

NUVEEN FLOATING RATE INCOME FUND  
Form N-CSR  
October 08, 2015

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 811-21494  
Nuveen Floating Rate Income 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)

Kevin J. McCarthy

Nuveen Investments

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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, 2015

## Edgar Filing: NUVEEN FLOATING RATE INCOME FUND - Form N-CSR

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**

Nuveen Investments  
**Closed-End Funds**

**Annual Report** July 31, 2015

**NSL**  
Nuveen Senior Income Fund

**JFR**  
Nuveen Floating Rate Income Fund

**JRO**  
Nuveen Floating Rate Income Opportunity Fund

**JSD**  
Nuveen Short Duration Credit Opportunities Fund

**JQC**  
Nuveen Credit Strategies Income Fund

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If you receive your Nuveen Fund dividends and statements directly from Nuveen.

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**Chairman's Letter**

**to Shareholders**

**Dear Shareholders,**

For better or for worse, the financial markets have spent the past year waiting for the U.S. Federal Reserve (Fed) to end its ultra-loose monetary policy. The policy has propped up stock and bond markets since the Great Recession, but the question remains: how will markets behave without its influence? This uncertainty has been a considerable source of volatility for stock and bond prices lately, despite the Fed carefully conveying its intention to raise rates slowly and only when the economy shows evidence of readiness.

A large consensus expects at least one rate hike before the end of 2015. After all, the U.S. has reached full employment by the Fed's standards and growth has resumed albeit unevenly. But the picture remains somewhat uncertain. Inflation has remained stubbornly low, most recently weighed down by an unexpectedly sharp decline in commodity prices since mid-2014. With the Fed poised to tighten and foreign central banks easing, the U.S. dollar has surged against other currencies, which has weighed on corporate earnings and further contributed to commodity price weakness. U.S. consumers have benefited from an improved labor market and lower prices at the gas pump, but the overall pace of economic expansion has been lackluster.

Nevertheless, the global recovery continues to be led by the United States. Policy makers around the world are deploying their available tools to try to bolster Europe and Japan's fragile growth, and manage China's slowdown. Contagion fears ebb and flow with the headlines about Greece and China. Greece reluctantly agreed to a third bailout package from the European Union in July and China's central bank and government intervened aggressively to try to stem the sell-off in stock prices. But persistent structural problems in these economies will continue to garner market attention.

Wall Street is fond of saying markets don't like uncertainty, and asset prices are likely to continue to churn in the current macro environment. In times like these, you can look to a professional investment manager with the experience and discipline to maintain the proper perspective on short-term events. And if the daily headlines do concern you, I encourage you to reach out to your financial advisor. Your financial advisor can help you evaluate your investment strategies in light of current events, your time horizon and risk tolerance. 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,

William J. Schneider

Chairman of the Board

September 21, 2015

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## Portfolio Managers

### Comments

Nuveen Senior Income Fund (NSL)

Nuveen Floating Rate Income Fund (JFR)

Nuveen Floating Rate Income Opportunity Fund (JRO)

Nuveen Short Duration Credit Opportunities Fund (JSD)

Nuveen Credit Strategies Income Fund (JQC)

*The Funds' investment portfolios are managed by Symphony Asset Management, LLC (Symphony), an affiliate of Nuveen Investments, Inc. Gunther Stein, who serves as the firm's Chief Investment Officer and Chief Executive Officer, and Scott Caraher manage NSL, JFR and JRO. Gunther and Sutanto Widjaja manage JQC, while JSD is managed by Gunther, Scott and Jenny Rhee.*

*Effective September 30, 2015 (subsequent to the close of this reporting period), NSL, JFR, JRO, JSD and JQC will be able to invest up to 5% in iBOXX Loan Total Return Swaps. For NSL, JFR and JRO, investment in iBOXX Loan Total Return Swaps will not count for the purpose of meeting the minimum 80% loan tests until after November 30, 2015.*

