

Nuveen Preferred & Income Term Fund
Form N-CSR
October 05, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-22699
Nuveen Preferred and Income Term Fund

(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Gifford R. Zimmerman

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: July 31

Date of reporting period: July 31, 2018

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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

31 July 2018

Nuveen Closed-End Funds

JPC Nuveen Preferred & Income Opportunities Fund

JPI Nuveen Preferred and Income Term Fund

JPS Nuveen Preferred & Income Securities Fund

JPT Nuveen Preferred and Income 2022 Term Fund

Annual Report

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Chairman's Letter to Shareholders

Dear Shareholders,

I am honored to serve as the new independent chairman of the Nuveen Fund Board, effective July 1, 2018. I'd like to gratefully acknowledge the stewardship of my predecessor William J. Schneider and, on behalf of my fellow Board members, reinforce our commitment to the legacy of strong, independent oversight of your Funds.

The increase in market turbulence this year reflects greater uncertainty among investors. The global economic outlook is less clear cut than it was in 2017. U.S. growth is again decoupling from that of the rest of the world, and the U.S. dollar and interest rates have risen in response. Trade war rhetoric and the imposition of tariffs between the U.S. and its major trading partners has recently dampened business sentiment and could pose a risk to growth expectations going forward. Downside risks for some emerging markets have increased. A host of other geopolitical concerns, including the ongoing Brexit and North American Free Trade Agreement negotiations, North Korea relations and rising populism around the world, remain on the horizon.

Despite these risks, global growth remains intact, albeit at a slower pace, providing support to corporate earnings. Fiscal stimulus, an easing regulatory environment and robust consumer spending recently helped boost the U.S. economy's momentum. Growth estimates for Europe, the U.K. and Japan pointed to a rebound in their economies during the second quarter. Subdued inflation pressures have kept central bank policy accommodative, even as Europe moves closer to winding down its monetary stimulus and the Federal Reserve remains on a moderate tightening course.

Headlines and political noise will continue to obscure underlying fundamentals at times and cause temporary bouts of volatility. We encourage you to work with your financial advisor to evaluate your goals, timeline and risk tolerance if short-term market fluctuations are a concern. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Terence J. Toth

Chairman of the Board

September 24, 2018

Portfolio Managers Comments

Nuveen Preferred & Income Opportunities Fund (JPC)

Nuveen Preferred and Income Term Fund (JPI)

Nuveen Preferred & Income Securities Fund (JPS)

Nuveen Preferred and Income 2022 Term Fund (JPT)

Nuveen Asset Management, LLC (NAM) and NWQ Investment Management Company, LLC (NWQ), both affiliates of Nuveen LLC, are sub-advisers for the Nuveen Preferred & Income Opportunities Fund (JPC). NAM and NWQ each manage approximately half of the Fund's investment portfolio. Douglas Baker, CFA and Brenda Langenfeld, CFA, are the portfolio managers for the NAM team. The NWQ income-oriented investment team is led by Thomas J. Ray, CFA and Susi Budiman, CFA. The Nuveen Preferred and Income Term Fund (JPI) features management by NAM. Douglas Baker, CFA, and Brenda Langenfeld, CFA, have served as the Fund's portfolio managers since its inception. The Nuveen Preferred & Income Securities Fund (JPS) is sub-advised by a team of specialists at Spectrum Asset Management (Spectrum), a wholly owned subsidiary of Principal Global Investors, LLC. Mark Lieb and Phil Jacoby lead the team. The Nuveen Preferred and Income 2022 Term Fund (JPT) features management by NAM. Douglas Baker, CFA, and Brenda Langenfeld, CFA, have served as the Fund's portfolio managers since its inception.

Effective September 29, 2017 as approved by the Fund's Board of Trustees, the Nuveen Preferred Income Opportunities Fund's name was changed to the Nuveen Preferred and Income Opportunities Fund. Also effective September 29, 2017, the Fund will invest at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes in preferred and other income producing securities, including hybrid securities such as contingent capital securities and up to 20% opportunistically in other income-oriented securities such as corporate and taxable municipal debt and dividend paying common equity.

Effective September 29, 2017 as approved by the Fund's Board of Trustees, the Nuveen Preferred Securities Income Fund's name was changed to the Nuveen Preferred and Income Securities Fund. Also effective September 29, 2017, the Fund will invest at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes in preferred and other income producing securities, including hybrid securities such as contingent capital securities.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy or sell securities, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her advisors.

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report.

Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below investment grade ratings. Holdings designated N/R are not rated by these national rating agencies.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Portfolio Managers Comment(continued)**What factors affected the U.S. economy and financial markets during the twelve-month reporting period ended July 31, 2018?**

After maintaining a moderate pace of growth for most of the twelve-month reporting period, the U.S. economy accelerated in the second quarter of 2018. In the April to June period, economic stimulus from tax cuts and deregulation helped lift the economy to its fastest pace since 2014. The second estimate by the Bureau of Economic Analysis reported U.S. gross domestic product (GDP) grew at an annualized rate of 4.2% in the second quarter, up from 2.2% in the first quarter, 2.3% in the fourth quarter of 2017 and 2.8% in the third quarter of 2017. GDP is the value of goods and services produced by the nation's economy less the value of the goods and services used up in production, adjusted for price changes. The boost in economic activity during the second quarter of 2018 was attributed to robust spending by consumers, businesses and the government, as well as a temporary increase in exports, as farmers rushed soybean shipments ahead of China's retaliatory tariffs.

