Date), unless earlier redeemed by the Fund. VRTP Shares are subject to optional and mandatory redemption in certain circumstances. The VRTP Shares may be redeemed at the option of each Fund, subject to payment of premium for approximately one year following the date of issuance (Premium Expiration Date), and at the redemption price per share thereafter. The redemption price per share is equal to the sum of the liquidation preference per share plus any accumulated but unpaid dividends. The Term Redemption Date and Premium Expiration Date for each Fund s VRTP Shares are as follows:

Fund	Series	Term Redemption Date	Premium Expiration Date
Senior Income (NSL)	C-4	February 1, 2017	January 31, 2015
Floating Rate Income (JFR)	C-4	February 1, 2017	January 31, 2015
Floating Rate Income Opportunity (JRO)	C-4	February 1, 2017	January 31, 2015

The average liquidation preference of VRTP Shares outstanding and annualized dividend rate for each Fund during the current fiscal period were as follows:

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)
Average liquidation preference of VRTP Shares outstanding	$ 53,560,109	$ 128,412,568	$ 90,144,809
Annualized dividend rate	2.00%	2.00%	2.00%

VRTP Shares are subject to restrictions on transfer, generally do not trade, and market quotations are generally not available. VRTP Shares are short-term or short/intermediate-term instruments that pay a variable dividend rate tied to a short-term index, plus an additional fixed spread amount established at the time of issuance. The fair value of VRTP

Shares is expected to be approximately their liquidation preference so long as the fixed spread on the VRTP Shares remains roughly in line with the spread being demanded by investors on instruments having similar terms in the current market environment. In present market conditions, the Funds Adviser has determined that the fair value of VRTP Shares is approximately their liquidation preference, but their fair value could vary if market conditions change materially. For financial reporting purposes, the liquidation preference of VRTP Shares is a liability and is recognized as Variable Rate Term Preferred (VRTP) Shares, at liquidation preference on the Statement of Assets and Liabilities.

Dividends on VRTP Shares (which are treated as interest payments for financial reporting purposes) are set monthly. Unpaid dividends on VRTP Shares are recognized as a component of Interest payable on the Statement of Assets and Liabilities, when applicable. Dividends accrued on VRTP Shares are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations.

Costs incurred by the Funds in connection with each Fund s offering of VRTP Shares were recorded as a deferred charge, which are amortized over the life of the shares and are recognized as components of Deferred offering costs on the Statement of Assets and Liabilities and Interest expense and amortization of offering costs on the Statement of Operations.

Preferred Share Transactions

Transactions in preferred shares for the Funds during the Funds current and prior fiscal period, where applicable, are noted in the following tables.

Transactions in Term Preferred for the Funds, where applicable, were as follows:

	Fiscal Year Ended July 31, 2016		
Short Duration Credit Opportunities (JSD)	**Series**	**Shares**	**Amount**
Term Preferred issued	2020	35,000	$ 35,000,000

Transactions in VRTP Shares for the Funds, where applicable, were as follows:

		Fiscal Year Ended July 31, 2016	
Senior Income (NSL)	**Series**	**Shares**	**Amount**
VRTP Shares redeemed	C-4	(130)	$ (13,000,000)

		Fiscal Year Ended July 31, 2016	
Floating Rate Income (JFR)	**Series**	**Shares**	**Amount**
VRTP Shares redeemed	C-4	(310)	$ (31,000,000)

		Fiscal Year Ended July 31, 2016	
Floating Rate Income Opportunity (JRO)	**Series**	**Shares**	**Amount**
VRTP Shares redeemed	C-4	(230)	$ (23,000,000)

5. Investment Transactions

Long-term purchases and sales (including maturities but excluding derivative transactions, where applicable) during the current fiscal period, were as follows:

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Purchases	$ 119,477,501	$ 253,885,863	$ 182,804,758	$ 108,352,339	$ 861,055,362
Sales and maturities	140,660,982	285,285,558	217,343,180	93,226,476	958,439,442

6. Income Tax Information

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gain to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required.

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of timing differences in recognizing certain gains and losses on investment transactions and recognition of premium amortization (except for Senior Income (NSL)). To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the NAVs of the Funds.

As of July 31, 2016, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives, where applicable), as determined on a federal income tax basis, were as follows:

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Cost of investments	$ 438,901,501	$ 1,050,710,213	$ 731,038,069	$ 290,704,693	$ 2,116,587,857
Gross unrealized:					
Appreciation	$ 6,908,288	$ 12,938,840	$ 10,328,883	$ 3,425,625	$ 17,796,083
Depreciation	(32,990,245)	(75,578,392)	(54,721,987)	(16,469,921)	(133,141,912)
Net unrealized appreciation (depreciation) of investments	$ (26,081,957)	$ (62,639,552)	$ (44,393,104)	$ (13,044,296)	$ (115,345,829)

Notes to Financial Statements (continued)

Permanent differences, primarily due to expiration of capital loss carryforwards, bond premium amortization adjustments, treatment of notional principal contracts, nondeductible offering costs, foreign currency transactions, investments in partnerships and distribution reallocations, resulted in reclassifications among the Funds components of common share net assets as of July 31, 2016, the Funds tax year end, as follows:

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Paid-in-surplus	$ (246,607)	$ (536,128)	$ (398,785)	$ (125,370)	$ (150,044,569)
Undistributed (Over-distribution of) net investment income	242,343	680,879	513,778	(140,186)	1,927,869
Accumulated net realized gain (loss)	4,264	(144,751)	(114,993)	265,556	148,116,700

The tax components of undistributed net ordinary income and net long-term capital gains as of July 31, 2016, the Funds tax year end, were as follows:

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Undistributed net ordinary income[1]	$ 2,607,282	$ 6,045,001	$ 4,531,811	$ 600,115	$ 11,101,941
Undistributed net long-term capital gains					

[1] Undistributed net ordinary income (on a tax basis) has not been reduced for the dividend declared on July 1, 2016, paid on August 1, 2016. Net ordinary income consists of net taxable income derived from dividends, interest and net short-term capital gains, if any.

The tax character of distributions paid during the Funds tax years ended July 31, 2016 and July 31, 2015 was designated for purposes of the dividends paid deduction as follows:

2016	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Distributions from net ordinary income[2]	$ 17,339,780	$ 42,391,135	$ 31,080,403	$ 12,297,700	$ 83,039,736
Distributions from net long-term capital gains[3]				93,282	

2015	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Distributions from net ordinary income[2]	$ 17,229,072	$ 42,132,251	$ 30,789,389	$ 11,750,710	$ 74,666,039
Distributions from net long-term capital gains				379,786	

[2] Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

[3] The Funds designate as long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852 (b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended July 31, 2016.

As of July 31, 2016, the Funds tax year end, the Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as shown in the following table. The losses not subject to expiration will be utilized first by a Fund.

	Senior Income (NSL)	Floating Rate Income (JFR)	Floating Rate Income Opportunity (JRO)	Short Duration Credit Opportunities (JSD)	Credit Strategies Income (JQC)
Expiration:					
July 31, 2017	$ 6,925,213	$ 9,819,992	$ 503,687	$	$289,143,715
July 31, 2018	29,264,459	67,020,214	46,332,843		8,513,146
Not subject to expiration	2,641,727	2,638,853	2,257,033	2,361,607	22,842,170
Total	$ 38,831,399	$ 79,479,059	$ 49,093,563	$ 2,361,607	$320,499,031

As of July 31, 2016, the Funds tax year end, $150,044,543 of Credit Strategies Income s (JQC) capital loss carryforward expired.

7. Management Fees and Other Transactions with Affiliates

Management Fees

Each Fund s management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. Symphony is compensated for its services to the Funds from the management fees paid to the Adviser.

Each Fund s management fee consists of two components a fund-level fee, based only on the amount of assets within each individual Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual Fund-level fee, payable monthly, for each Fund is calculated according to the following schedule:

Average Daily Managed Assets*	**Senior Income (NSL)**
For the first $1 billion	0.6500%
For the next $1 billion	0.6375
For the next $3 billion	0.6250
For the next $5 billion	0.6000
For managed assets over $10 billion	0.5750

Average Daily Managed Assets*	**Floating Rate Income (JFR) Floating Rate Income Opportunity (JRO)**	**Short Duration Credit Opportunities (JSD)**	**Credit Strategies Income (JQC)**
For the first $500 million	0.6500%	0.6500%	0.6800%
For the next $500 million	0.6250	0.6375	0.6550
For the next $500 million	0.6000	0.6250	0.6300
For the next $500 million	0.5750	0.6125	0.6050
For managed assets over $2 billion	0.5500	0.6000	0.5800

The annual complex-level fee, payable monthly, for each Fund is calculated by multiplying the current complex-wide fee rate, determined according to the following schedule by the Funds daily managed assets:

Complex-Level Managed Asset Breakpoint Level*	**Effective Rate at Breakpoint Level**
$55 billion	0.2000%
$56 billion	0.1996
$57 billion	0.1989
$60 billion	0.1961
$63 billion	0.1931
$66 billion	0.1900
$71 billion	0.1851
$76 billion	0.1806
$80 billion	0.1773
$91 billion	0.1691

$125 billion	0.1599
$200 billion	0.1505
$250 billion	0.1469
$300 billion	0.1445

* For the complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to certain types of leverage. For these purposes, leverage includes the funds use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust s issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen funds that constitute eligible assets. Eligible assets do not include assets attributable to investments in other Nuveen funds or assets in excess of a determined amount (originally $2 billion) added to the Nuveen fund complex in connection with the Adviser s assumption of the management of the former First American Funds effective January 1, 2011. As of July 31, 2016, the complex-level fee rate for each Fund was 0.1610%.