*Here the team discusses the U.S. economic and equity market conditions, their management strategies and the performance of the Funds for the twelve-month reporting period ended July 31, 2015.*

### **What factors affected the U.S. economy and domestic and global markets during the twelve-month reporting period ended July 31, 2015?**

During this reporting period, the U.S. economy continued to expand at a moderate pace. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its October 2014 meeting, the Fed announced that it would end its bond-buying stimulus program as of November 1, 2014, after tapering its monthly asset purchases of mortgage-backed and longer-term Treasury securities from the original \$85 billion per month to \$15 billion per month over the course of seven consecutive meetings (December 2013 through September 2014). In making the announcement, the Fed cited substantial improvement in the outlook for the labor market since the inception of the current asset purchase program as well as sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability. The Fed also reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions. Additionally, the Fed stated that it would likely maintain the current target range for the fed funds rate for a considerable time after the end of the asset purchase program, especially if projected inflation continues to run below the

**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.**

**Ratings shown 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). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. 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 Comments** (continued)

Fed's 2% longer run goal. However, if economic data shows faster progress, the Fed indicated that it could raise the fed funds rate sooner than expected.

The Fed changed its language slightly in December, indicating it would be patient in normalizing monetary policy. This shift helped ease investors' worries that the Fed might raise rates too soon. However, as employment data released early in the year continued to look strong, anticipation began building that the Fed could raise its main policy rate as soon as June. As widely expected, after its March meeting, the Fed eliminated patient from its statement but also highlighted the policy makers' less optimistic view of the economy's overall health as well as downgraded their inflation projections. The Fed's April meeting seemed to further signal that a June rate hike was off the table. While the Fed attributed the first quarter's economic weakness to temporary factors, the meeting minutes from April revealed that many Committee members believed the economic data available in June would be insufficient to meet the Fed's criteria for initiating a rate increase. The June meeting bore out that presumption, and the Fed decided to keep the target rate near zero. But the Committee also continued to telegraph the likelihood of at least one rate increase in 2015, which many analysts forecasted for September. During the September 2015 meeting (subsequent to the close of this reporting period), the Fed decided to keep the federal funds rate near zero despite broad speculation it would increase rates. The Committee said it will keep the rate near zero until the economy has seen further improvement toward reaching the Fed's goals of maximum employment and inflation approaching two percent.

According to the government's revised estimate, the U.S. economy increased at a 3.7% annualized rate in the second quarter of 2015, as measured by GDP, compared with a decrease of 0.6% in the first quarter of 2015 and increases of 5.0% in the third quarter 2014 and 2.2% in the fourth quarter 2014. The increase in real GDP in the second quarter reflected positive contributions from personal consumption expenditures, exports, state and local government spending, and residential fixed investment that were partly offset by negative contributions from federal government spending, private inventory investment, and nonresidential fixed investment. The Consumer Price Index (CPI) increased 0.1% year-over-year as of July 2015. The core CPI (which excludes food and energy) increased 0.1% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of July 2015, the U.S. unemployment rate was 5.3%, a level not seen since mid-2008. This figure is also considered full employment by some Fed officials. The housing market continued to post consistent gains as of its most recent reading in June 2015. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 4.5% for the twelve months ended June 2015 (most recent data available at the time this report was prepared).

For the reporting period, assets across the credit risk spectrum posted positive returns as investor appetite for credit risk returned to the market and risk aversion appeared to subside. However, while broad market performance was admirable for the reporting period, it came with volatility as oil price moves continued to drive large swings in market sentiment, especially within high yield bond markets. Additionally concerns around the pace of domestic and global economic growth, continued signs of weakness out of China, Greece's continuing debt crisis, a strengthening dollar and geopolitical concerns emanating from the Middle East appeared to further provoke market uncertainty. Also contributing to the volatility among risk assets was a dovish Fed and overall fluid expectations by market participants surrounding the timing of rate hikes in the U.S.