Consumer spending, the largest driver of the economy, remained well supported by low unemployment, wage gains and, in the second quarter, tax cuts. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 3.9% in July 2018 from 4.3% in July 2017 and job gains averaged around 200,000 per month for the past twelve months. The Consumer Price Index (CPI) increased 2.9% over the twelve-month reporting period ended July 31, 2018 on a seasonally adjusted basis, as reported by the Bureau of Labor Statistics.

Low mortgage rates and low inventory continued to drive home prices higher. Although mortgage rates have started to nudge higher, they remained relatively low by historical standards. The S&P CoreLogic Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, rose 6.2% in June 2018 (most recent data available at the time this report was prepared). The 10-City and 20-City Composites reported year-over-year increases of 6.0% and 6.3%, respectively.

With the U.S. economy delivering a sustainable growth rate and employment strengthening, the Fed's policy making committee continued to incrementally raise its main benchmark interest rate. The most recent increase, in June 2018, was the seventh rate hike since December 2015. Fed Chair Janet Yellen's term expired in February 2018, and incoming Chairman Jerome Powell indicated he would likely maintain the Fed's gradual pace of interest rate hikes. At the June meeting, the Fed increased its projection to four interest rate increases in 2018, from three increases projected at the March meeting, indicating its confidence in the economy's health. In line with expectations, the Fed left rates unchanged at its July meeting and continued to signal another increase in September. Additionally, the Fed continued reducing its balance sheet by allowing a small amount of maturing Treasury and mortgage securities to roll off without reinvestment. The market expects the pace to remain moderate and predictable, with minimal market disruption.

Geopolitical news remained a prominent market driver. Protectionist rhetoric had been garnering attention across Europe, as anti-European Union (EU) sentiment featured prominently (although did not win a majority) in the Dutch, French and German elections in 2017. Italy's 2018 elections resulted in a hung parliament, and several months of negotiations resulted in a populist, euro-skeptic coalition government. The U.S. moved forward with tariffs on imported goods from China, as well as on steel and aluminum from Canada, Mexico and Europe. These countries announced retaliatory measures in kind, intensifying concerns about a trade war, although the U.S. and the European Union announced in July they would refrain from further tariffs while they negotiate trade terms. Meanwhile, in March the U.K. and EU agreed in principle to the Brexit transition terms, but political instability in the U.K. in July has clouded the outlook. The U.S. Treasury issued additional sanctions on Russia in April, and re-imposed sanctions on Iran after President Trump withdrew from the 2015 nuclear agreement. The threat of a nuclear North Korea eased

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somewhat as the leaders of South Korea and North Korea met during April and jointly announced a commitment toward peace, while the U.S.-North Korea summit yielded an agreement with few additional details.

Credit spreads tightened during the first half of the reporting period as equity prices continued to rise and volatility in equity markets continued to hit new lows. At the end of January, credit spreads abruptly widened as fears of four interest

rate increases by the Fed began to get priced into the bond market. Equities corrected and the sell-off into February and March impelled spreads in capital securities to widen as volatility normalized to more historic averages. The combination of widening spreads and rising U.S. Treasury bond yields negatively impacted prices, in particular, for contingent capital securities or CoCos which peaked in January 2018.

For the twelve-month reporting period, the Blended Benchmark Index, which represents the combined preferred securities and CoCos universe, returned 1.81%. While all broad sub-categories within the Blended Benchmark Index posted positive returns during the reporting period, investment performance was not dispersed evenly across each segment. For example, \$25 par securities, securities with fixed rate coupons, and CoCo securities all posted returns in excess of the average return for the Blended Benchmark Index. However, securities with coupons that have reset features, \$1,000 par securities, and non-CoCo securities while indeed posting positive returns, all produced returns below the average for the Blended Benchmark Index. Non-U.S.-domiciled issuers outperformed U.S.-domiciled issuers over the twelve month reporting period ended July 31, 2018.

What key strategies were used to manage the Funds during this twelve-month reporting period ended July 31, 2018 and how did these strategies influence performance?

Nuveen Preferred & Income Opportunities Fund (JPC)

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year, five-year and ten-year periods ended July 31, 2018. For the twelve month reporting period ended July 31, 2018, the Fund's common shares at net asset value (NAV) underperformed the ICE BofAML U.S. All Capital Securities Index and the JPC Blended Benchmark.