Other Transactions with Affiliates

The Funds pay no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

Notes to Financial Statements (continued)

8. Senior Loan Commitments

Unfunded Commitments

Pursuant to the terms of certain of the variable rate senior loan agreements, the Funds may have unfunded senior loan commitments. Each Fund will maintain with its custodian, cash, liquid securities and/or liquid senior loans having an aggregate value at least equal to the amount of unfunded senior loan commitments. As of the end of the reporting period, the Funds had no such unfunded senior loan commitments.

Participation Commitments

With respect to the senior loans held in each Fund s portfolio, the Funds may: 1) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If a Fund purchases a participation of a senior loan interest, the Fund would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the borrower. As such, the Fund not only assumes the credit risk of the borrower, but also that of the selling participant or other persons interpositioned between the Fund and the borrower. As of the end of the reporting period, the Funds had no such outstanding participation commitments.

9. Borrowing Arrangements

Each Fund has entered into a borrowing arrangement (Borrowings) as a means of leverage.

Borrowings Information for Senior Income (NSL), Floating Rate Income (JFR) and Floating Rate Income Opportunity (JRO)

The following Funds have entered into a revolving credit and security agreement with a bank and its affiliated conduit lenders through January 31, 2017. Each Fund s maximum commitment amount under its Borrowings is as follows:

	Senior Income (NSL)	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**
Maximum commitment amount	$ 116,000,000	$ 276,000,000	$ 192,000,000

As of the end of the reporting period, each Fund s outstanding balance on its Borrowings was as follows:

	Senior Income (NSL)	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**
Outstanding balance on Borrowings	$ 101,000,000	$ 240,800,000	$ 166,800,000

Interest charged on these Borrowings is based on the conduit s commercial paper issuance rate plus 0.75% per annum drawn fee on the amount borrowed and 0.15% per annum on the undrawn balance of the maximum commitment amount. The Funds also accrued an upfront fee of 0.15% per annum on the maximum commitment amount.

During the current fiscal period, the average daily balance outstanding and average annual interest rate on each Fund s Borrowings were as follows:

	Senior Income (NSL)	**Floating Rate Income (JFR)**	**Floating Rate Income Opportunity (JRO)**
Average daily balance outstanding	$ 99,435,792	$ 238,186,612	$ 164,933,880
Average annual interest rate	1.28%	1.28%	1.28%

Borrowings Information for Short Duration Credit Opportunities (JSD)

The Fund has entered into a 364-day revolving line of credit. The Fund s maximum commitment amount under its Borrowings is as follows:

	Short Duration Credit Opportunities (JSD)
Maximum commitment amount	$ 85,200,000

As of the end of the reporting period, the Fund s outstanding balance on its Borrowings was as follows:

	Short Duration Credit Opportunities (JSD)
Outstanding balance on Borrowings	$ 64,000,000

During the period August 1, 2015 through October 29, 2015, interest was charged on the these Borrowings at a rate per annum equal to the greater of Overnight LIBOR or the Federal Funds Rate, plus 0.75%. The Fund also accrued an upfront fee of 0.10% per annum on the maximum commitment amount of the Borrowings and a 0.10% per annum on the undrawn portion of the Borrowings of the maximum commitment amount.

Effective October 30, 2015, the interest charged on these Borrowings is at a rate per annum equal to the greater of 1-Month LIBOR or the Federal Funds Rate, plus 0.85%. The Fund also accrues an amendment fee of 0.10% per annum on the maximum commitment amount of the Borrowings and a 0.15% per annum on the undrawn portion if less than 50% of the maximum commitment, however, if the undrawn portion of the Borrowings is greater than 50% of the maximum commitment amount the Fund will accrue a 0.25% per annum on the portion of the Borrowings.

During the current fiscal period, the combined average daily balance outstanding and average annual interest rate on the Fund s Borrowings were as follows:

	Short Duration Credit Opportunities (JSD)
Average daily balance outstanding	$ 71,279,781
Average annual interest rate	1.17%

On August 6, 2015, Short Duration Credit Opportunities (JSD) renewed its Borrowings through September 3, 2015. On September 4, 2015, the Fund renewed its Borrowings through October 5, 2015. On October 5, 2015, the Fund renewed its Borrowings through October 30, 2015. On October 30, 2015 the Fund renewed its Borrowings through August 4, 2016. The Fund accrued a 0.10% amendment fee based on the maximum commitment amount of the Borrowings for each renewal, except for the renewal on October 5, 2015.

Borrowings Information for Credit Strategies Income (JQC)

The Fund has entered into a borrowing agreement with a bank and its affiliate. The Fund s maximum commitment amount under its Borrowings is as follows:

Credit

	Strategies Income (JQC)
Maximum commitment amount	$ 640,000,000

As of the end of the reporting period, the Fund s outstanding balance on its Borrowings was as follows:

	Credit Strategies Income (JQC)
Outstanding balance on Borrowings	$ 561,000,000

Interest is charged on the Borrowings at a rate per annum equal to the 3-Month LIBOR plus 1.15%. The Fund also accrues a 1.15% per annum on any positive difference between 90% of the maximum commitment amount and the daily drawn amount.

Notes to Financial Statements (continued)

During the current fiscal period, the combined average daily balance outstanding and average annual interest rate on the Fund s Borrowings were as follows:

	Credit Strategies Income (JQC)
Average daily balance outstanding	$ 587,907,104
Average annual interest rate	1.64%

Reverse Repurchase Agreements

During the current fiscal period, Credit Strategies Income (JQC) entered into reverse repurchase agreements as a means of leverage. In a reverse repurchase agreement, the Fund sells to the counterparty a security or securities that it holds with a contemporaneous agreement to repurchase the same security at an agreed-upon price and date, with the Fund retaining the risk of loss that is associated with that security. The Fund will segregate assets determined to be liquid by the Adviser to cover its obligations under reverse repurchase agreements. Securities sold under reverse repurchase agreements are recorded and recognized as Reverse repurchase agreements on the Statement of Assets and Liabilities.

Payments made on reverse repurchase agreements are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations.

As of the end of the reporting period, the Fund s outstanding balances on its reverse repurchase agreements were as follows:

Fund	Coupon	Proceeds Amount	Maturity	Value	Value and Accrued Interest
Credit Strategies Income (JQC)	1.78%	$ (145,000,000)	4/15/20	$ (145,000,000)	$ (145,229,113)

During the current fiscal period, the average daily balance outstanding and weighted average interest rate on the Fund s reverse repurchase agreements were as follows:

	Credit Strategies Income (JQC)
Average daily balance outstanding	$153,196,721
Weighted average interest rate	1.64%

The following table presents the reverse repurchase agreements subject to netting agreements and the collateral delivered related to those reverse repurchase agreements.

Counterparty	Reverse Repurchase Agreements*	Collateral Pledged to Counterparty**	Net Exposure
Societe Generale	$ (145,229,113)	$ 145,229,113	$

* Represents gross value and accrued interest for the counterparty as reported in the preceding table.

** As of the end of the reporting period, the value of the collateral pledged to the counterparty exceeded the value of the reverse repurchase agreements.

Other Borrowings Information for the Funds

In order to maintain their Borrowings, the Funds must meet certain collateral, asset coverage and other requirements. Each Fund s Borrowings outstanding is fully secured by eligible securities held in its portfolio of investments.

Each Funds Borrowings outstanding is recognized as Borrowings on the Statement of Assets and Liabilities. Interest charged on the amount borrowed and other fees incurred on the Borrowings are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations.

10. Subsequent Events

Management Fees

Effective August 1, 2016, the annual fund-level fee for Senior Income (NSL) and Short Duration Credit Opportunities (JSD), payable monthly, will be calculated according to the following schedule:

Average Daily Managed Assets	Senior Income (NSL) Fund-level Fee	Short Durtion Credit Opportunities (JSD) Fund-level Fee
For the first $500 million	0.6500%	0.6500%
For the next $500 million	0.6250	0.6250
For the next $500 million	0.6000	0.6000
For the next $500 million	0.5750	0.5750
For managed assets over $2 billion	0.5500	0.5500

Borrowing Arrangements

On August 4, 2016, Short Duration Credit Opportunities (JSD) renewed its Borrowings through August 3, 2017. The Fund decreased its maximum commitment amount and accrued a 0.10% amendment fee based on the new maximum commitment amount of the Borrowings.