At the top of the capital structure, loan markets as measured by the Credit Suisse Leverage Loan Index posted positive returns for the reporting period and outperformed high yield bonds. On the heels of persistent technical weakness toward the end of 2014 the loan market had rallied closer to par by the end of the reporting period as the pace of retail outflows materially slowed and institutional demand, predominantly collateralized loan obligation (CLO) issuance, remained strong. In addition, the overall light supply in new issuance for the first quarter helped drive prices higher on continued demand for loan assets. Default rates remain below historical levels.

Moving down the capital structure to the high yield corporate bond markets, the reporting period also finished on a positive note. Following an intense bout of volatility and risk aversion led by the energy sector at the end of 2014, the high yield markets rebounded nicely. While the market remained wary of when oil prices would find a floor and the subsequent effect of lower oil prices on the credit worthiness of many energy sector names, the perception that lower oil prices ultimately would benefit the consumer led to outperformance. Default rates remain below historical levels.

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**What strategies were used to manage the Funds during the twelve-month reporting period ended July 31, 2015?**

NSL, JFR and JRO have similar investment objectives and strategies. Each Fund is designed to seek a high level of current income by primarily investing in a portfolio of adjustable rate, senior secured corporate loans. The Funds also may invest in unsecured senior loans, other debt securities, equity securities and warrants acquired in connection with an investment in senior loans. A significant portion of each Fund's assets may be invested in instruments that, at the time of investment, are rated below investment grade or are unrated but judged by Symphony to be of comparable quality to below investment grade.

JSD seeks to provide current income and the potential for capital appreciation. The Fund invests primarily in a blended portfolio of below investment grade adjustable rate corporate debt instruments, including senior secured loans, second lien loans and other adjustable rate corporate debt instruments. The Fund may also make limited tactical investments in other types of debt instruments and may enter into tactical short positions consisting of primarily high yield debt. Under normal market conditions the Fund maintains a portfolio with an average duration that does not exceed two years.

JQC invests at least 70% of its assets in senior secured and second lien loans, and up to 30% of its assets opportunistically over the credit cycle in other types of securities across a company's capital structure. These other securities primarily include income-oriented securities such as high yield corporate and convertible bonds as well as common stocks. The Fund maintained exposure to senior loans during the reporting period, while tactically allocating between high yield corporate bonds, equity securities and convertible bonds. Exposure consisted of mainly U.S. issuers, and was focused on companies that, in general, had high levels of tangible assets, predictable revenue streams, significant market share within their respective industries and positive free cash flow.

**How did the Funds perform during this twelve-month reporting period ended July 31, 2015?**

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for each Fund for the one-year, five-year, ten-year and/or since inception periods ended July 31, 2015. The Fund's total return at net asset value (NAV) is compared with the performance of a corresponding market index. For the twelve-month reporting period ended July 31, 2015, NSL, JFR, JRO, JSD and JQC underperformed the Credit Suisse Leveraged Loan Index.

Across all five Funds, our top and bottom performing individual security positions and industry groups were similar. As a result, for NSL, JFR, JRO, JSD and JQC the hotels, restaurants & leisure, food & staples retailing and internet software & services industry groups contributed positively to absolute performance. However, these could not offset the Funds' individual security positions in the oil, gas & consumable fuels and media industry groups, which contributed to the Funds' underperformance. Overall, industry group and individual positions discussed were similarly weighted across all five Funds during the reporting period.

In the food & staples retailing industry, the loans of Albertson's and US Foods benefited performance. In our opinion, this industry has historically been more defensive during periods of volatility. We believe these loans offer an attractive coupon relative to the rest of the industry and broad market. Both the industry and the companies performed well during the reporting period. We anticipate the loans will continue to be a core position in our portfolios in the near term. In addition, Drumm Investors LLC, (Golden Living), a health care facilities company, benefited performance as reimbursements stabilized and the company continued to perform. For JSD, our credit default swap position in Avon Products Inc. also contributed.