JPC has a policy requiring it to invest at least 80% of its managed assets in preferred securities and contingent capital securities (sometimes referred to as CoCos), and permitting it to invest up to 20% opportunistically over the market cycle in other types of securities, primarily income oriented securities such as corporate and taxable municipal debt and common equity. JPC is managed by two experienced portfolio teams with distinctive, complementary approaches to the preferred market, each managing its own sleeve of the portfolio. NAM employs a debt-oriented approach that combines top down relative value analysis of industry sectors with fundamental credit analysis. NWQ's investment process identifies undervalued securities within a company's capital structure that offer the most attractive risk/reward potential. This multi-team approach gives investors access to a broader investment universe with greater diversification potential.

Nuveen Asset Management

For the portion of the Fund managed by NAM, the Fund seeks to achieve its investment objective of providing a high level of current income and total return by investing in preferred securities and other income producing securities, including but not limited to contingent capital securities (CoCos). The Fund's portfolio is actively managed, seeking to capitalize on the strong credit fundamentals across the largest sectors within the issuer base, the category's healthy yield level, and inefficiencies that often arise between the \$25 par retail and the \$1,000 par institutional sides of the market. The Fund's strategy has a bias toward the highly regulated industries, like banks, insurance companies and utilities, in hopes of benefitting from the added scrutiny of regulatory oversight.

NAM employs a credit-based investment approach, using a top-down process to position the portfolio in a manner that reflects the investment team's overall macro-economic outlook, while also incorporating a bottom-up approach that includes fundamental credit research, security structure selection, and option adjusted spread (OAS) analysis. The process begins with identifying the investable universe of \$1,000 par and \$25 par securities. In an effort to capitalize

on the inefficiencies between different investor bases within this universe, NAM tactically and strategically shifts capital between the \$25 par market and the \$1,000 par market. Periods of volatility may drive notable differences in valuations

Portfolio Managers Comment(continued)

between these two markets, as will periods where valuations trend in one direction for an extended period of time. Divergence in valuations is often related to differences in how retail and institutional investors measure and price risk, as well as differences in retail and institutional investors' ability to source substitute investments. Technical factors such as new issue supply may also influence the relative valuations between the \$25 par market and \$1,000 par market. Technical factors played a significant factor in absolute and relative performance during the most recent reporting period.

For the twelve-month reporting period, the Blended Benchmark Index for the sleeve managed by NAM, which represents the combined preferred securities and CoCos markets, returned 1.81%. This figure fell between both comparable financial senior debt and financial equities. NAM typically expects the Blended Benchmark Index to perform between these two categories given the hybrid nature of its constituent securities. While all broad sub-categories within the Blended Benchmark Index posted positive returns during the reporting period, investment performance was not dispersed evenly across segments. For example, \$25 par securities, securities with fixed rate coupons, and CoCo securities all posted returns in excess of the average return for the Blended Benchmark Index. However, securities with coupons that have reset features, \$1,000 par securities, and non-CoCo securities while indeed posting positive returns, all produced returns below the average for the Blended Benchmark Index.

Taking a closer look at asset class level performance for the annual reporting period ended July 31, 2018, the positive absolute return was primarily the result of the generous yield from the combined preferred securities and CoCos markets. To the contrary, negative price return during the reporting period did detract from overall performance. On average, prices were lower across the investible universe due to a combination of wider OAS and higher interest rates. OAS for the Blended Benchmark Index pushed wider during the reporting period by slightly over 50 basis points, while the U.S. 10-year Treasury rate increased by 66 basis points. However, with respect to the Blended Benchmark Index, OAS moved disproportionately wider for the preferred securities segment or non-CoCos segment of our universe. We believe that the material move higher in domestic interest rates during the reporting period, the significant drop in the U.S. dollar during the first few months of 2018, and the increased cost of hedging from USD to local currency all weighed on foreign appetite for domestic fixed income paper, including preferred securities. This theme of wider credit spreads however, was more broad-based in nature across most of the U.S. fixed income market versus being specific to NAM's investible universe. We at NAM were still surprised that OAS moved as wide as it did for the overall Blended Benchmark Index, and especially so for the preferred securities segment of the market where the U.S. bank sector is the largest sector. U.S. banks generally reported better than expected earnings during the entire twelve month reporting period. In addition, all U.S. banks subject to the annual exams passed the 2018 DFAST and CCAR stress tests, which incorporated arguably the toughest adverse scenario assumptions to date. Finally, during the reporting period, U.S. banks redeemed several billion dollars more in preferred securities paper than they issued. Given this combination of strong fundamentals and a supportive supply technical within the U.S. bank sector, NAM would have expected OAS for the preferred securities segment of our universe to have outperformed OAS for the CoCos segment of the market.

NAM incorporated several active themes relative to the Blended Benchmark Index during the reporting period, including an underweight to CoCos, an overweight to the \$1,000 par side of the market and an overweight to securities that have coupons with reset features (floating rate, fixed-to-floating rate, fixed-to-fixed rate).

