NUVEEN OHIO QUALITY INCOME MUNICIPAL FUND
Form N-CSR
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Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06385

Nuveen Ohio Quality Income Municipal Fund
(Exact name of registrant as specified in charter)

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Date of fiscal year end: February 28

Date of reporting period: February 28, 2015

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Chairman's Letter to Shareholders

Dear Shareholders,

A pattern of divergence has emerged in the past year. Steady and moderate growth in the U.S. economy helped sustain the stock market's bull run another year. U.S. bonds also performed well, amid subdued inflation, interest rates that remained unexpectedly low and concerns about the economic well-being of the rest of the world. The stronger domestic economy enabled the U.S. Federal Reserve (Fed) to gradually reduce its large scale bond purchases, known as quantitative easing (QE), without disruption to the markets, as well as begin to set expectations for a transition into tightening mode.

The economic story outside the U.S. continues to improve. Despite the drama over Greece's debt negotiations, the European economy appears to be stabilizing. Japan is on a moderate recovery path as it emerged from recession late last quarter. China's economy decelerated and, despite running well above the rate of other major global economies, investors feared it looked slow by China's standards. Some areas of concern were a surprisingly steep decline in oil prices, the U.S. dollar's rally and an increase in geopolitical tensions, including the Russia-Ukraine crisis and terrorist attacks across the Middle East and Africa, as well as more recently in Europe.

While a backdrop of healthy economic growth in the U.S. and the continuation of accommodative monetary policy (with the central banks of Japan and potentially Europe stepping in where the Fed has left off) bodes well for the markets, the global outlook has become more uncertain. Indeed, volatility is likely to feature more prominently in the investment landscape going forward. Such conditions underscore the importance of professional investment management. Experienced investment teams have weathered the market's ups and downs in the past and emerged with a better understanding of the sensitivities of their asset class and investment style, particularly in times of turbulence. We recognize the importance of maximizing gains, while striving to minimize volatility.

And, the same is true for investors like you. Maintaining an appropriate time horizon, diversification and relying on practiced investment teams are among your best strategies for achieving your long-term investment objectives. Additionally, I encourage you to communicate with your financial consultant if you have questions about your investment in a Nuveen 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 Board
April 22, 2015

Portfolio Managers' Comments

Nuveen Arizona Premium Income Municipal Fund (NAZ)
Nuveen Michigan Quality Income Municipal Fund (NUM)
Nuveen Ohio Quality Income Municipal Fund (NUO)
Nuveen Texas Quality Income Municipal Fund (NTX)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio managers Michael S. Hamilton and Daniel J. Close, CFA, review U.S. economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month reporting period performance of these four Nuveen Funds. Michael assumed portfolio management responsibility for NAZ in 2011, while Dan has managed NUM, NUO and NTX since 2007.

What factors affected the U.S. economy and the national municipal bond market during the twelve-month reporting period ended February 28, 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 Fed's 2% longer run goal. However, if economic data shows faster progress, the Fed indicated 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. As the reporting period drew to a close, expectations were that the Fed would drop the word patient from its March post-meeting statement, in an effort to telegraph that a rate hike was likely

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.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

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

in June. The March statement (issued after the close of this reporting period) did indeed remove the word patient but also highlighted the Fed's less optimistic view of the economy's overall health as well as downgraded its inflation projections.

In the fourth quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at a 2.2% annual rate, compared with 4.6% in the second quarter and 5.0% in the third quarter of 2014. The decline in real GDP growth rate from the third quarter to the fourth quarter primarily reflects an upturn in imports, a downturn in federal government spending, and decline in exports. These were partly offset by an upturn in consumer spending. The Consumer Price Index (CPI) fell 0.1% year-over-year as of January 2015 (most recent data available at the time this report was prepared), the first negative twelve-month change since October 2009. The core CPI (which excludes food and energy) increased 1.6% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of February 28, 2015, the national unemployment rate was 5.5%, the lowest level since May 2008 and the level considered "full employment" by some Fed officials, down from the 6.7% reported in February 2014. The housing market continued to post gains, although price growth has shown signs of deceleration in recent months. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 4.6% for the twelve months ended January 2015 (most recent data available at the time this report was prepared).

Municipal bonds enjoyed strong performance during the twelve-month reporting period, buoyed by a backdrop of low interest rates, improving investor sentiment and favorable supply-demand dynamics. Interest rates were widely expected to rise in 2014, as the economy improved and the Fed wound down its asset purchases. However, the 10-year Treasury yield ended the year even lower than where it began. As a result, fixed income asset classes performed surprisingly well (as yields fall, prices rise and vice versa). At the same time, investors grew more confident that the Fed's tapering would proceed at a measured pace and that the credit woes of Detroit and Puerto Rico would be contained. In addition, credit fundamentals for state and local governments were generally stabilizing, although pockets of trouble remained. California and New York showed marked improvements during 2014, whereas Illinois, New Jersey and Puerto Rico, for example, still face considerable challenges.