Specific holdings that detracted from performance included positions in Millennium Laboratories, Inc. Additionally, our energy holdings were key detractors for the reporting period. While we began reducing our exposure to the sector ahead of the steep decline in oil prices, we continued to maintain modest exposures that detracted from overall performance. Specifically, the loans of Fieldwood Energy, LLC and Drill Rigs Holdings Inc. weighed on performance during the reporting period. Also detracting from performance were the diversified media and entertainment company bonds of Clear Channel Communications, Inc. The loans and bonds were impacted as riskier assets experienced a sell-off during the second half of the reporting period.

**Portfolio Managers Comments** (continued)

In addition, spreads widened during the reporting period, negatively impacting performance as the market experienced increased volatility. The biggest drivers of the volatility were overall risk aversion and global macro concerns such as Greece potentially exiting the European Union and a weakening Chinese economy. The overall impact of these events were negative on credit risk assets.

Despite overall risk aversion spreading into loan markets, in our view, loans continue to be a compelling investment opportunity given their duration profile and overall lower sensitivity to Treasury rate volatility. We continue to believe that in the face of rising volatility around geopolitical risks and the prospect for the Fed raising interest rates at the end of 2015, that loans are positioned to perform well relative to other asset classes. We also feel the market volatility experienced in the wake of the global macro related issues, as opposed to underlying deterioration of credits in the names we hold, will continue in the near term and presents our strategies with compelling new investment opportunities.

For JSD we also continued to invest in credit default swaps, which were used to provide a benefit if particular bonds credit quality worsened. These contracts had a negligible effect on performance.

All of these Funds have owned, or currently own, loans with the LIBOR floor feature. The coupon on most senior loans consists of both LIBOR (usually 90-day U.S. LIBOR) plus a spread. For example, a senior loan might have a coupon structure of LIBOR plus 400 basis points (bp) in which the coupon consists of 90-day LIBOR, plus 400bp. Given today's relatively low LIBOR rate, however, many issuers have put in place LIBOR floors to enhance the yield (and satisfy demand from investors) for newly issued loans. LIBOR floors, as the name suggests, put a floor on the reference LIBOR rate. LIBOR floors typically range from 150bp to 50bp. A loan with a LIBOR floor might have a structure of LIBOR + 400bp with a 100bp LIBOR floor. In this example, the effective coupon is 5% (100bp + 400bp as long as LIBOR is less than or equal to 100bp). As a result, as LIBOR rises from current levels, the yield on a senior loan with a LIBOR floor will not rise in lockstep until after the reference LIBOR rate exceeds the LIBOR floor. Although many loans have LIBOR floors (the asset class is one of the few that will float when interest rates begin to rise), we believe the senior loan asset class provides fixed income oriented investors with a potential safeguard from a secular rise in interest rates.

**Fund****Leverage****IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE**

One important factor impacting the returns of the Funds relative to their benchmarks was the Funds' use of leverage through the use of bank borrowings, Variable Rate Term Preferred (VRTP) Shares for NSL, JFR and JRO and reverse repurchase agreements for JQC. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share NAV and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. The Funds' use of leverage had a positive impact on performance during this reporting period.

The Funds also used interest rate swap contracts to partially fix the interest cost of leverage, which as mentioned previously, is through bank borrowings and or VRTP Shares. During the reporting period, NSL, JFR, JRO and JQC unwound their respective swap contracts. JSD began the reporting period with three swap contracts, one of which matured and another was unwound prior to the end of the reporting period. The swap contracts held by NSL, JFR, JRO and JQC had an overall negligible impact on Fund performance, while JSD's swap contracts detracted from overall Fund performance.

As of July 31, 2015, the Funds' percentages of leverage are shown in the accompanying table.

	<b>NSL</b>	<b>JFR</b>	<b>JRO</b>	<b>JSD</b>	<b>JQC</b>
Effective Leverage*	38.14%	38.18%	38.21%	31.18%	37.30%
Regulatory Leverage*	38.14%	38.18%	38.21%	31.18%	32.25%

\*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 a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

**THE FUNDS' REGULATORY LEVERAGE***Bank Borrowings*

The Funds employ regulatory leverage through the use of bank borrowings. As of July 31, 2015, the Funds' outstanding bank borrowings are as shown in the accompanying table.