Subsequent to the current fiscal period, Senior Income (NSL), Floating Rate Income (JFR) and Floating Rate Income Opportunity (JRO) increased the outstanding balance on their Borrowings to $110,000,000, $262,400,000 and $181,800,000, respectively.

Additional

Fund Information (Unaudited)

Fund Manager	Custodian	Legal Counsel	Independent Registered Public Accounting Firm	Transfer Agent and Shareholder Services
Nuveen Fund Advisors, LLC 333 West Wacker Drive Chicago, IL 60606	State Street Bank & Trust Company One Lincoln Street Boston, MA 02111	Chapman and Cutler LLP Chicago, IL 60603	KPMG LLP 200 East Randolph Drive Chicago, IL 60601	State Street Bank & Trust Company Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787

Distribution Information: The following Fund hereby designates its percentage of dividends paid from net ordinary income as dividends qualifying for the 70% dividends received deduction (DRD) for corporations and its percentage as qualified dividend income (QDI) for individuals under Section 1 (h)(11) of the Internal Revenue Code as shown in the accompanying table. The actual qualified dividend income distributions will be reported to shareholders on Form 1099-DIV which will be sent to shareholders shortly after calendar year end.

	JQC
% QDI	3.84%
% DRD	3.18%

The Funds hereby designate their percentages of dividends paid from net ordinary income as dividends qualifying as Interest-Related Dividends as defined in Internal Revenue Code Section 871(k) for the taxable year ended July 31, 2016:

	NSL	**JFR**	**JRO**	**JSD**	**JQC**

% of Interest-Related Dividends	95%	74%	78%	98%	82%

Quarterly Form N-Q Portfolio of Investments Information

Each Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. Visit the SEC on-line at http://www.sec.gov or in person at the SEC s Public Reference Room in Washington, D.C. Call the SEC toll-free at (800) SEC-0330 for room hours and operation.

Nuveen Funds Proxy Voting Information

You may obtain (i) information regarding how each fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen toll-free at (800) 257-8787 or on Nuveen s website at www.nuveen.com and (ii) a description of the policies and procedures that each fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen toll free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at http://www.sec.gov.

CEO Certification Disclosure

Each Fund s Chief Executive Officer (CEO) has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual. Each Fund has filed with the SEC the certification of its CEO and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common Share Repurchases

Each Fund intends to repurchase, through its open market share repurchase program, shares of its own common stock at such times and in such amounts as is deemed advisable. During the period covered by this report, each Fund repurchased shares of its common stock, as shown in the accompanying table. Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

	NSL	JFR	JRO	JSD	JQC
Common shares repurchased	5,000				304,100

FINRA BrokerCheck

The Financial Industry Regulatory Authority (FINRA) provides information regarding the disciplinary history of FINRA member firms and associated investment professionals. This information as well as an investor brochure describing FINRA BrokerCheck is available to the public by calling the FINRA BrokerCheck Hotline number at (800)

289-9999 or by visiting www.FINRA.org.

Glossary of Terms

Used in this Report (Unaudited)

- **Average Annual Total Return:** This is a commonly used method to express an investment s performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment s actual cumulative performance (including change in NAV or offer price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

- **Collateralized Loan Obligation (CLO):** A security backed by a pool of debt, often low rated corporate loans. Collateralized loan obligations (CLOs) are similar to collateralized mortgage obligations, except for the different type of underlying loan.

- **Convexity:** A tool used in risk management to measure the sensitivity of bond duration to interest rate changes. Higher convexity generally means higher sensitivity to interest rate changes.

- **Credit Suisse Leveraged Loan Index:** A representative, unmanaged index of tradeable, senior, U.S. dollar-denominated leveraged loans. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.

- **Effective Leverage:** Effective leverage is a fund s effective economic leverage, and includes both regulatory leverage (see below) and the leverage effects of certain derivative investments in the fund s portfolio.

- **Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

- **Leverage:** Leverage is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital.

- **Net Asset Value (NAV) Per Share:** A fund s Net Assets is equal to its total assets (securities, cash, accrued earnings and receivables) less its total liabilities. NAV per share is equal to the fund s Net Assets divided by its number of shares outstanding.

- **Regulatory Leverage:** Regulatory leverage consists of preferred shares issued by or borrowings of a fund. Both of these are part of a fund s capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

Reinvest Automatically,

Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

Your Nuveen Closed-End Funds Automatic Reinvestment Plan

Nuveen Closed-End Fund allows you to conveniently reinvest distributions in additional Fund shares.

By choosing to reinvest, you ll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

Easy and convenient

To make recordkeeping easy and convenient, each quarter you ll receive a statement showing your total distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

How shares are purchased

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund s shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares net asset value or 95% of the shares market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

Flexible

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

Call today to start reinvesting distributions

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

Annual Investment

Management Agreement Approval Process (Unaudited)

The Board of Trustees of each Fund (the *Board,* and each Trustee a *Board Member*), including the Board Members who are not parties to the Funds advisory or sub-advisory agreements or interested persons of any such parties (the *Independent Board Members*), is responsible for overseeing the performance of the investment adviser and sub-adviser to the respective Fund and determining whether to continue such Fund s advisory agreement (the *Investment Management Agreement*) between the Fund and Nuveen Fund Advisors, LLC (the *Adviser*) and the sub-advisory agreement (the *Sub-Advisory Agreement* and, together with the Investment Management Agreement, the *Advisory Agreements*) between the Adviser and Symphony Asset Management LLC (the *Sub-Adviser*). Following an initial term with respect to each Fund upon its commencement of operations, the Board reviews each Investment Management Agreement and Sub-Advisory Agreement on behalf of each Fund and votes to determine whether the respective Advisory Agreement should be renewed. Accordingly, at an in-person meeting held on May 24-26, 2016 (the *May Meeting*), the Board, including a majority of the Independent Board Members, considered and approved the existing Advisory Agreements for the Funds.

During the year, the Board and its Committees met regularly to receive materials and discuss a variety of topics impacting the Funds including, among other things, overall market conditions and market performance, Fund investment performance, brokerage execution, valuation of securities, compliance matters, securities lending, leverage matters, risk management and ongoing initiatives. The Board had established several standing Committees, including the Open-end Fund Committee and Closed-end Fund Committee which permit the Board Members to delve further into the topics particularly relevant to the respective product line and enhance the Board s effectiveness and oversight of the Funds. The Board also seeks to meet with the Sub-Adviser and its investment team at least once over a multiple year rotation through site visits. The information and knowledge the Board gained throughout the year from the Board and Committee meetings, site visits and the related materials were relevant to the Board s evaluation of the Advisory Agreements, and the Board took such information into account in its review of the Advisory Agreements.

In addition to the materials received throughout the year, the Board received additional materials prepared specifically for its annual review of the Advisory Agreements in response to a request by independent legal counsel on behalf of the Independent Board Members. The materials addressed a variety of topics, including a description of the services provided by the Adviser and the Sub-Adviser (each, a *Fund Adviser*); a review of fund performance with a detailed focus on any performance outliers; an analysis of the investment teams; an analysis of the fees and expense ratios of the Funds, including information comparing such fees and expenses to that of peer groups; an assessment of shareholder services for the Funds and of the performance of certain service providers; a review of initiatives instituted or continued during the past year; and a review of premium/discount trends and leverage management as well as information regarding the profitability of the Fund Advisers, the compensation of portfolio managers, and compliance and risk matters.

As part of its annual review, the Board held a separate meeting on April 12-13, 2016 to review the Funds investment performance and consider an analysis by the Adviser of the Sub-Adviser examining, among other things, the team s assets under management, investment performance, investment approach, and the stability and structure of the Sub-Adviser s organization and investment team. During the review, the Independent Board Members requested and received additional information from management. Throughout the year and throughout their review of the Advisory Agreements, the Independent Board Members were assisted by independent legal counsel. The Independent Board Members met separately with independent legal counsel without management present and received a memorandum from such counsel outlining their fiduciary duties and legal standards in reviewing the Advisory Agreements. The Independent Board Members review of the Advisory Agreements reflected an ongoing process that incorporated the information and considerations that occurred over the years, including the most recent year, as well as the information specifically furnished for the renewal process. In deciding to renew the Advisory Agreements, the Independent Board Members did not identify a particular factor as controlling, but rather the decision reflected the comprehensive consideration of all the information presented. The following summarizes the principal factors, but not all the factors, the Board considered in its review of the Advisory Agreements and its conclusions.

