Nuveen Mortgage Opportunity Term Fund
Form N-CSR
March 07, 2014

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 811-22329

Nuveen Mortgage Opportunity 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)

Kevin J. McCarthy
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: December 31

Date of reporting period: December 31, 2013

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

Seeks Attractive Distribution and Return Potential from a Portfolio
Consisting Primarily of Mortgage-Backed Securities

Annual Report December 31, 2013

JLS

Nuveen Mortgage Opportunity Term Fund

JMT

Nuveen Mortgage Opportunity Term Fund 2

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Chairman's Letter

to Shareholders

Dear Shareholders,

I am pleased to have this opportunity to introduce myself to you as the new independent chairman of the Nuveen Fund Board, effective July 1, 2013. I am honored to have been selected as chairman, with its primary responsibility to serve the interests of the Nuveen Fund shareholders. My predecessor, Robert Bremner, was the first independent director to serve as chairman of the Board and I, and my fellow Board members, plan to continue his legacy of strong independent oversight of your funds.

The global economy has hit major turning points over the last several months to a year. The developed world is gradually recovering from its financial crisis while the emerging markets appear to be struggling with the downshift of China's growth potential. Japan is entering a new era of growth after decades of economic stagnation and many of the Eurozone nations appear to be exiting their recession. Despite the positive events, there are still potential risks. Middle East tensions, rising oil prices, defaults in Europe and fallout from the financial stress in emerging markets could all reverse the recent progress in the global economy.

On the domestic front, recent events such as the Federal Reserve decision to slow down its bond buying program beginning in January of 2014 and the federal budget compromise that would guide government spending into 2015 are both positives for the economy moving forward. Corporate fundamentals are strong as earnings per share and corporate cash are at the highest level in two decades. Unemployment is trending down and the housing market has experienced a rebound, each assisting the positive economic scenario. However, there are some issues to be watched. Interest rates are expected to increase but significant uncertainty about the timing remains. Partisan politics in Washington D.C. with their troublesome outcomes add to the uncertainties that could cause problems for the economy going forward.

In the near term, governments are focused on economic recovery and the growth of their economies, which could lead to an environment of attractive investment opportunities. Over the long term, the uncertainties mentioned earlier could hinder the potential growth. Because of this, Nuveen's investment management teams work hard to balance return and risk with a range of investment strategies. I encourage you to read the following commentary on the management of your fund.

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.

William J. Schneider
Chairman of the Nuveen Fund Board
February 21, 2014

Portfolio Manager's

Comments

Nuveen Mortgage Opportunity Term Fund (JLS)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

The investment adviser for both Funds is Nuveen Fund Advisors, LLC (NFA), an affiliate of Nuveen Investments. NFA is responsible for determining each Fund's overall investment strategy and monitoring the performance of Wellington Management Company, LLP (Wellington Management), the sub-adviser for both Funds.

Wellington Management is responsible for implementing each Fund's direct investments in mortgage-backed securities and other permitted investments. Michael F. Garrett serves as portfolio manager for these Funds.

Here Michael discusses general market conditions and trends, his management strategy and the performance of the Funds for twelve-month period ended December 31, 2013.

What factors affected the U.S. economy and the equity market during the twelve-month reporting period ended December 31, 2013?

During the first part of this reporting period, widespread uncertainty about the next step for the Federal Reserve's (Fed) quantitative easing program and the potential impact on the economy and financial markets led to increased market volatility. After surprising the market in September 2013 with its decision to wait for additional evidence of an improving economy before making any adjustments to the program, the Fed announced on December 18th that it would begin tapering its monthly bond-buying program by $10 billion (to $75 billion) in January 2014. The outlook for the U.S. economy was clouded by uncertainty about global financial markets and the outcome of the "fiscal cliff." The tax consequences of the fiscal cliff situation were averted through a last-minute deal that raised payroll taxes, but left in place a number of tax breaks. However, lawmakers failed to reach a resolution on $1.2 trillion in spending cuts intended to address the federal budget deficit. This triggered a program of automatic spending cuts (or sequestration) that impacted federal programs beginning March 1, 2013. Although Congress later passed legislation that established federal funding levels for the remainder of fiscal 2013, the federal budget for fiscal 2014 continued to be debated.