	<b>NSL</b>	<b>JFR</b>	<b>JRO</b>	<b>JSD</b>	<b>JQC</b>
Bank Borrowings	\$ 112,500,000	\$ 270,300,000	\$ 188,800,000	\$ 85,200,000	\$ 640,000,000

Refer to Notes to Financial Statements, Note 9 - Borrowing Arrangements for further details.

*Variable Rate Term Preferred Shares*

In addition to bank borrowings, NSL, JFR, and JRO also issued VRTP Shares. As of July 31, 2015, the Funds outstanding VRTP Shares are as shown in the accompanying table.

	<b>NSL</b>	<b>JFR</b>	<b>JRO</b>
VRTP Shares, at liquidation value	\$ 58,000,000	\$ 139,000,000	\$ 98,000,000

Refer to Notes to Financial Statements, Note 4 Fund Shares, Preferred Shares for further details on VRTP Shares.

**Common Share****Information****COMMON SHARE DISTRIBUTION INFORMATION**

The following information regarding the Funds' distributions is current as of July 31, 2015. 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.

Ex-Dividend Date	Per Common Share Amounts				
	NSL	JFR	JRO	JSD	JQC
August 2014	\$ 0.0350	\$ 0.0600	\$ 0.0630	\$ 0.0970	\$ 0.0435
September	0.0350	0.0600	0.0630	0.0970	0.0435
October	0.0350	0.0600	0.0630	0.0970	0.0435
November	0.0350	0.0600	0.0630	0.0970	0.0435
December	0.0350	0.0600	0.0630	0.0970	0.0435
January	0.0350	0.0600	0.0630	0.0970	0.0435
February	0.0350	0.0600	0.0630	0.0970	0.0485
March	0.0350	0.0600	0.0630	0.0970	0.0485
April	0.0350	0.0600	0.0630	0.0970	0.0485
May	0.0350	0.0600	0.0630	0.0970	0.0485
June	0.0350	0.0600	0.0630	0.0970	0.0500
July 2015	0.0350	0.0600	0.0630	0.0970	0.0500
Long-Term Capital Gain*	\$	\$	\$	\$ 0.0376	\$
Current Distribution Rate**	6.62%	6.75%	6.99%	7.09%	6.98%

\*Distribution paid in December 2014.

\*\*Current distribution rate is based on the Fund's current annualized monthly distribution divided by the Fund's current market price. The Fund's monthly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the fiscal year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a return of capital for tax purposes.

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders.

As of July 31, 2015, all of the Funds had positive UNII balances for tax purposes. JQC had a positive UNII balance while the remaining four Funds had a negative UNII balance for financial reporting purposes.

All monthly dividends paid by each Fund during the current reporting period were paid from net investment income. If a portion of the Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including capital gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 - Income Tax Information within the Notes to Financial Statements of this report.

**COMMON SHARE REPURCHASES**

During August 2015 (subsequent to the close of this reporting period), the Funds' Board of Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of July 31, 2015, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding common shares as shown in the accompanying table.

	NSL	JFR	JRO	JSD	JQC
Common shares cumulatively repurchased and retired	0	147,593	19,400	0	4,500,400
Common shares authorized for repurchase	3,865,000	5,515,000	3,850,000	1,010,000	13,605,000

During the current reporting period, the Funds repurchased and retired common shares at a weighted average price per share and a weighted average discount per common share as shown in the accompanying table.