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

A. Nature, Extent and Quality of Services

In evaluating the renewal of the Advisory Agreements, the Independent Board Members received and considered information regarding the nature, extent and quality of the applicable Fund Adviser s services provided to the respective Fund and the initiatives undertaken during the past year by the Adviser. The Board recognized the comprehensive set of services the Adviser provided to manage and operate the Nuveen funds, including (a) product management (such as setting dividends, positioning the product in the marketplace, maintaining and enhancing shareholder communications and reporting to the Board); (b) investment services (such as overseeing the Sub-Adviser and other service providers; analyzing investment performance and risks; overseeing risk management and disclosure; developing and interpreting investment policies; assisting in the development of products; helping to prepare financial statements and marketing disclosures; and overseeing trade execution); (c) fund administration (such as helping to prepare fund tax returns and complete other tax compliance matters; and helping to prepare regulatory filings and shareholder reports); (d) fund Board administration (such as preparing Board materials and organizing and providing assistance for Board meetings); (e) compliance (such as helping to devise and maintain the funds compliance program and related testing); (f) legal support (such as helping to prepare registration statements and proxy statements, interpreting regulations and policies and overseeing fund activities); and (g) providing leverage management.

The Board reviewed the continued investment the Adviser had made in its business to continue to strengthen the breadth and quality of its services to the benefit of the Nuveen funds. The Board noted the Adviser s additional staffing in key areas that support the funds and the Board, including in investment services, operations, closed-end fund/structured products, fund governance, compliance, fund administration, product management, and information technology. Among the enhancements to its services, the Board recognized the Adviser s (a) expanded activities and support required as a result of regulatory developments, including in areas of compliance and reporting; (b) expanded efforts to support leverage management with a goal of seeking the most effective structure for fund shareholders given appropriate risk levels and regulatory constraints; (c) increased support for dividend management; (d) continued investment in its technical capabilities as the Adviser continued to build out a centralized fund data platform, enhance mobility and remote access capabilities, rationalize and upgrade software platforms, and automate certain regulatory liquidity determinations; (e) continued efforts to rationalize the product line through mergers, liquidations and re-positioning of Nuveen funds with the goal of increasing efficiencies, reducing costs, improving performance and addressing shareholder needs; (f) continued efforts to develop new lines of business designed to enhance the Nuveen product line and meet investor demands; and (g) continued commitment to enhance risk oversight, including the formation of the operational risk group to provide operational risk assessment, the access to platforms which provide better risk reporting to support investment teams, and the development of a new team to initially review new products and major product initiatives. The Board also recognized the Adviser s efforts to renegotiate certain fees of other service providers which culminated in reduced expenses for all funds for custody and accounting services without diminishing the breadth and quality of the services provided. The Board considered the Chief Compliance Officer s report regarding the Adviser s compliance program, the Adviser s continued development, execution and management of its compliance program, and the additions to the compliance team to support the continued growth of the Nuveen fund family and address regulatory developments.

The Board also considered information highlighting the various initiatives that the Adviser had implemented or continued during the year to enhance or support the closed-end fund product line. The Board noted the Adviser s continued efforts during 2015 (a) to rationalize the product line through mergers designed to help reduce product overlap, offer shareholders the potential for lower fees and enhanced investor acceptance, and address persistent discounts in the secondary market; (b) to oversee and manage leverage as the Adviser facilitated the rollover of existing facilities and conducted negotiations for improved terms and pricing to reduce leverage costs; (c) to conduct capital management services including share repurchases and/or share issuances throughout the year and monitoring market conditions to capitalize on such opportunities for the closed-end funds; and (d) to implement data-driven market analytics which, among other things, provided a better analysis of the shareholder base, enhanced the ability to monitor the closed-end funds versus peers and helped to understand trading discounts. The Board also considered the quality and breadth of Nuveen s investment relations program through which Nuveen seeks to build awareness of, and educate investors and financial advisers with respect to, Nuveen closed-end funds which may help to build an active secondary market for the closed-end fund product line.

As noted, the Adviser also oversees the Sub-Adviser who primarily provides the portfolio advisory services to the Funds. The Board recognized the skill and competency of the Adviser in monitoring and analyzing the performance of the Sub-Adviser and managing the sub-advisory relationship. The Board noted that the Adviser recommended the renewal of each Sub-Advisory Agreement.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided to the respective Funds under each applicable Advisory Agreement were satisfactory.

B. The Investment Performance of the Funds and Fund Advisers

The Board considered the long-term and short-term performance history of each Fund. As noted above, the Board reviewed fund performance at its quarterly meetings throughout the year and took into account the information derived from the discussions with representatives of the Adviser about fund performance at these meetings. The Board also considered the Adviser s analysis of fund performance with particular focus on any performance outliers and the factors contributing to such performance and any steps the investment team had taken to address performance concerns. The Board reviewed, among other things, each Fund s investment performance both on an absolute basis and in comparison to peer funds (the *Performance Peer Group*) and to recognized and/or customized benchmarks (i.e., generally benchmarks derived from multiple recognized benchmarks) for the quarter, one-, three- and five-year periods ending December 31, 2015 (or for such shorter periods available for Nuveen Short Duration Credit Opportunities Fund (the *Short Duration Fund*), which did not exist for part of the foregoing time frame), as well as performance information reflecting the first quarter of 2016.

In evaluating performance information, the Board recognized the following factors may impact the performance data as well as the consideration to be given to particular performance data:

The performance data reflected a snapshot in time, in this case as of the end of the most recent calendar year or quarter. A different performance period, however, could generate significantly different results.

Long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme had the ability to disproportionately affect long-term performance.

Shareholders evaluate performance based on their own holding period which may differ from the performance period reviewed by the Board, leading to different performance results.

The Board recognized the difficulty in establishing appropriate peer groups and benchmarks for certain funds, including Nuveen Credit Strategies Income Fund (the *Credit Strategies Fund*). The Board noted that management classified the Performance Peer Groups as low, medium and high in relevancy and took the relevancy of the Performance Peer Group into account when considering the comparative performance data. If the Performance Peer Group differed somewhat from a fund, the Board recognized that the comparative performance data may be of limited value. The Board also recognized that each fund operated pursuant to its own investment objective(s), parameters and restrictions which may differ from that of the Performance Peer Group or benchmark and that these variations lead to differences in performance results. Further, for funds that utilized leverage, the Board understood that leverage during different periods could provide both benefits and risks to a portfolio as compared to an unlevered benchmark.

In addition to the foregoing, the Independent Board Members continued to recognize the importance of secondary market trading for the shares of closed-end funds. At the quarterly meetings as well as the May Meeting, the Independent Board Members (either at the Board level or through the Closed-end Fund Committee) reviewed, among other things, the premium or discount to net asset value of the Nuveen closed-end funds as of a specified date and over various periods as well as in comparison to the premium/discount average in their respective Lipper peer category. At the May Meeting and/or prior meetings, the Independent Board Members (either at the Board level or through the Closed-end Fund Committee) reviewed, among other things, an analysis by the Adviser of the key economic, market and competitive trends that affected the closed-end fund market and Nuveen closed-end funds and considered any actions proposed periodically by the Adviser to address trading discounts of certain closed-end funds, including, among other things, share repurchases, fund reorganizations, adjusting fund investment mandates and strategies, and increasing fund awareness to investors. The Independent Board Members considered the evaluation of the premium and discount levels of the closed-end funds to be a continuing priority in their oversight of the closed-end funds.

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

With respect to any Nuveen funds for which the Board has identified performance concerns, the Board monitors such funds closely until performance improves, discusses with the Adviser the reasons for such results, considers those steps necessary or appropriate to address such issues, and reviews the results of any efforts undertaken. The Board was aware, however, that shareholders chose to invest or remain invested in a fund knowing that the Adviser and the applicable sub-adviser manage the fund, knowing the fund s investment strategy and seeking exposure to that strategy (even if the strategy was out of favor in the marketplace) and knowing the fund s fee structure.

For Nuveen Senior Income Fund (the *Senior Income Fund*), the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile in the one-year period, the Fund ranked in the third quartile in the three-year period and first quartile in the five-year period. In addition, although the Fund underperformed its benchmark in the one- and three-year periods, the Fund outperformed its benchmark in the five-year period. The Board determined that the Fund s performance had been satisfactory.

For Nuveen Floating Rate Income Fund, the Board noted that the Fund ranked in its Performance Peer Group in the third quartile in the one-year period and second quartile in the three- and five-year periods and, although the Fund underperformed its benchmark in the one- and three-year periods, the Fund outperformed its benchmark in the five-year period. The Board determined that the Fund s performance had been satisfactory.