During the reporting period, the underweight to CoCos detracted modestly from performance relative to the Blended Benchmark Index, as CoCo securities outperformed on average during the reporting period. As of July 31, 2018, the Fund had an allocation of approximately 30% to CoCos, well below the 40% allocation within the Blended Benchmark Index. Admittedly, while still a meaningful underweight versus the index, NAM increased the Fund's

allocation to these securities during the reporting period. While the average OAS for the CoCos segment of the Blended Benchmark did indeed move wider, it only increased by 8 basis points during the reporting period, well below the 82 basis point move wider in the preferred securities segment of the same index. The relative performance was even more perplexing when

one considers the relatively supportive fundamental and technical backdrop of the preferred securities market as discussed earlier, coupled with previously mentioned geopolitical headlines relating to Brexit and the Italian geopolitical landscape, which should have weighed disproportionately on the CoCos segment of the market.

Within the investable universe, \$25 par securities on average outperformed \$1,000 par securities. Given the outperformance of the \$25 par preferred retail side of the market during the reporting period, NAM's underweight to those structures detracted from the Fund's relative performance. As has been the case for several quarters, NAM maintained an overweight to \$1,000 par securities for two primary reasons, relative value and interest rate risk management. First, with respect to relative value, the \$1,000 par side of the market continues to be significantly cheaper than the \$25 par side of the market on an OAS basis. OAS for \$25 par preferred securities has been driven lower by retail investors' disproportionate bias for income-generating investment solutions, exacerbated by a prolonged period of low interest rates. Within the preferred securities universe, the \$25 par preferred side of the market aligns best with this retail demand given the small denomination, and retail investors' ease of sourcing these securities as most are exchange-traded. Compounding the situation was heavy redemption activity of \$25 par preferred securities, which resulted in scarcity of supply. NAM estimates that between the beginning of 2018 and the end of the reporting period, the amount of outstanding \$25 par preferred securities decreased by nearly \$12 billion, while during that same time period, net new issue flow on the \$1,000 par preferred side of the market was slightly positive. This dearth of \$25 par preferred supply created a supply technical that disproportionately supported valuations of \$25 par preferred securities versus \$1,000 par preferred securities. In our opinion, this was the primary factor driving relative outperformance of \$25 par preferred securities versus \$1,000 par preferred securities.

Second, with respect to managing interest rate risk, NAM's underweight to the \$25 par preferred securities was due to NAM's desire for greater exposure to securities that have coupons with reset features, like floating rate coupons, fixed-to-floating rate coupons and fixed-to-fixed rate coupons. These structures are more common on the institutional \$1,000 par preferred side of the market and help to mitigate duration and duration extension risk during a rising interest rate environment. Duration extension can be a significant risk for callable securities with fixed-rate coupons. As of July 31, 2018, the Fund had about 88% of its assets invested in securities that have coupons with reset features, compared to approximately 75% within the Blended Benchmark Index.

Fixed rate coupon structures outperformed securities that had coupons with reset features. In NAM's opinion, outperformance of the fixed rate coupon structures was an ancillary effect from the outperformance of \$25 par preferred securities, as a vast majority of that universe is indeed comprised of fixed rate coupon structures.

NWQ

For the portion of the Fund managed by NWQ, NWQ seeks to achieve high income and a measure of capital appreciation. While the Fund's investments are primarily preferred securities, a portion of the Fund allows the flexibility to invest across the capital structure in any type of debt, preferred or equity securities offered by a particular company. The portfolio management team then evaluates all available investment choices within a selected company's capital structure to determine the portfolio investment that may offer the most favorable risk-adjusted return potential. The Fund's portfolio is constructed with an emphasis on seeking a sustainable level of income and an overall analysis for downside risk management.

During the reporting period, NWQ's preferred, equity, investment grade corporate bonds and high yield bond holdings contributed to performance. Several sectors contributed to the Fund's performance, in particular NWQ's holdings in the industrial conglomerates, diversified financial services and utilities, while banking and insurance were the largest detractor.

Several of NWQ's holdings performed well during the reporting period. NextEra Energy Inc. convertible preferred stock, buoyed by a confluence of increasingly positive fundamental market forces including 1) capital discipline among

Portfolio Managers Comment(continued)

producers, 2) declining inventories, 3) strong demand, and 4) an agreement for a modest supply increase by the Organization of the Petroleum Exporting Countries (OPEC) required to perhaps offset renewed Iran sanctions and prevent a further spike in oil prices. Also contributing to performance was Ladenburg Thalmann preferred stock. The company reported first quarter 2018 results which exhibited robust growth in revenues, profitability and client assets. Favorable market conditions and an increasing interest rate environment, coupled with solid execution by their management team, contributed strong performance. Lastly, a CVR Partners, LP high yield bond contributed to performance. CVR is a Master Limited Partnership (MLP) that formed to own, operate and grow its nitrogen fertilizer business.