	NSL	JFR	JRO	JSD	JQC
Common shares repurchased and retired	0	0	0	0	144,208
Weighted average price per common share repurchased and retired	\$0	\$0	\$0	\$0	\$8.57
Weighted average discount per common share repurchased and retired	0%	0%	0%	0%	13.77%

**COMMON SHARE EQUITY SHELF PROGRAMS**

During the reporting period, the following Funds were authorized to issue additional shares through their ongoing equity shelf programs. Under these programs, each Fund, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price or above the Fund's net asset value (NAV) per common share. Under the equity shelf programs, the Funds were authorized to issue the following number of additional common shares:

	JSD	JQC
Additional common shares authorized	1,000,000	13,600,000

During the current reporting period, the Funds did not sell any common shares through their equity shelf programs.

As of November 30, 2014, the Funds' shelf offering registration statements are no longer effective. Therefore, the Funds may not issue additional common shares under their equity shelf programs until a new registration statement is effective.

**OTHER COMMON SHARE INFORMATION**

As of July 31, 2015, and during the current reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAVs as shown in the accompanying table.

	<b>NSL</b>	<b>JFR</b>	<b>JRO</b>	<b>JSD</b>	<b>JQC</b>
Common share NAV	\$7.16	\$12.01	\$12.05	\$18.63	\$9.88
Common share price	\$6.34	\$10.67	\$10.82	\$16.41	\$8.59
Premium/(Discount) to NAV	(11.45)%	(11.16)%	(10.21)%	(11.92)%	(13.06)%
12-month average premium/(discount) to NAV	(9.32)%	(9.13)%	(7.68)%	(9.83)%	(12.17)%

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## Risk

### Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation.

#### **Nuveen Senior Income Fund (NSL)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at [www.nuveen.com/NSL](http://www.nuveen.com/NSL).

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

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at [www.nuveen.com/JFR](http://www.nuveen.com/JFR).

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

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at [www.nuveen.com/JRO](http://www.nuveen.com/JRO).

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

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a

fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at [www.nuveen.com/JSD](http://www.nuveen.com/JSD).

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

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Common stock** prices have often experienced significant volatility. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at [www.nuveen.com/JQC](http://www.nuveen.com/JQC).

**NSL**

**Nuveen Senior Income Fund**

**Performance Overview and Holding Summaries as of July 31, 2015**

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

**Average Annual Total Returns as of July 31, 2015**

	<b>Average Annual</b>		
	<b>1-Year</b>	<b>5-Year</b>	<b>10-Year</b>
NSL at Common Share NAV	0.96%	8.10%	6.00%
NSL at Common Share Price	(3.25)%	5.26%	4.43%
CSFB Leveraged Loan Index	2.29%	5.47%	4.67%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

Variable Rate Senior Loan Interests	136.5%
Common Stocks	1.6%
\$25 Par (or similar) Retail Preferred	0.0%
Convertible Bonds	0.3%
Corporate Bonds	18.4%
Repurchase Agreements	14.2%
Other Assets Less Liabilities	(9.3)%
<b>Net Assets Plus Borrowings and VRTP Shares, at Liquidation Value</b>	<b>161.7%</b>
Borrowings	(40.7)%
VRTP Shares, at Liquidation Value	(21.0)%
<b>Net Assets</b>	<b>100%</b>

### Top Five Issuers

(% of total long-term investments)

Albertson's LLC	3.6%
Clear Channel Communications, Inc.	3.0%
Endo Health Solutions, Inc.	2.5%
Valeant Pharmaceuticals International, Inc.	2.1%
Dell, Inc.	2.0%

### Portfolio Composition

(% of total investments)

Media	11.0%
Pharmaceuticals	6.5%

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Software	6.0%
Hotels, Restaurants & Leisure	5.3%
Health Care Equipment & Supplies	4.6%
Food & Staples Retailing	4.6%
Diversified Consumer Services	4.1%
Diversified Telecommunication Services	3.9%
Health Care Providers & Services	3.9%
Food Products	3.9%
Real Estate Investment Trust	3.0%
Commercial Services & Supplies	2.3%
Airlines	2.3%
Semiconductors & Semiconductor Equipment	2.3%
Insurance	2.1%
Wireless Telecommunication Services	2.0%
Technology Hardware, Storage & Peripherals	1.9%
Automobiles	1.6%
Communications Equipment	1.5%
Other	18.9%
Repurchase Agreements	8.3%
<b>Total</b>	<b>100%</b>