For Nuveen Floating Rate Income Opportunity Fund, the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile in the one-year period, the Fund ranked in the second quartile in the three-year period and first quartile in the five-year period. In addition, although the Fund underperformed its benchmark in the one-year period, the Fund outperformed its benchmark in the three- and five-year periods. The Board determined that the Fund s performance had been satisfactory.

For the Short Duration Fund, the Board noted that, although the Fund underperformed its benchmark in the one- and three-year periods, the Fund ranked in its Performance Peer Group in the third quartile in such periods. The Board determined that the Fund s performance had been satisfactory.

For the Credit Strategies Fund, the Board noted that, although the Fund ranked in the fourth quartile of its Performance Peer Group and underperformed its benchmark in the one-year period, the Fund ranked in the second quartile and outperformed its benchmark in the three- and five-year periods. The Board determined that the Fund s performance had been satisfactory.

C. Fees, Expenses and Profitability

1. Fees and Expenses

The Board evaluated the management fees and other fees and expenses of each Fund. The Board reviewed, among other things, the gross and net management fees and net total expenses of each Fund (expressed as a percentage of average net assets) in absolute terms and also in comparison to the fee and expense levels of a comparable universe of funds (the *Peer Universe*) selected by an independent third-party fund data provider. The Independent Board Members also reviewed the methodology regarding the construction of the applicable Peer Universe.

In their evaluation of the management fee schedule, the Independent Board Members considered the fund-level and complex-wide breakpoint schedules, as described in further detail below. In this regard, the Board considered that management recently reviewed the breakpoint schedules for the closed-end funds which resulted in reduced breakpoints and/or new breakpoints at certain asset thresholds for numerous closed-end funds, including the Senior Income Fund and the Short Duration Fund.

In reviewing the comparative fee and expense information, the Independent Board Members recognized that various factors such as the limited size and particular composition of the Peer Universe (including the inclusion of other Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; the differences in the type and use of leverage; and differences in services provided can impact the usefulness of the comparative data in helping to assess the appropriateness of a fund s fees and expenses. In addition, in reviewing a fund s fees and expenses compared to the fees and expenses of its peers (excluding leverage costs and leveraged assets), the Board generally considered a fund s expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. The Board reviewed the net expense ratio in recognition that the net expense ratio generally best represented the net experience of the shareholders of a fund as it directly reflected the costs of investing in the respective fund. The Board noted that the majority of the Nuveen funds had a net expense ratio near or below the average of the respective peers. For funds with a net expense ratio of 6 basis points or higher than their respective peer average, the Independent Board Members reviewed the reasons for the outlier status and were satisfied with the explanation for the difference or with any steps taken to address the difference.

The Independent Board Members noted that the Funds each had a net management fee and net expense ratio below their respective peer averages.

Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund s management fees (as applicable) to a Fund Adviser were reasonable in light of the nature, extent and quality of services provided to the Fund.

2. Comparisons with the Fees of Other Clients

The Board also reviewed information regarding the fee rates for other types of clients advised or sub-advised by the respective Fund Adviser. For the Adviser and/or its affiliated sub-advisers, such other clients may include: separately managed accounts (such as retail, institutional or wrap accounts), hedge funds, other investment companies that are not offered by Nuveen but are sub-advised by one of Nuveen s affiliated sub-advisers, foreign investment companies offered by Nuveen, and collective investment trusts.

The Board recognized that each Fund had an affiliated sub-adviser. With respect to affiliated sub-advisers, the Board reviewed, among other things, the range of advisory fee rates and average fee rate assessed for the different types of clients. With respect to the Sub-Adviser, such other clients included equity and taxable fixed-income hedge funds and the Board reviewed the average fee rate and range of fee rates along with the performance fee assessed such clients. The Board reviewed information regarding the different types of services provided to the Funds compared to that provided to these other clients which typically did not require the same breadth of day-to-day services required for registered funds. The Board further considered information regarding the differences in, among other things, investment policies, investor profiles, and account sizes between the Nuveen funds and the other types of clients. In addition, the Independent Board Members also recognized that the management fee rates of the foreign funds advised by the Adviser may also vary due to, among other things, differences in the client base, governing bodies, operational complexities and services covered by the management fee. The Independent Board Members recognized that the foregoing variations resulted in different economics among the product structures and culminated in varying management fees among the types of clients and funds.

The Board also was aware that, since the Funds had a sub-adviser, each Fund s management fee reflected two components, the fee retained by the Adviser for its services and the fee the Adviser paid to the Sub-Adviser. The Board noted that many of the administrative services provided to support the Funds by the Adviser may not be required to the same extent or at all for the institutional clients or other clients. In general, the Board noted that higher fee levels reflected higher levels of service provided by the Fund Adviser, increased investment management complexity, greater product management requirements and higher levels of business risk or some combination of the foregoing. Given the inherent differences in the various products, particularly the extensive services provided to the Funds, the Independent Board Members concluded such facts justify the different levels of fees.

3. Profitability of Fund Advisers

In conjunction with their review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities on an absolute basis and in comparison to other investment advisers. The Independent Board Members reviewed, among other things, Nuveen s adjusted operating margins, the gross and net revenue margins (pre-tax and after-tax) for advisory activities for the Nuveen funds, and the revenues, expenses, and net income (pre-tax and after-tax) of Nuveen for each of the last two calendar years. The Independent Board Members reviewed an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2015. The Independent Board Members also noted that the sub-advisory fees for the Funds are paid by the Adviser, however, the Board recognized that the Sub-Adviser is

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

affiliated with Nuveen. In their review, the Independent Board Members recognized that profitability data is rather subjective as various allocation methodologies may be reasonable to employ but yet yield different results. The Board also reviewed the results of certain alternative methodologies. The Board considered the allocation methodology employed to prepare the profitability data as well as a summary of the refinements to the methodology that had been adopted over the years which may limit some of the comparability of Nuveen s revenue margins over time. Two Independent Board Members also served as point persons for the Board throughout the year to review and discuss the methodology employed to develop the profitability analysis and any proposed changes thereto and to keep the Board apprised of such changes during the year. In reviewing the profitability data, the Independent Board Members noted that Nuveen s operating margin as well as its margins for its advisory activities to the Nuveen funds for 2015 were consistent with such margins for 2014.

The Board also considered Nuveen s adjusted operating margins compared to that of other comparable investment advisers (based on asset size and composition) with publicly available data. The Independent Board Members recognized, however, the limitations of the comparative data as the other advisers may have a different business mix, employ different allocation methodologies, have different capital structure and costs, may not be representative of the industry or other factors that limit the comparability of the profitability information. Nevertheless, the Independent Board Members noted that Nuveen s adjusted operating margins appeared comparable to the adjusted margins of the peers.

Further, as the Adviser is a wholly-owned subsidiary of Nuveen which in turn is an operating division of TIAA Global Asset Management, the investment management arm of Teachers Insurance and Annuity Association of America (*TIAA-CREF*), the Board reviewed a balance sheet for TIAA-CREF reflecting its assets, liabilities and capital and contingency reserves for the last two calendar years to have a better understanding of the financial stability and strength of the TIAA-CREF complex, together with Nuveen.

Based on the information provided, the Independent Board Members noted that the Adviser appeared to be sufficiently profitable to operate as a viable investment management firm and to honor its obligations as a sponsor of the Nuveen funds.

With respect to the Sub-Adviser, the Independent Board Members also considered the profitability of the Sub-Adviser from its relationship with the Nuveen funds. The Independent Board Members reviewed the Sub-Adviser s revenues, expenses and revenue margins (pre- and post-tax) for its advisory activities for the calendar year ended December 31, 2015.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Funds as well as indirect benefits (such as soft dollar arrangements), if any, the Fund Adviser and its affiliates received or were expected to receive that were directly attributable to the management of a Fund. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Funds.

Based on their review, the Independent Board Members determined that the Adviser s and the Sub-Adviser s levels of profitability were reasonable in light of the respective services provided.

D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

The Independent Board Members recognized that as the assets of a particular fund or the Nuveen complex in the aggregate increase over time, economies of scale may be realized with respect to the management of the funds, and the Independent Board Members considered the extent to which these economies are shared with the funds and their shareholders. Although the Independent Board Members recognized that economies of scale are difficult to measure with precision, the Board noted that there were several acceptable means to share economies of scale, including through breakpoints in the management fee schedule reducing the fee rates as asset levels grow, fee waiver and expense limitation agreements and the Adviser s investment in its business which can enhance the services provided to the funds. With respect to breakpoints, the Independent Board Members noted that, subject to certain exceptions, the funds in the Nuveen complex pay a management fee to the Adviser which is generally comprised of a fund-level component and complex-level component. The fund-level fee component declines as the assets of the particular fund grow and the complex-level fee component declines when eligible assets of all the funds in the Nuveen complex combined grow. With respect to closed-end funds, the Independent Board Members noted that, although such funds may from time-to-time make additional share offerings, the growth of their assets would occur primarily through the appreciation of such funds investment portfolios. The complex-wide fee arrangement was designed to capture economies of scale achieved when total fund complex assets increase, even if the assets of a particular fund are unchanged or decrease. The approach reflected the notion that some of Nuveen s costs were attributable to services provided to all its funds in the complex, and therefore all funds should benefit if these costs were spread over a larger asset base.