Several positions detracted from performance including the preferred stock of Maiden Holdings Limited. The company reported 2017 annual results that were worse than expected. The results were not well received and the holdings sold off. Also detracting from performance was TravelCenters of America high yield bond position. TravelCenters of America is the largest operator of truck stops and travel centers in the United States. The company reported missed earnings due to soft gas demand from consumers, and lower fuel gross margins due to competitive pricing activity. NWQ has sold its holdings of TravelCenters of America. Lastly, Dish DBS Corporation 7.750% 7/01/2026 senior note was also a bottom performer during the reporting period. The company reported weaker earnings before interest, tax, depreciation and amortization (EBITDA) versus expectations for their fourth quarter ending December 31, 2017 and continues to be challenged in its broadcast subscription satellite TV services. Additionally, the company will have to start to spend on a build out of a wireless network in order to retain its wireless spectrum licenses. Both of these factors weighed on the credit during the first quarter of 2018. NWQ remains constructive on the credit going forward largely as a result of the unrealized value of its wireless spectrum. NWQ anticipates they will do a value accretive transaction within the medium-term. Currently, NWQ believes the wireless spectrum's value is well in excess of the amount of debt outstanding.

Nuveen Preferred and Income Term Fund (JPI)

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year, five-year and since inception periods ended July 31, 2018. For the twelve-month reporting period ended July 31, 2018, the Fund's common shares at net asset value (NAV) underperformed the ICE BofAML U.S. All Capital Securities Index and the JPI Blended Benchmark Index.

The Fund seeks to achieve its investment objective of providing a high level of current income and total return by investing in preferred securities and other income producing securities, including but not limited to contingent capital securities (CoCos). The Fund's portfolio is actively managed, seeking to capitalize on strong and continuously improving credit fundamentals across the issuer base, the category's healthy yield level and inefficiencies that often evolve between the \$25 par retail and the \$1,000 par institutional sides of the market. The Fund's strategy focuses opportunistically on highly regulated industries, like utilities, banks and insurance companies, with a current emphasis broadly on financial services companies.

NAM employs a credit-based investment approach, using a top-down process to position the portfolio in a manner that reflects the investment team's overall macro-economic outlook, while also incorporating a bottom-up approach that includes fundamental credit research, security structure selection, and option adjusted spread (OAS) analysis. The process begins with identifying the investable universe of \$1,000 par and \$25 par securities. In an effort to capitalize on the inefficiencies between different investor bases within this universe, NAM tactically and strategically shifts capital between the \$25 par exchange listed market and the \$1,000 par over-the-counter market. Periods of volatility may drive notably different valuations between these two markets, as will periods where valuations trend in one

direction for an extended period of time. This dynamic is often related to differences in how retail and institutional markets perceive and price risk, as well as differences in retail and institutional investors' ability to source substitute investments. Technical factors such as new issue supply may also influence the relative valuations between \$25 par exchange listed structures and \$1,000 par over-the-counter structures.

For the twelve-month reporting period, the Blended Benchmark Index, which represents the combined preferred securities and CoCos markets, returned 1.81%. This figure fell between both comparable financial senior debt and financial equities. NAM typically expects the Blended Benchmark Index to perform between these two categories given the hybrid nature of its constituent securities. While all broad sub-categories within the Blended Benchmark Index posted positive returns during the reporting period, investment performance was not dispersed evenly across each segment. For example, \$25 par securities, securities with fixed rate coupons, and CoCo securities all posted returns in excess of the average return for the Blended Benchmark Index. However, securities with coupons that have reset features, \$1,000 par securities, and non-CoCo securities while indeed posting positive returns, all produced returns below the average for the Blended Benchmark Index.

Taking a closer look at asset class level performance for the twelve month reporting period ended July 31, 2018, the positive return primarily was due to the generous yield of the combined preferred securities and CoCos markets, while negative price return during the reporting period detracted from overall performance. On average, prices were lower across the investible universe due to a combination of wider OAS and higher interest rates. OAS for the Blended Benchmark Index pushed wider during the reporting period by slightly over 50 basis points, while the U.S. 10-year Treasury rate increased by approximately 66 basis points. However, with respect to the Blended Benchmark Index, OAS moved disproportionately wider on average for preferred security structures versus CoCo securities. NAM believes that the material move higher in domestic interest rates during the reporting period, the significant drop in the U.S. dollar during the first few months of 2018, and the increased cost of hedging from USD to local currency all weighed on foreign appetite for domestic fixed income paper. This theme of wider credit spreads; however, was more broad-based across most of the U.S. fixed income market versus being specific to NAM's investible universe. We at NAM were still surprised that OAS moved as wide as it did for the overall Blended Benchmark Index, and especially so for the preferred securities segment of the market where the U.S. bank sector is the largest sector. U.S. banks generally reported better than expected earnings during the entire reporting period. In addition, all U.S. banks subject to the annual exams passed the 2018 DFAST and CCAR stress tests, which incorporated arguably the toughest adverse scenario assumptions to date. Finally, U.S. banks redeemed several billion dollars more preferred securities paper than they issued. Given this combination of strong fundamentals and a supportive supply technical within the U.S. bank sector, NAM would have expected OAS for the preferred securities segment to have outperformed OAS for the CoCos segment.