On October 1, 2013, the start date for fiscal 2014, the federal government shut down for 16 days until an interim appropriations bill was signed into law, funding the government at sequestration levels through January 15, 2014, and suspending the debt limit until February 7, 2014. At the end of the reporting period, Congress passed a federal budget deal that would guide government spending into 2015 and defuse the chances of another shutdown. In addition to the ongoing political debate over federal spending, Chairman Bernanke's June 2013 remarks about tapering the Fed's asset purchase program touched off widespread uncertainty about the next step for the Fed's quantitative easing program and about the potential impact on the economy and financial markets, leading to increased market volatility.

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 manager 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 (Moody's) Service, Inc. 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.

Portfolio Manager's Comments (continued)

In the third quarter of 2013, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 4.1%, up from 2.5% for the second quarter of 2013, continuing the pattern of positive economic growth for the tenth consecutive quarter. The Consumer Price Index (CPI) rose 1.5% year-over-year as of December 2013, while the core CPI (which excludes food and energy) increased 1.7% during the same period, staying within the Fed's unofficial objective of 2.0% or lower for this inflation measure. Improvements in the labor markets continued to be slow, and unemployment remained above the Fed's target of 6.5%. As of December 2013, the national unemployment rate was 6.7%, down from 7.0% in November 2013. The housing market continued to deliver good news, as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 13.7% for the twelve months ended November 2013 (most recent data available at the time this report was prepared), the largest twelve-month percentage gain for the index since February 2006.

For much of the reporting period, low interest rates and a fairly benign macro environment caused U.S. investors to move out the risk spectrum, resulting in robust flows into U.S. equity funds. Leading U.S. stock market indexes, including the S&P 500® Index, the Dow Jones Industrial Average and the Russell 2000® Index, each hit all-time highs during the reporting period. The S&P 500® Index gained 32.39% during the reporting period.

On the other hand, signs of economic momentum and speculation over Fed tapering weighed on U.S. Treasury prices during the reporting period; for the full year 2013, 5-year, 10-year and 30-year Treasury yields rose 1.02%, 1.27% and 1.02%, respectively. Many of the major fixed income sectors, with the exception of high yield and bank loans, posted negative absolute returns due to the rise in yields. However, most sectors outperformed Treasuries on a duration-adjusted basis as credit spreads tightened.

Commercial mortgage backed securities (CMBS) performance was generally consistent with the broader credit markets for the reporting period. The first quarter of 2013 began on a positive note with the sector posting modestly positive returns following increased clarity over the U.S. "fiscal cliff." CMBS lost ground in the second quarter, on fears of a less-accommodative Fed. However, this was reversed in the third quarter when the Federal Open Market Committee (FOMC) surprised the markets with a "no-taper" decision in September. The sector outperformed in the fourth quarter as the Fed announced its long-awaited tapering plan in December and the market's modest increase in interest rates in response spurred a relief rally as it removed some uncertainty. Commercial property prices, according to the Moody's/RCA Commercial Property Price Index (CPPI), gained 13.1% year over year in November 2013 (most recent data available at the time this report was prepared). Valuations are up 49% from their lows of late 2009, but remain 11% below their 2007 peaks.

The non-agency residential mortgage-backed securities (RMBS) market rallied to start the year as the sector continued to benefit from positive home price momentum and broad based investor demand amid low market yields. However, the sell-off in rates and risk assets during the second quarter caused the residential credit market to experience significant and broad price weakness. This meaningful underperformance erased year-to-date gains for higher quality non-agency RMBS. Despite volatility surrounding Fed tapering expectations, non-agency RMBS held up relatively well in the third and fourth quarters, aided by improving housing fundamentals and a solid technical backdrop. Clarity over the Fed's measured exit strategy from its asset-purchase program and the market's modest increase in interest rates in response also supported the sector during December.