The Independent Board Members reviewed the breakpoint and complex-wide schedules and the material savings achieved from fund-level breakpoints and complex-wide fee reductions for the 2015 calendar year.

In addition, the Independent Board Members recognized the Adviser s ongoing investment in its business to expand or enhance the services provided to the Nuveen funds. The Independent Board Members noted, among other things, the additions to groups who play a key role in supporting the funds including in closed-end funds/structured products, fund administration, operations, fund governance, investment services, compliance, product management, and technology. The Independent Board Members also recognized the investments in systems necessary to manage the funds including in areas of risk oversight, information technology and compliance.

Based on their review, the Independent Board Members concluded that the current fee structure was acceptable and reflected economies of scale to be shared with shareholders when assets under management increase.

E. Indirect Benefits

The Independent Board Members received and considered information regarding other additional benefits the respective Fund Adviser or its affiliates may receive as a result of their relationship with the Funds, including compensation paid to affiliates and research received in connection with brokerage transactions (i.e., soft dollar arrangements). In this regard, the Independent Board Members noted any revenues received by affiliates of the Adviser for serving as co-manager in initial public offerings of new closed-end funds and as underwriter on shelf offerings for certain existing funds.

In addition to the above, the Independent Board Members considered that the Funds portfolio transactions are allocated by the Sub-Adviser and the Sub-Adviser may benefit from research received through soft-dollar arrangements. The Board noted, however, that with respect to transactions in fixed income securities, such securities generally trade on a principal basis and do not generate soft dollar credits. Although the Board recognized the Sub-Adviser may benefit from a soft dollar arrangement if it does not have to pay for this research out of its own assets, the Board also recognized that any such research may benefit the Funds to the extent it enhances the ability of the Sub-Adviser to manage the Funds.

Based on their review, the Independent Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. Other Considerations

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, concluded that the terms of each Advisory Agreement were fair and reasonable, that the respective Fund Adviser s fees were reasonable in light of the services provided to each Fund and that the Advisory Agreements be renewed.

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Board

Members & Officers (Unaudited)

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Trustees of the Funds. The number of trustees of the Funds is set at twelve, effective July 1, 2016. None of the trustees who are not interested persons of the Funds (referred to herein as independent trustees) has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the trustees and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

Name, **Year of Birth** **& Address**	**Position(s) Held with the Funds**	**Year First Elected or Appointed and Term**[1]	**Principal** **Occupation(s)** **Including other** **Directorships** **During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Board Member**
Independent Board Members:				
n **WILLIAM J. SCHNEIDER** 1944 333 W. Wacker Drive Chicago, IL 60606	Chairman and Board Member	**1996** **Class III**	Chairman of Miller-Valentine Partners, a real estate investment company; Board Member of Med-America Health System and WDPR Public Radio station; formerly, Senior Partner and Chief Operating Officer (retired (2004) of Miller-Valentine Group; formerly, Board member, Business Advisory Council of the Cleveland Federal Reserve Bank and University of Dayton Business School Advisory Council; past Chair and Director, Dayton Development Coalition.	**180**
n **JACK B. EVANS** 1948 333 W. Wacker Drive	Board Member	**1999** **Class III**	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; Director, The Gazette Company; Life Trustee of Coe College and the Iowa College Foundation;	**180**

Chicago, IL 60606			formerly, President Pro-Tem of the Board of Regents for the State of Iowa University System; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.	
n **WILLIAM C. HUNTER** 1948 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2003** **Class I**	Dean Emeritus, formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and past President (2010-2014) Beta Gamma Sigma, Inc., The International Business Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.	**180**
n **DAVID J. KUNDERT** 1942 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2005** **Class II**	Formerly, Director, Northwestern Mutual Wealth Management Company (2006-2013), retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; member of the Wisconsin Bar Association; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible; Board member of Milwaukee Repertory Theatre (since 2016).	**180**

Name, **Year of Birth** **& Address**	**Position(s) Held with the Funds**	**Year First Elected or Appointed and Term**[1]	**Principal** **Occupation(s)** **Including other** **Directorships** **During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Board Member**
Independent Board Members (continued):				
n **ALBIN F. MOSCHNER**[2] 1952 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2016** **Class III**	Founder and Chief Executive Officer, Northcroft Partners, LLC, a management consulting firm (since 2012); previously, held positions at Leap Wireless International, Inc., including Consultant (2011-2012), Chief Operating Officer (2008-2011), and Chief Marketing Officer (2004-2008); formerly, President, Verizon Card Services division of Verizon Communications, Inc. (2000-2003); formerly, President, One Point Services at One Point Communications (1999-2000); formerly, Vice Chairman of the Board, Diba, Incorporated (1996-1997); formerly, various executive positions with Zenith Electronics Corporation (1991-1996). Director, USA Technologies, Inc., a provider of solutions and services to facilitate electronic payment transactions (since 2012); formerly, Director, Wintrust Financial Corporation (1996-2016).	**180**
n **JOHN K. NELSON** 1962			Member of Board of Directors of Core12 LLC (since 2008), a	

333 W. Wacker Drive Chicago, IL 60606	Board Member	**2013** **Class II**	private firm which develops branding, marketing and communications strategies for clients; Director of The Curran Center for Catholic American Studies (since 2009) and The President s Council, Fordham University (since 2010); formerly, senior external advisor to the financial services practice of Deloitte Consulting LLP (2012-2014): formerly, Chairman of the Board of Trustees of Marian University (2010 as trustee, 2011-2014 as Chairman); formerly, Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division (2007-2008); prior senior positions held at ABN AMRO include Corporate Executive Vice President and Head of Global Markets-the Americas (2006- 2007), CEO of Wholesale Banking North America and Global Head of Foreign Exchange and Futures Markets (2001-2006), and Regional Commercial Treasurer and Senior Vice President Trading-North America (1996-2001); formerly, Trustee at St. Edmund Preparatory School in New York City.	**180**
n **JUDITH M. STOCKDALE** 1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1997** **Class I**	Board Member, Land Trust Alliance (since 2013) and U.S. Endowment for Forestry and Communities (since 2013); formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation; prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	**180**

n **CAROLE E. STONE** 1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2007** **Class I**	Director, Chicago Board Options Exchange, Inc. (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); Director, CBOE Holdings, Inc. (since 2010); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010).	**180**
n **TERENCE J. TOTH** 1959 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2008** **Class II**	Managing Partner, Promus Capital (since 2008); Director, Fulcrum IT Service LLC (since 2010) and Quality Control Corporation (since 2012); member: Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012), and chair of its investment committee; formerly, Director, Legal & General Investment Management America, Inc. (2008-2013); formerly, CEO and President, Northern Trust Global Investments (2004-2007): Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).	**180**

Board Members & Officers (Unaudited) (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term[1]	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board Members (continued):				
n **MARGARET L. WOLFF** 1955 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2016** **Class I**	Member of the Board of Directors (since 2013) of Travelers Insurance Company of Canada and The Dominion of Canada General Insurance Company (each, a part of Travelers Canada, the Canadian operation of The Travelers Companies, Inc.); formerly, Of Counsel, Skadden, Arps, Slate, Meagher & Flom LLP (Mergers & Acquisitions Group) (2005-2014); Member of the Board of Trustees of New York-Presbyterian Hospital (since 2005); Member (since 2004) and Chair (since 2015) of the Board of Trustees of The John A. Hartford Foundation (a philanthropy dedicated to improving the care of older adults); formerly, Member (2005-2015) and Vice Chair (2011-2015) of the Board of Trustees of Mt. Holyoke College.	**180**
Interested Board Members:				
n **WILLIAM ADAMS IV**[3] 1955 333 W. Wacker Drive	Board Member	**2013** **Class II**	Co-Chief Executive Officer and Co-President (since March 2016), formerly, Senior Executive Vice President, Global Structured Products (2010-2016), prior thereto, Executive Vice President, U.S. Structured Products, (1999-2010) of Nuveen	**180**

Chicago, IL 60606			Investments, Inc.; Co-President of Nuveen Fund Advisors, LLC (since 2011); Co-Chief Executive Officer (since 2016), formerly, Senior Executive Vice President of Nuveen Securities, LLC; President (since 2011), of Nuveen Commodities Asset Management, LLC; Board Member of the Chicago Symphony Orchestra and of Gilda s Club Chicago.	
n **MARGO L. COOK**(2)(3) 1964 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2016** **Class III**	Co-Chief Executive Officer and Co-President (since March 2016), formerly, Senior Executive Vice President of Nuveen Investments, Inc; Co-Chief Executive Officer (since 2015), previously, Executive Vice President (2013-2015) of Nuveen Securities, LLC; Senior Executive Vice President (since 2015) of Nuveen Fund Advisors, LLC (Executive Vice President 2011-2015); formerly, Managing Director of Nuveen Commodities Asset Management, LLC (2011-2016); Chartered Financial Analyst.	**180**