NAM incorporated several active themes relative to the Blended Benchmark Index during the reporting period, including an overweight to CoCos, an overweight to the \$1,000 par side of the market and an overweight to securities that have coupons with reset features (floating rate, fixed-to-floating rate, fixed-to-fixed rate).

During the reporting period, the underweight to CoCos detracted modestly from performance relative to the Blended Benchmark Index, as CoCos outperformed on average over the twelve month reporting period. As of July 31, 2018, the Fund had an allocation of approximately 30% to CoCos, well below the 40% allocation within the Blended Benchmark Index. Admittedly, while still a meaningful underweight versus the index, NAM increased the Fund's allocation to these securities during the reporting period. While the average OAS for the CoCos segment of the Blended Benchmark Index did indeed move wider, it increased by only 8 basis points between the beginning and the end of the reporting period, well below the 82 basis point move wider within the preferred securities segment of the same index. The relative performance was even more perplexing when one considers the relatively supportive fundamental and technical backdrop of the domestic preferred securities market as discussed earlier, coupled with previously mentioned geopolitical headlines relating to Brexit and the Italian political landscape, which should have disproportionately weighed on the CoCos segment of the market.

Within the investible universe, \$25 par securities on average outperformed \$1,000 par securities. Given the outperformance of the \$25 par preferred retail side of the market during the reporting period, NAM's underweight to

that segment detracted to the Fund's relative performance. As has been the case for several quarters, NAM maintained an

Portfolio Managers Comment(continued)

overweight to \$1,000 par securities for two primary reasons, relative value and interest rate risk management. First, with respect to relative value, the \$1,000 par side of the market continues to be significantly cheaper than the \$25 par side of the market on an OAS basis. OAS for \$25 par preferred securities has been driven lower by retail investors disproportionate bias for income-generating investment solutions, exacerbated by a prolonged period of low interest rates. Within the preferred securities universe, the \$25 par preferred side of the market is best positioned to align with retail demand given the small denomination, and the ease of sourcing these securities as most are exchange-traded. Compounding the situation during the reporting period was heavy net redemption activity of \$25 par preferred securities. NAM estimates that between the beginning to 2018 and the end of the reporting period, the amount of outstanding \$25 par preferred securities decreased by nearly \$12 billion, while during that same time period, net new issue flow on the \$1,000 par preferred side of the market was slightly positive. This dearth of \$25 par preferred supply created a supply technical that disproportionately supported valuations of \$25 par preferred securities versus \$1,000 par preferred securities and was the primary factor for the relative outperformance of the \$25 par preferred securities versus the \$1,000 par preferred securities.

Second, with respect to interest rate risk, the underweight to the \$25 par preferred securities also was due to our desire for greater exposure to securities that have coupons with reset features, like floating rate coupons, fixed-to-floating rate coupons and fixed-to-fixed rate coupons. These structures are more common on the institutional \$1,000 par preferred side of the market and help to mitigate duration and duration extension risk during a rising interest rate environment. Duration extension can be a significant risk for callable securities with fixed-rate coupons. As of July 31, 2018, the Fund had about 88% of its assets invested in securities that have coupons with reset features, compared to approximately 75% within the Blended Benchmark Index.

Contrary to expectations given rising interest rates during the reporting period, fixed rate coupon structures outperformed securities that had coupons with reset features. In our opinion, this really was an ancillary effect from the outperformance of \$25 par preferred securities, of which a vast majority of that universe is comprised of fixed rate coupon structures.

Nuveen Preferred & Income Securities Fund (JPS)

The table in the Performance Overview and Holding Summaries section of this report provide total return performance for the Fund for the one-year, five-year and ten-year periods ended July 31, 2018. For the twelve-month reporting period ended July 31, 2018, the Fund's common shares at net asset value (NAV) underperformed the ICE BofAML U.S. All Capital Securities Index and the JPS Blended Benchmark.

The investment objective of the Fund is to seek high current income consistent with capital preservation with a secondary objective to enhance portfolio value relative to the broad market for preferred securities. Under normal market conditions, the Fund seeks to invest at least 80% of its net assets in preferred securities and up to 20% of its net assets in debt securities, including convertible debt and convertible preferred securities.

Spectrum's tactical overweight exposure to both institutional sectors of the junior subordinated capital securities, which includes both preferred and CoCos, benefited performance. A preferred security represents a capital security issued either through charter amendment (as a stock) or through indenture (as a bond). For preferred securities, any reorganization would be processed through a bankruptcy court. Preferred security payments are in priority to common stock dividends, yet can be deferred, which means payments are cumulative or they can be eliminated which means payments are non-cumulative without causing an immediate event of default. Any principal loss absorption on a preferred security would be forced through a statutory resolution in a bankruptcy proceeding. A CoCo represents a

capital security issued through indenture. For CoCos, a reorganization would be processed through the contracts of its capital before falling into an actual bankruptcy. CoCos payments are non-cumulative, subject to payment limitations and may not be paid in priority to common stock dividends (i.e. they are *pari passu* to common stock dividends); and can be

reduced or eliminated without causing an event of default. Principal loss absorption on a CoCo could be forced through a regulatory action in advance of any bankruptcy proceeding.