What key strategies were used to manage the Fund during this twelve-month reporting period ended December 31, 2013?

Both Funds seek to generate total returns by investing in a diverse portfolio of mortgage-backed securities (MBS), consisting primarily of non-agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). Under normal circumstances, both Funds will invest at least 80% of their managed assets in MBS, primarily non-agency RMBS and CMBS. Both JLS and JMT may be leveraged directly to a maximum effective leverage of 33% of total net asset value. The Funds have a limited term of 10 years from each Fund's inception, (JLS 11/25/09 and JMT 2/23/10), at which time all net asset value will be distributed to shareholders of record.

During the reporting period, we remained constructive on CMBS, but continued to believe that the non-agency RMBS sector offered better relative value and we positioned the Funds accordingly. The Funds continue to be conservatively positioned within RMBS, with a bias toward higher quality collateral to try to protect against downside risk in the event of a prolonged path toward economic recovery. We continue to monitor the impact of rising rates on commercial real estate fundamentals but remain constructive on the near-term outlook for collateral performance. Continued economic recovery, coupled with an uptick in demand and flat supply, bodes well for the longer-term health of the sector.

From a fundamental perspective, home price appreciation has slowed but remains at healthy levels. We anticipate that the rate of home price appreciation may normalize, growing at a slower pace than in 2013. This is still a positive environment for the housing market, and consequently, we maintain our constructive outlook on the non-agency RMBS sector. Overall, we believe the non-agency RMBS sector may likely continue to offer better risk-adjusted return potential relative to other fixed-income sectors.

At the beginning of the reporting period, each Fund remained invested, through separate feeder funds, in a master fund (Master PPIP Fund) managed by Wellington Management that invests directly in MBS and other assets eligible for purchase under the Public-Private Investment Program (PPIP) established by the U.S. Department of the Treasury. During the reporting period, the Master PPIP Fund's investments were liquidated, its leverage was repaid and the remaining proceeds were returned to investors, including the Funds, in accordance with the terms of the PPIP program. Income and proceeds received by each Fund as part of this managed wind down have been invested directly in MBS and other permitted investments in accordance with each Fund's investment objectives. In addition, the Funds' leverage obtained through its indirect investment in the Master PPIP Fund has been replaced with other leverage arrangements directly at the Fund level. Such other direct forms of leverage include the use of reverse repurchase agreements, which the Funds employed during the reporting period. Beginning in mid-November, the Funds began to transition to a bank borrowing facility as the primary source of leverage, and as a result we reduced our funding from reverse repurchase agreements. This transition was completed shortly after the end of the reporting period.

How did the Funds perform during this twelve-month reporting period ended December 31, 2013?

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for the Funds for the one-year and since inception periods ended December 31, 2013. For the twelve-month reporting period, the Funds' shares at net asset value (NAV) outperformed the Barclays U.S. Aggregate Bond Index. This index reflects the general performance of the bond market over these periods, but not the specific MBS market in which the Funds invest.

The Funds' allocation to the non-agency RMBS sector, including Prime, Alternative-A (Alt-A) and subprime, was the primary contributor to performance during the reporting period. The Funds' exposure to the CMBS sector also benefited performance as it posted positive absolute total returns, driven by legacy CMBS, which are defined as commercial mortgage pass through securities issued before January 1, 2009. In addition, the Funds' allocation to consumer asset-backed securities (ABS) was a positive contributor to performance.

On the other hand, the Funds' allocation to agency collateralized mortgage obligations (CMOs) negatively impacted returns, as interest rate volatility impacted prepayment expectations during the reporting period. Ever changing expectations over when the Fed would withdraw its stimulus was a big driver of market volatility. Despite this, the momentum of home price appreciation and negative net new issuance continued to support performance in the residential sector. With an emphasis on the long-term, we continued to focus on finding opportunities to add securities we feel were best positioned to provide stability of principal and attractive income over the duration of the Funds' limited terms.

The Funds also utilized U.S. Treasury futures to hedge against rises in interest rates and utilized interest rate swap contracts for duration management purposes during the reporting period. These positions had a modest positive impact on performance during the reporting period.