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Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed[(4)]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds:				
n **GIFFORD R. ZIMMERMAN** 1956 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	**1988**	Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director and Assistant Secretary of Nuveen Investments Advisers, LLC (since 2002) and Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Santa Barbara Asset Management, LLC (since 2006), and of Winslow Capital Management, LLC, (since 2010); Vice President and Assistant Secretary (since 2013), formerly, Chief Administrative Officer and Chief Compliance Officer (2006-2013) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	**181**
n **CEDRIC H. ANTOSIEWICZ** 1962	Vice President	**2007**	Managing Director of Nuveen Securities, LLC. (since 2004); Managing Director of Nuveen Fund Advisors, LLC (since 2014).	**77**

333 W. Wacker Drive Chicago, IL 60606				
n **LORNA C. FERGUSON** 1945 333 W. Wacker Drive Chicago, IL 60606	Vice President	**1998**	Managing Director (since 2004) of Nuveen Investments Holdings, Inc.	**181**
n **STEPHEN D. FOY** 1954 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	**1998**	Managing Director (since 2014), formerly, Senior Vice President (2013-2014) and Vice President (2005-2013) of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Managing Director (since 2016) of Nuveen Securities, LLC; Certified Public Accountant.	**181**
n **NATHANIEL T. JONES** 1979 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	**2016**	Senior Vice President (since 2016), formerly, Vice President (2011-2016) of Nuveen Investments Holdings, Inc.; Chartered Financial Analyst.	**181**
n **WALTER M. KELLY** 1970 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	**2003**	Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.	**181**
n **DAVID J. LAMB** 1963 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2015**	Senior Vice President of Nuveen Investments Holdings, Inc. (since 2006), Vice President prior to 2006.	**77**

n **TINA M. LAZAR** 1961 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2002**	Senior Vice President of Nuveen Investments Holdings, Inc. and Nuveen Securities, LLC.	**181**

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Board Members & Officers (Unaudited) (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed[4]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds (continued):				
n **KEVIN J. MCCARTHY** 1966 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	**2007**	Executive Vice President, Secretary and General Counsel (since March 2016), formerly, Managing Director and Assistant Secretary of Nuveen Investments, Inc.; Executive Vice President (since March 2016), formerly, Managing Director, and Assistant Secretary (since 2008) of Nuveen Securities, LLC; Executive Vice President and Secretary (since March 2016), formerly, Managing Director (2008-2016) and Assistant Secretary (2007-2016), and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Executive Vice President and Secretary (since March 2016), formerly, Managing Director, Assistant Secretary (2011-2016), and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Executive Vice	**181**

			President and Secretary of Nuveen Investments Advisers, LLC; Vice President (since 2007) and Secretary (since March 2016) of NWQ Investment Management Company, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Winslow Capital Management, LLC (since 2010) and Tradewinds Global Investors, LLC (since 2016); Vice President (since 2010) and Secretary (since 2016), formerly, Assistant Secretary of Nuveen Commodities Asset Management, LLC.	
n **KATHLEEN L. PRUDHOMME** 1953 901 Marquette Avenue Minneapolis, MN 55402	Vice President and Assistant Secretary	**2011**	Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).	**181**
n **JOEL T. SLAGER** 1978 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2013**	Fund Tax Director for Nuveen Funds (since 2013); previously, Vice President of Morgan Stanley Investment Management, Inc.,	**181**

Assistant Treasurer of the Morgan Stanley Funds (from 2010 to 2013).

(1) The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares, when applicable, to serve until the next annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
(2) On June 22, 2016, Ms. Cook and Mr. Moschner were appointed as Board members, effective July 1, 2016.
(3) Interested person as defined in the 1940 Act, by reason of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen funds.
(4) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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Nuveen:

Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen helps secure the long-term goals of individual investors and the advisors who serve them. As an operating division of TIAA Global Asset Management, Nuveen provides access to investment expertise from leading asset managers and solutions across traditional and alternative asset classes. Built on more than a century of industry leadership, Nuveen s teams of experts align with clients specific financial needs and goals, demonstrating commitment to advisors and investors through market perspectives and wealth management and portfolio advisory services. Nuveen manages more than $239 billion in assets as of June 30, 2016.

Find out how we can help you.

To learn more about how the products and services of Nuveen may be able to help you meet your financial goals, talk to your financial advisor, or call us at **(800) 257-8787.** Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or **Nuveen, 333 W. Wacker Dr., Chicago, IL 60606.** Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: **www.nuveen.com/cef**

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ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/CEF/Shareholder/FundGovernance.aspx. (To view the code, click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant s Board of Directors or Trustees (Board) determined that the registrant has at least one audit committee financial expert (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant s audit committee financial experts are Carole E. Stone and Jack B. Evans, who are independent for purposes of Item 3 of Form N-CSR.

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State s operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State s bond-related disclosure documents and certifying that they fairly presented the State s financial position; reviewing audits of various State and local agencies and programs; and coordinating the State s system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone s position on the boards of these entities and as a member of both CBOE Holdings Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser (SCI). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the CFO) and actively supervised the CFO s preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI s financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Credit Strategies Income Fund

The following tables show the amount of fees that KPMG LLP, the Fund s auditor, billed to the Fund during the Fund s last two full fiscal years. For engagements with KPMG LLP the Audit Committee approved in advance all audit services and non-audit services that KPMG LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the pre-approval exception). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee s attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND S AUDITOR BILLED TO THE FUND

Fiscal Year Ended	Audit Fees Billed to Fund [1]	Audit-Related Fees Billed to Fund [2]	Tax Fees Billed to Fund [3]	All Other Fees Billed to Fund [4]
July 31, 2016	$ 29,480	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%	0%
July 31, 2015	$ 28,500	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%	0%

[1] Audit Fees are the aggregate fees billed for professional services for the audit of the Fund s annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

[2] Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements that are not reported under Audit Fees . These fees include offerings related to the Fund s common shares and leverage.

[3] Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculation performed by the principal accountant.

[4] All Other Fees are the aggregate fees billed for products and services other than Audit Fees , Audit-Related Fees and Tax Fees . These fees represent all Agreed-Upon Procedures engagements pertaining to the Fund s use of leverage.

SERVICES THAT THE FUND S AUDITOR BILLED TO THE

ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by KPMG LLP to Nuveen Fund Advisors, LLC (formerly Nuveen Fund Advisors, Inc.) (the Adviser), and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund (Affiliated Fund Service Provider), for engagements directly related to the Fund s operations and financial reporting, during the Fund s last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to KPMG LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee s attention, and the Committee (or its delegate) approves the services before the Fund s audit is completed.

Fiscal Year Ended	**Audit-Related Fees Billed to Adviser and Affiliated Fund Service Providers**	**Tax Fees Billed to Adviser and Affiliated Fund Service Providers**	**All Other Fees Billed to Adviser and Affiliated Fund Service Providers**
July 31, 2016	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%
July 31, 2015	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%

NON-AUDIT SERVICES

The following table shows the amount of fees that KPMG LLP billed during the Fund s last two full fiscal years for non-audit services. The Audit Committee is required to pre-approve non-audit services that KPMG LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund s operations and financial reporting (except for those subject to the pre-approval exception described above). The Audit Committee requested and received information from KPMG LLP about any non-audit services that KPMG LLP rendered during the Fund s last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating KPMG LLP s independence.

Fiscal Year Ended	**Total Non-Audit Fees Billed to Fund**	**Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the operations and financial reporting of the Fund)**	**Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements)**	**Total**
July 31, 2016	$ 0	$ 0	$ 0	$ 0
July 31, 2015	$ 0	$ 0	$ 0	$ 0

Non-Audit Fees billed to Fund for both fiscal year ends represent Tax Fees and All Other Fees billed to Fund in their respective amounts from the previous table.