The Fund owns a blend of junior subordinated capital securities in the two segments, the preferred securities segment, represented by the ICE BofAML All Capital Securities Index, comprises approximately 70.1% of the Fund (including some cash) and the CoCos segment, represented by the ICE BofAML Contingent Capital Index comprises 29.1% of the Fund.

During the reporting period, Spectrum's strategy included an orientation away from fixed-for-life coupon structures in favor of adjustable type coupons that can grow income and protect capital if interest rates rise. The fixed-for-life concentration was reduced by 2% during the reporting period to 13.7% of the Fund. Adjustable type coupons comprised 84% of the Fund and are split between fixed-to-floating, fixed-to-variable and floating rate coupons.

Spectrum increased the Fund's concentration to the institutional preferred stock sector, which pays a fixed-to-floating type coupon. This sector contributed to performance. Spectrum also increased the Fund's concentration to contingent convertible capital securities, which pay a fixed-to-variable rate coupon. This also contributed to performance. Individual holdings that contributed to performance included Wells Fargo floating rate preferred stock and JP Morgan floating rate preferred stock.

Individual holdings that detracted from performance included General Electric Capital Corporation 5% preferred stock, SocGen 8% contingent capital security and MetLife Capital Trust IV 9.25% hybrid preferred securities.

The modified duration of the Fund's portfolio maintained a narrow and predictable range of 4.84 years at the beginning of the reporting period to 4.80 years by the end of the reporting period as the U.S. Treasury five-year yield rose by 105 basis points.

Nuveen Preferred and Income 2022 Term Fund (JPT)

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year and since inception periods ended July 31, 2018. For the twelve-month reporting period ended July 31, 2018, the Fund's common shares at net asset value (NAV) underperformed the ICE BofAML U.S. All Capital Securities Index.

The Fund seeks to achieve its investment objective of providing a high level of current income and total return by investing in preferred securities and other income producing securities. The Fund's portfolio is actively managed, seeking to capitalize on strong and continuously improving credit fundamentals across the issuer base, the category's healthy yield level, and inefficiencies that often evolve between the \$25 par retail and the \$1,000 par institutional sides of the market. The Fund's strategy has a bias toward the highly regulated industries, like utilities, banks and insurance companies, with a current emphasis broadly on financial services companies. The Fund does not invest in contingent capital securities (otherwise known as CoCos).

NAM employs a credit-based investment approach, using a top-down process to position the portfolio in a manner that reflects the investment team's overall macro-economic outlook, while also incorporating a bottom-up approach that includes fundamental credit research, security structure selection, and option adjusted spread (OAS) analysis. The process begins with identifying the investable universe of \$1,000 par and \$25 par securities. In an effort to capitalize on the inefficiencies between different investor bases within this universe, NAM tactically and strategically shifts capital between the \$25 par exchange listed market and the \$1,000 par over-the-counter market. Periods of volatility may drive notably different valuations between these two markets, as will periods where valuations trend in one

direction for an extended period of time. This dynamic is often related to differences in how retail and institutional markets perceive and price risk, as well as differences in retail and institutional investors' ability to source substitute investments. Technical factors such as new issue supply may also influence the relative valuations between \$25 par exchange listed structures and \$1,000 par over-the-counter structures.

Portfolio Managers Comment(continued)

Within JPT, NAM incorporated several prominent active themes within the Fund relative to its benchmark during the reporting period, of particular note an overweight to the \$1,000 par side of the market, and an overweight to securities that have coupons with reset features (floating rate, fixed-to-floating rate, fixed-to-fixed rate).

Given the outperformance of the \$25 par preferred side of the market during the reporting period, NAM's overweight to \$1,000 par preferred structures detracted from the Fund's relative results. As has been the case for several quarters, NAM maintained an overweight to \$1,000 par securities for two primary reasons, relative value and interest rate risk management. First, from a relative value perspective, the \$1,000 par side of the market continues to be significantly cheaper than the \$25 par side of the market on an OAS basis. OAS for \$25 par preferred securities has been driven lower by retail investors' disproportionate bias for income-generating investment solutions, exacerbated by a prolonged period of low interest rates. Within the preferred securities universe, the \$25 par preferred side of the market is best positioned to meet this retail demand given the small denomination, and the ease of sourcing these securities as most are exchange-traded. In addition, recent heavy redemption of \$25 par preferred securities has created a supply technical that disproportionately supports valuations of \$25 par preferred securities versus \$1,000 par preferred securities. From the beginning of 2018 through the end of the reporting period, NAM estimates that the amount of \$25 par preferred securities outstanding decreased by nearly \$12 billion, while net new issue flow on the \$1,000 par side of the market was slightly positive during that same seven month window.

Second, with respect to interest rate risk, NAM's overweight to \$1,000 par securities allows us to gain greater exposure to securities that have coupons with reset features, like floating rate coupons, fixed-to-floating rate coupons and fixed-to-fixed rate coupons. These structures are more common on the institutional \$1,000 par side of the market and help to mitigate duration and duration extension risk during a rising interest rate environment. Duration extension can be a significant risk for callable securities with fixed-rate coupons.