Fund

Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the return of the Funds relative to their benchmarks was the Funds' use of financial leverage through their use in the Master PPIP Funds, bank borrowings and reverse repurchase agreements. 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 the Funds 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 the Funds generally are rising. The Funds' use of leverage through their investments in reverse repurchase agreements and bank borrowings had a positive effect on performance over this reporting period.

As of December 31, 2013, the Funds' percentages of effective and regulatory leverage are as shown in the accompanying table.

	JLS	JMT
Effective Leverage*	26.39%	27.43%
Regulatory Leverage*	23.28%	24.41%

* Effective leverage is the Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in the Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of the Fund. Both of these are part of the 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

During the period, the Funds employed leverage through the Master PPIP Fund, bank borrowings and reverse repurchase agreements. As noted previously, the Master PPIP Fund was wound down during the reporting period. As of December 31, 2013, the values of the Funds' outstanding bank borrowings and reverse repurchase agreements (excluding accrued interest) are as shown in the accompanying table.

	JLS	JMT
Bank Borrowings	$124,550,000	$39,450,000
Reverse Repurchase Agreements	$ 22,645,000	$ 6,730,000

Refer to Notes to Financial Statements, Note 3 Portfolio Securities and Investments in Derivatives and Note 8 Borrowing Agreements for further details.

Share

Information

DISTRIBUTION INFORMATION

The following information regarding each Fund's distributions is current as of December 31, 2013. Each Fund's distribution levels may vary over time based on each Fund's investment activities and portfolio investment value changes.

During the current fiscal period, each Fund adopted a managed distribution program. The goal of this program is to provide shareholders with relatively consistent and predictable cash flow by systematically converting the Fund's cash flows from investment strategies. As a result, regular distributions throughout the year are likely to include a portion of expected long-term gains (both realized and unrealized), along with net investment income.

Important points to understand about the managed distribution program are:

• Each Fund seeks to establish a distribution rate that roughly corresponds to the cash flows from its investment strategy. However, you should not draw any conclusions about a Fund's past or future investment performance from its current distribution rate.

• Actual returns will differ from cash flows (and therefore a Fund's distribution rate), at least over shorter time periods. Over a specific timeframe, the difference between actual returns and total distributions will be reflected in an increasing (returns exceed distributions) or a decreasing (distributions exceed returns) Fund net asset value.

• Each distribution is expected to be paid from some or all of the following sources:

• net investment income (regular interest and dividends),

• realized capital gains, and

• unrealized gains, or, in certain cases, a return of principal (non-taxable distributions).

• A non-taxable distribution is a payment of a portion of a Fund's capital. When a Fund's returns exceed distributions, it may represent portfolio gains generated, but not realized as a taxable capital gain. In periods when a Fund's returns fall short of distributions, the shortfall will represent a portion of your original principal, unless the shortfall is offset during other time periods over the life of your investment (previous or subsequent) when a Fund's total return exceeds distributions.

• Because distribution source estimates are updated during the year based on a Fund's performance and forecast for its current fiscal year (which is the calendar year for each Fund), estimates on the nature of your distributions provided at the time the distributions are paid may differ from both the tax information reported to you in your Fund's IRS Form 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

Share Information (continued)

The following table provides information regarding each Fund's distributions and total return performance for the fiscal year ended December 31, 2013. This information is intended to help you better understand whether the Funds' returns for the specified time period were sufficient to meet their distributions.

As of December 31, 2013	**JLS**	**JMT**
Inception date	11/25/09	2/23/10
Fiscal year (calendar year) ended December 31, 2013:		
Per share distribution:		
From net investment income	$ 1.44	$ 1.43
From long-term capital gains	1.32	2.22
From short-term capital gains		0.04
Return of capital	0.06	0.03
Total per share distribution	$ 2.82	$ 3.72
Distribution rate on NAV	10.91%	14.83%
Current distribution rate*	7.29%	7.44%
Average annual total returns:		
1-Year on NAV	7.96%	7.05%
Since inception on NAV	11.15%	11.26%

* Current distribution rate is based on each Fund's current annualized monthly distribution divided by the Fund's current market price. Each 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.