**Credit Quality**

(% of total long-term fixed income investments)

BBB	7.4%
BB or Lower	89.5%
N/R (not rated)	3.1%
<b>Total</b>	<b>100%</b>

**JFR****Nuveen Floating Rate Income Fund****Performance Overview and Holding Summaries as of July 31, 2015**

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

**Average Annual Total Returns as of July 31, 2015**

	<b>Average Annual</b>		
	<b>1-Year</b>	<b>5-Year</b>	<b>10-Year</b>
JFR at Common Share NAV	1.15%	7.95%	5.67%
JFR at Common Share Price	(2.88)%	6.20%	5.18%
CSFB Leveraged Loan Index	2.29%	5.47%	4.67%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investor Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

Variable Rate Senior Loan Interests	128.1%
Common Stocks	1.4%
\$25 Par (or similar) Retail Preferred	0.0%
Convertible Bonds	0.2%
Corporate Bonds	16.7%
Asset-Backed Securities	6.2%
Investment Companies	1.7%
Repurchase Agreements	14.9%
Other Assets Less Liabilities	(7.4)%
<b>Net Assets Plus Borrowings and VRTP Shares, at Liquidation Value</b>	<b>161.8%</b>
Borrowings	(40.8)%
VRTP Shares, at Liquidation Value	(21.0)%
<b>Net Assets</b>	<b>100%</b>

### Top Five Issuers

(% of total long-term investments)

Albertson's LLC	3.2%
Clear Channel Communications, Inc.	2.7%
Endo Health Solutions, Inc.	2.1%
Valeant Pharmaceuticals International, Inc.	1.8%
Dell, Inc.	1.7%

### Portfolio Composition

(% of total investments)

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Media	11.2%
Software	5.7%
Pharmaceuticals	5.5%
Health Care Providers & Services	4.6%
Food & Staples Retailing	4.2%
Diversified Telecommunication Services	4.0%
Hotels, Restaurants & Leisure	4.0%
Diversified Consumer Services	3.8%
Health Care Equipment & Supplies	3.5%
Food Products	3.2%
Wireless Telecommunication Services	2.7%
Real Estate Investment Trust	2.6%
Commercial Services & Supplies	2.3%
Semiconductors & Semiconductor Equipment	2.2%
Airlines	2.0%
Insurance	1.9%
Automobiles	1.8%
Technology Hardware, Storage & Peripherals	1.6%
Oil, Gas & Consumable Fuels	1.4%
Other	18.3%
Asset-Backed Securities	3.7%
Investment Companies	1.0%
Repurchase Agreements	8.8%
<b>Total</b>	<b>100%</b>
<b>Credit Quality</b>	

(% of total long-term fixed income investments)

BBB	6.9%
BB or Lower	90.0%
N/R (not rated)	3.1%
<b>Total</b>	<b>100%</b>

**JRO****Nuveen Floating Rate Income Opportunity Fund****Performance Overview and Holding Summaries as of July 31, 2015**

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

**Average Annual Total Returns as of July 31, 2015**

	<b>Average Annual</b>		
	<b>1-Year</b>	<b>5-Year</b>	<b>10-Year</b>
JRO at Common Share NAV	1.03%	8.82%	6.37%
JRO at Common Share Price	(6.74)%	6.09%	6.15%
CSFB Leveraged Loan Index	2.29%	5.47%	4.67%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

Variable Rate Senior Loan Interests	129.4%
Common Stocks	1.6%
\$25 Par (or similar) Retail Preferred	0.0%
Convertible Bonds	0.3%
Corporate Bonds	18.9%
Asset-Backed Securities	5.9%
Repurchase Agreements	13.3%
Other Assets Less Liabilities	(7.6)%
<b>Net Assets Plus Borrowings and VRTP Shares, at Liquidation Value</b>	<b>161.8%</b>
Borrowings	(40.7)%
VRTP Shares, Liquidation Value	(21.1)%
<b>Net Assets</b>	<b>100%</b>