As of July 31, 2018, the Fund had about 84% of its assets invested in securities that have coupons with reset features, compared to approximately 61% within the Blended Benchmark Index. Contrary to expectations given rising interest rates during the reporting period, fixed rate coupon structures outperformed securities that had coupons with reset features. In NAM's opinion, this was an ancillary effect from the outperformance of \$25 par preferred securities, as a vast majority of that universe is comprised of fixed rate coupon structures.

JPT maintained short interest rate futures during the reporting period to manage the Fund's overall interest rate sensitivity. These interest rate futures had a positive effect to overall Fund performance during the reporting period.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of the Funds' common shares relative to their comparative benchmarks was the Funds' use of leverage through bank borrowings as well as the use of reverse repurchase agreements for JPC and JPS. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments in recent years have been much lower than the interest the Fund has been earning on its portfolio securities that it has bought with the proceeds of that leverage.

However, use of leverage can expose Fund common shares to additional price volatility. When a Fund uses leverage, the Fund common shares will experience a greater increase in their net asset value if the securities acquired through the use of leverage increase in value, but will also experience a correspondingly larger decline in their net asset value if the securities acquired through leverage decline in value, which will make the shares' net asset value more volatile, and total return performance more variable, over time.

In addition, common share income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Over the last few quarters, short-term interest rates have indeed increased from their extended lows after the 2007-09 financial crisis. This increase has reduced common share net income, and also reduced potential for long-term total returns. Nevertheless, the ability to effectively borrow at current short-term rates is still resulting in enhanced common share income, and management believes that the advantages of continuation of leverage outweigh the associated increase in risk and volatility described above.

The Funds' use of leverage had a positive impact on performance during this reporting period.

JPC, JPI, JPS and JPT continued to utilize forward starting interest rate swap contracts to partially hedge the interest cost of leverage, which as mentioned previously, is through the use of bank borrowings. During this reporting period, these swap contracts had a negligible impact to overall Fund performance.

As of July 31, 2018, the Funds' percentages of leverage are shown in the accompanying table.

	JPC	JPI	JPS	JPT
Effective Leverage*	34.87%	28.84%	34.52%	20.66%
Regulatory Leverage*	29.39%	28.84%	29.89%	20.66%

*Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of the Fund's capital structure. A Fund, however, may from time to time borrow on a typically transient basis in connection with its day-to-day operations, primarily in connection with the need to settle portfolio trades. Such incidental borrowings are excluded from the calculation of a Fund's effective leverage ratio. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

Fund Leverage (continued)**THE FUNDS LEVERAGE***Bank Borrowings*

As noted above, the Funds employ regulatory leverage through the use of bank borrowings. The Funds' bank borrowing activities are as shown in the accompanying table.

Fund	Current Reporting Period				Subsequent to the Close of the Reporting Period			
	August 1, 2017	Draws	Paydowns	July 31, 2018	Average Balance Outstanding	Draws	Paydowns	September 27, 2018
JPC	\$ 540,000,000	\$	\$ (103,000,000)	\$ 437,000,000	\$ 439,257,534	\$	\$	\$ 437,000,000
JPI	\$ 225,000,000	\$	\$	\$ 225,000,000	\$ 225,000,000	\$	\$	\$ 225,000,000
JPS	\$ 845,300,000	\$	\$	\$ 845,300,000	\$ 845,300,000	\$	\$	\$ 845,300,000
JPT	\$ 42,500,000	\$	\$	\$ 42,500,000	\$ 42,500,000	\$	\$	\$ 42,500,000

Refer to Notes to Financial Statements, Note 8 Fund Leverage for further details.

Reverse Repurchase Agreements

As noted above, JPC and JPS utilized reverse repurchase agreements. The Funds' transactions in reverse repurchase agreements are as shown in the accompanying table.

Fund	Current Reporting Period				Subsequent to the Close of the Reporting Period			
	August 1, 2017	Purchases	Sales	July 31, 2018	Average Balance Outstanding	Purchases	Sales	September 27, 2018
JPC	\$	\$ 125,000,000	\$	\$ 125,000,000	\$ 125,000,000**	\$	\$	\$ 125,000,000
JPS	\$ 200,000,000	\$	\$	\$ 200,000,000	\$ 200,000,000	\$	\$	\$ 200,000,000

**For the period August 9, 2017 (initial purchase of reverse repurchase agreements) through July 31, 2018.

Common Share Information

COMMON SHARE DISTRIBUTION INFORMATION

The following information regarding the Funds' distributions is current as of July 31, 2018. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investment value changes.

During the current reporting period, each Fund's distributions to common shareholders were as shown in the accompanying table.

Monthly Distributions (Ex-Dividend Date)	Per Common Share Amounts			
	JPC	JPI	JPS	JPT
August 2017	\$ 0.0650	\$ 0.1415	\$ 0.0620	\$ 0.1275