Less than 50 percent of the hours expended on the principal accountant s engagement to audit the registrant s financial statements for the most recent fiscal year were attributed to work performed by persons other than the principal accountant s full-time, permanent employees.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund s independent accountants and (ii) all audit and non-audit services to be performed by the Fund s independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than $10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under $10,000 but greater than $5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under $5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant s Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Jack B. Evans, David J. Kundert, John K. Nelson, Carole E. Stone and Terence J. Toth.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Nuveen Fund Advisors, LLC, formerly known as Nuveen Fund Advisors, Inc., is the registrant s investment adviser (also referred to as the Adviser). The Adviser is responsible for the on-going monitoring of the Fund s investment portfolio, managing the Fund s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Symphony Asset Management, LLC (Symphony or Sub-Adviser) as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to the Sub-Adviser the full responsibility for proxy voting on securities held in the registrant s portfolio and related duties in accordance with the Sub-Adviser s policies and procedures. The Adviser periodically monitors the Sub-Adviser s voting to ensure that it is carrying out its duties. The Sub-Adviser s proxy voting policies and procedures are summarized as follows:

Symphony has adopted and implemented proxy voting guidelines to ensure that proxies are voted in the best interest of its Clients. These are merely guidelines and specific situations may call for a vote which does not follow the guidelines. In determining how to vote proxies, Symphony will follow the Proxy Voting Guidelines of the independent third party which Symphony has retained to provide proxy voting services (Symphony s Proxy Guidelines).

Symphony has created a Proxy Voting Committee to periodically review Symphony s Proxy Guidelines, address conflicts of interest, specific situations and any portfolio manager s decision to deviate from Symphony s Proxy Guideline, (including the third party s guidelines). Under certain circumstances, Symphony may vote one way for some Clients and another way for other Clients. For example, votes for a Client who provides specific voting instructions may differ from votes for Clients who do not provide proxy voting instructions. However, when Symphony has discretion, proxies will generally be voted the same way for all Clients. In addition, conflicts of interest in voting proxies may arise between Clients, between Symphony and its employees, or a lending or other material relationship. As a general rule, conflicts will be resolved by Symphony voting in accordance with Symphony s Proxy Guidelines when:

Symphony manages the account of a corporation or a pension fund sponsored by a corporation in which Clients of Symphony also own stock. Symphony will vote the proxy for its other Clients in accordance with Symphony s Proxy Guidelines and will follow any directions from the corporation or the pension plan, if different than Symphony s Proxy Guidelines;

An employee or a member of his/her immediate family is on the Board of Directors or a member of senior management of the company that is the issuer of securities held in Client s account;

Symphony has a borrowing or other material relationship with a corporation whose securities are the subject of the proxy.

Proxies will always be voted in the best interest of Symphony s Clients. Those situations that do not fit within the general rules for the resolution of conflicts of interest will be reviewed by the Proxy Voting Committee. The Proxy Voting Committee, after consulting with senior management, if appropriate, will determine how the proxy should be voted. For example, when a portfolio manager decides not to follow Symphony s Proxy Guidelines, the Proxy Voting Committee will review a portfolio manager s recommendation and determine how to vote the proxy. Decisions by the Proxy Voting Committee will be documented and kept with records related to the voting of proxies. A summary of specific votes will be retained in accordance with Symphony s Books and Records Requirements which are set forth

Symphony s Compliance Manual and Code of Ethics.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Nuveen Fund Advisors, LLC is the registrant s investment adviser (also referred to as the Adviser). The Adviser is responsible for the selection and on-going monitoring of the Fund s investment portfolio, managing the Fund s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Symphony Asset Management, LLC (Symphony), (also referred to as Sub-Adviser), as Sub-Adviser to provide discretionary investment advisory services. The following section provides information on the portfolio managers at the Sub-Adviser:

Item 8(a)(1). PORTFOLIO MANAGER BIOGRAPHIES
Gunther Stein

Mr. Stein, Chief Executive Officer and Chief Investment Officer at Symphony, is responsible for leading Symphony s fixed-income and equity investments strategies and research efforts. Mr. Stein has over 29 years of investment experience. Mr. Stein was named Chief Investment Officer of Symphony in 2009 and Chief Executive Officer in 2010. Prior to joining Symphony in 1999, Mr. Stein spent six years at Wells Fargo where he managed a high-yield portfolio, was responsible for investing in public high yield bonds and bank loans and managed a team of credit analysts.

Sutanto Widjaja

Mr. Widjaja is a member of Symphony s fixed-income team and his responsibilities include portfolio management for the Fund and other related strategies. Prior to joining Symphony in 2003, Mr. Widjaja was Manager of Finance at WineShopper.com, an Analyst in investment banking at Robertson, Stephens & Company, and an Analyst at Accenture. He formerly served on the board of the San Francisco Public Health Foundation.

Item 8(a)(2). OTHER ACCOUNTS MANAGED BY PORTFOLIO MANAGERS
Other Accounts Managed by Symphony PMs

As of 7/31/16

	Gunther Stein	**Sutanto Widjaja**
(a) RICs		
Number of accts	18	0
Assets	$ 4.12 billion	$ 0
(b) Other pooled accts		
Non-performance fee accts		
Number of accts	37	1
Assets	$ 8.45 billion	$ 42.9 million
Performance fee accts		
Number of accts	5	1
Assets	$ 1.06 billion	$ 89.6 million
(c) Other		

Non-performance fee accts		
Number of accts	12	3
Assets	$ 1.02 billion	$ 2.83 million
Performance fee accts		
Number of accts	0	0
Assets	$ 0	$ 0

POTENTIAL MATERIAL CONFLICTS OF INTEREST

As described above, the portfolio manager may manage other accounts with investment strategies similar to the Fund, including other investment companies and separately managed accounts. Fees earned by the sub-advisers may vary among these accounts and the portfolio managers may personally invest in some but not all of these accounts. In addition, certain accounts may be subject to performance-based fees. These factors could create conflicts of interest because a portfolio manager may have incentives to favor certain accounts over others, resulting in other accounts outperforming the Fund. A conflict may also exist if a portfolio manager identified a limited investment opportunity that may be appropriate for more than one account, but the Fund is not able to take full advantage of that opportunity due to the need to allocate that opportunity among multiple accounts. In addition, the portfolio manager may execute transactions for another account that may adversely impact the value of securities held by the Fund. However, the Sub-adviser believes that these risks are mitigated by the fact that accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and other factors. In addition, the Sub-adviser has adopted trade allocation procedures so that accounts with like investment strategies are treated fairly and equitably over time.

Item 8(a)(3). FUND MANAGER COMPENSATION

Symphony investment professionals receive compensation based on three elements: fixed-base salary, participation in a bonus pool and certain long-term incentives.

The fixed-base salary is set at a level determined by Symphony and is reviewed periodically to ensure that it is competitive with base salaries paid by similar financial services companies for persons playing similar roles.

Each portfolio manager is also eligible to receive an annual bonus from a pool based on Symphony s aggregate asset-based and performance fees after all operating expenses. Bonus compensation for each individual is based on a variety of factors, including the performance of Symphony, the Fund, the team and the individual. Fund performance is assessed on a pre-tax total return risk-adjusted basis, and generally measured relative to the Fund s primary benchmark and/or industry peer group for one, three or five year periods as applicable.

Finally, certain key employees of Symphony, including the portfolio managers, have received profits interests in Symphony which entitle their holders to participate in the firm s growth over time.

Item 8(a)(4). OWNERSHIP OF JQC SECURITIES AS OF JULY 31, 2016

Name of Portfolio Manager	**None**	**$1 - $10,000**	**$10,001- $50,000**	**$50,001- $100,000**	**$100,001- $500,000**	**$500,001- $1,000,000**	**Over $1,0**
Gunther Stein	X						
Sutanto Widjaja	X						

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Period*	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d)* Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased under the Plans or Programs
AUGUST 1-31, 2015	59,100	$ 8.12	59,100	13,545,900
SEPTEMBER 1-30, 2015	10,000	$ 8.22	10,000	13,535,900
OCTOBER 1-31, 2015	20,000	$ 7.87	20,000	13,515,900
NOVEMBER 1-30, 2015	0		0	13,515,900
DECEMBER 1-31, 2015	50,000	$ 7.39	50,000	13,465,900
JANUARY 1-31, 2016	160,000	$ 7.22	160,000	13,305,900
FEBRUARY 1-29, 2016	5,000	$ 7.18	5,000	13,300,900
MARCH 1-31, 2016	0		0	13,300,900
APRIL 1-30, 2016	0		0	13,300,900
MAY 1-31, 2016	0		0	13,300,900
JUNE 1-30, 2016	0		0	13,300,900
JULY 1-31, 2016	0		0	13,300,900
TOTAL	304,100			

* The registrant s repurchase program, for the repurchase of 13,605,000 shares, was authorized August 4, 2015. Any repurchases made by the registrant pursuant to the program were made through open-market transactions.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant s Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15 (b) under the Securities Exchange Act of 1934, as amended (the Exchange Act) (17 CFR 240.13a-15(b) or 240.15d-15 (b)).

(b) There were no changes in the registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant s website at www.nuveen.com/CEF/Shareholder/FundGovernance.aspx and there were no amendments during the period covered by this report. (To view the code, click on Code of Conduct.)

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Credit Strategies Income Fund

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date: September 30, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: September 30, 2016

By (Signature and Title) /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: September 30, 2016