SHARE REPURCHASES

During November 2013, the Nuveen Funds' Board of Directors/Trustees reauthorized the Funds' open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of their outstanding shares.

Since the inception of the Funds' repurchase programs, the Funds have not repurchased any of their outstanding shares.

	JLS	**JMT**
Shares Cumulatively Repurchased and Retired		
Shares Authorized for Repurchase	1,590,000	485,000

OTHER SHARE INFORMATION

As of December 31, 2013, and during the current reporting period, the share prices of the Funds' were trading at a premium/(discount) to their NAVs as shown in the accompanying table.

	JLS	**JMT**
Share NAV	$ 25.84	$ 25.08
Share Price	$ 23.14	$ 22.97
Premium/(Discount) to NAV	(10.45)%	(8.41)%
12-Month Average Premium/(Discount) to NAV	(3.55)%	(3.98)%

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. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Funds, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like the Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. A Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in a Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Below-Investment Grade Risk. Investments in securities below investment grade quality are predominantly speculative and subject to greater volatility and risk of default.

Mortgage-Backed Securities (MBS) Risk. Investing in MBS entails various risks, including credit risks inherent in the underlying collateral, the risk that the servicer fails to perform its duties, liquidity risks, interest rate risks, structure risks, and geographical concentration risks.

Limited Term Risk. It is anticipated that JLS will terminate on or before November 30, 2019 and JMT will terminate on or before February 28, 2020, although each could terminate sooner or later under certain conditions. Because the assets of the Funds will be liquidated in connection with their respective terminations, each may be required to sell portfolio securities when they otherwise would not desire to do so, including at times when market conditions are not favorable, which may cause them to lose money.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Risk Considerations (continued)

Prepayment Risk. MBS represent an interest in a pool of mortgages. These mortgages typically permit borrowers to prepay amounts owing, often with no penalty. The relationship between borrower prepayments and changes in interest rates may mean some high-yielding mortgage-related and asset-backed securities have less potential for increases in value if market interest rates were to fall than conventional bonds with comparable maturities. In addition, in periods of falling interest rates, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by a Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. Because of these and other reasons, the total return and maturity of mortgage-related and asset-backed securities may be difficult to predict precisely. To the extent that a Fund purchases mortgage-related securities at a premium, prepayments may result in loss of the Fund's principal investment to the extent of any unamortized premium.

JLS

Nuveen Mortgage Opportunity Term Fund

Performance Overview and Holding Summaries as of December 31, 2013

Average Annual Total Returns as of December 31, 2013

	Average Annual	
	1-Year	Since Inception[1]
JLS at NAV	7.96%	11.15%
JLS at Share Price	(4.85)%	7.31%
Barclays U.S. Aggregate Bond Index	(2.02)%	3.66%

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. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Share Price Performance Weekly Closing Price

Fund Allocation[2]

(as a % of net assets)

Mortgage-Backed Securities	136.6%
Asset-Backed Securities	0.5%
Reverse Repurchase Agreements	(5.6)%
Borrowings	(30.3)%
Other[4]	(1.2)%

Credit Quality[2,3]

(as a % of total investments)

AAA/U.S. Guaranteed	8.9%
AA	1.4%
A	4.0%
BBB	2.6%
BB or Lower	83.1%

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

1 Since inception returns are from 11/25/09.

2 Holdings are subject to change.

3 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.

4 Other assets less liabilities.

JMT

Nuveen Mortgage Opportunity Term Fund 2

Performance Overview and Holding Summaries as of December 31, 2013

Average Annual Total Returns as of December 31, 2013

	Average Annual	
	1-Year	**Since Inception[1]**
JMT at NAV	7.05%	11.26%
JMT at Share Price	(1.84)%	7.91%
Barclays U.S. Aggregate Bond Index	(2.02)%	3.83%

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. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Share Price Performance Weekly Closing Price

Fund Allocation[2]

(as a % of net assets)