### Top Five Issuers

(% of total long-term investments)

Clear Channel Communications, Inc.	3.3%
Albertson's LLC	3.0%
Valeant Pharmaceuticals International, Inc.	2.0%
Endo Health Solutions, Inc.	2.0%
US Foods, Inc.	2.0%

### Portfolio Composition

(% of total investments)

Media	12.3%
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Software	6.2%
Pharmaceuticals	5.6%
Diversified Consumer Services	4.4%
Diversified Telecommunication Services	4.3%
Hotels, Restaurants & Leisure	4.0%
Food & Staples Retailing	4.0%
Health Care Providers & Services	3.9%
Food Products	3.5%
Health Care Equipment & Supplies	3.5%
Real Estate Investment Trust	2.7%
Commercial Services & Supplies	2.5%
Wireless Telecommunication Services	2.3%
Semiconductors & Semiconductor Equipment	2.2%
Automobiles	2.2%
Airlines	2.1%
Insurance	1.9%
Technology Hardware, Storage & Peripherals	1.6%
Other	19.4%
Asset-Backed Securities	3.5%
Repurchase Agreements	7.9%
<b>Total</b>	<b>100%</b>
<b>Credit Quality</b>	

(% of total long-term fixed income investments)

BBB	7.3%
BB or Lower	91.1%
N/R (not rated)	1.6%
<b>Total</b>	<b>100%</b>

**JSD****Nuveen Short Duration Credit Opportunities Fund****Performance Overview and Holding Summaries as of July 31, 2015**

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

**Average Annual Total Returns as of July 31, 2015**

	<b>Average Annual</b>	
	<b>1-Year</b>	<b>Since Inception</b>
JSD at Common Share NAV	1.87%	7.12%
JSD at Common Share Price	(3.27)%	3.14%
CSFB Leveraged Loan Index	2.29%	4.53%

Since inception returns are from May 25, 2011. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

Variable Rate Senior Loan Interests	123.0%
Common Stocks	0.6%
Corporate Bonds	17.6%
Repurchase Agreements	8.4%
Other Assets Less Liabilities	(4.3)%
<b>Net Assets Plus Borrowings</b>	<b>145.3%</b>
Borrowings	(45.3)%
<b>Net Assets</b>	<b>100%</b>
<b>Top Five Issuers</b>	

(% of total long-term investments)<sup>1</sup>

Albertson's LLC	4.3%
Valeant Pharmaceuticals International, Inc.	3.1%
Clear Channel Communications, Inc.	3.0%
Communications Sales & Leasing, Inc.	2.3%
Delta Air Lines, Inc.	2.3%

### Portfolio Composition

(% of total investments)<sup>1</sup>

Media	9.0%
Software	6.9%
Pharmaceuticals	5.9%
Food & Staples Retailing	5.4%

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Health Care Providers & Services	5.0%
Health Care Equipment & Supplies	5.0%
Hotels, Restaurants & Leisure	4.4%
Diversified Telecommunication Services	4.3%
Real Estate Investment Trust	3.8%
Diversified Consumer Services	3.6%
Airlines	3.5%
Food Products	2.7%
Commercial Services & Supplies	2.6%
Wireless Telecommunication Services	2.6%
Internet Software & Services	2.2%
Oil, Gas & Consumable Fuels	2.0%
Leisure Products	2.0%
Communications Equipment	1.9%
Technology Hardware, Storage & Peripherals	1.8%
Other	19.8%
Repurchase Agreements	5.6%
<b>Total</b>	<b>100%</b>

**Credit Quality**

(% of total long-term fixed income investments)

BBB	8.1%
BB or Lower	91.1%
N/R (not rated)	0.8%
<b>Total</b>	<b>100%</b>

1 Excluding investments in derivatives.

JQC