Investors' declining risk aversion bolstered demand for higher-yielding assets, including municipal bonds, which reversed the tide of outflows municipal bond funds suffered in 2013. While demand and inflows rose, supply continued to be subdued. More municipal bonds left the market than were added in 2014, a condition known as net negative issuance. Part of the reason for net negative issuance was that a significant portion of issuer activity focused on current refundings, in which a new bond is issued to replace the called bond (in contrast to an advanced refunding, where the called bond remains in the market as a pre-refunded bond).

These factors helped drive municipal bond yields lower and tightened yield spreads relative to Treasuries in 2014 overall. However, as the new year began, market conditions turned more volatile. A series of disappointing economic data underscored the fragility of the U.S. recovery, as well as cast further uncertainty on the timing of the Fed's first rate hike. A change in the supply-demand balance also hampered the municipal bond sector. Issuance was unusually strong in the first two months of 2015, up 72.5% compared to the same two-month period in 2014. Over the twelve months ended February 28, 2015, municipal bond issuance nationwide totaled $358.8 billion, an increase of 13% from the issuance for the twelve-month period ended February 28, 2014. Finally, divergence in economic growth and foreign central bank policies have reinforced an interest rate differential that favors demand for U.S. Treasuries, maintaining downward pressure on yields.

How were the economic and market environments in Arizona, Michigan, Ohio and Texas during the twelve-month reporting period ended February 28, 2015?

Arizona’s economic recovery has surpassed the nations after experiencing a severe housing market decline. Growth in hospitality and health care has led recent improvements in the state’s employment picture. The recovery in the housing market has slowed from last year’s pace but remains a moderate driver. However, in the long term, Arizona is expected to outperform because of its strong population growth and investment in biotech, medical devices and health care. Additionally, its low business costs relative to neighboring Southern California make Arizona more attractive for new business ventures. Gains in Arizona housing prices have been driven primarily by the Phoenix market, with the state's smaller metropolitan areas also showing progress. According to the S&P/Case-Shiller Index, housing prices in Phoenix rose 2.6% over the twelve months ended January 2015 (most recent data available at the time this report was prepared), compared with the 20 City Composite Home Price Index increase of 4.6% nationally. In the job market, the Arizona unemployment rate dropped to a preliminary 6.5% as of February 2015, the lowest level since June 2008, down from 7.1% in February 2014. The 2015 General Fund Budget was enacted in April, totaling $9.2 billion, up 4.2% over the 2014 Enacted Budget and includes increased spending for child safety and education and protects the rainy day fund. The state joint legislative budget committee projects a structural deficit in Fiscal Year 2015, which the state plans to fill with the use of rainy day funds. At the end of Fiscal 2013, the state's temporary one-cent sales tax, enacted in 2011, expired, resulting in budget gaps for Fiscal 2014 and Fiscal 2015. Arizona used the accumulated financial cushion generated by the sales taxes to offset these shortfalls. The newly sworn in Republican Governor, Doug Ducey, signed the 2016 General Fund Budget in March 2015 (subsequent to the close of this reporting period), totaling $9.1 billion. Once enacted it fills the Fiscal Year 2015 shortfall and a projected budget deficit for Fiscal Year 2016 through expenditure reductions, reallocation of monies from certain separate agency funds to the State's general fund and drawing down the rainy day fund without raising taxes. The State reports it will face budgetary shortfall for Fiscal Year 2017 before becoming in balance by Fiscal Year 2018. The Arizona Supreme Court Ruled that the state did not provide inflation adjustments in school funding during Fiscal Years 2010-2013 as required under voter approved Proposition 301. It is yet unknown whether the ruling will result in a retroactive repayment of prior years' missed payments estimated to total $1.2 billion or apply only to future years' budgets, as the case is still being litigated. In November 2013, Moody's affirmed Arizona's issuer rating at Aa3 and changed its outlook for the state to positive from stable. S&P affirmed the State of Arizona's issuer credit at AA- but revised its outlook to positive from stable on November 27, 2013. During the twelve months ended February 28, 2015, municipal issuance in Arizona totaled $6.9 billion, an increase of 84% from the twelve months ended February 28, 2014. This issuance may be attributed to a dramatic increase in refunding activity.

Michigan's economic recovery has strengthened over the last year and though job growth overall is still behind the U.S., auto manufacturing and health care hiring are projected to remain strong through 2015. Strong domestic auto sales have incrementally bolstered growth over the past five years and an uptick in the sales of light-trucks is expected to directly benefit hiring in southeastern Michigan this year. To a large extent, the Michigan economy remained tied to events in the auto industry, as the "Big Three" (General Motors, Ford and Chrysler) continued to rank among the state's five largest employers. Overall, Michigan remained heavily reliant on manufacturing, which represented 13.5% of employment in the state, compared with 8.8% nationally. As of February 2015, Michigan's unemployment rate was 5.9%, down from 7.8% in January 2014, and the lowest level since April 2008. Favorably, the state's labor force participation rate has remained stable as unemployment has improved, indicating a real improvement in job growth. Following the peak in housing prices in mid-2006, home prices in Michigan declined dramatically and the inventory of foreclosed homes remained elevated in many of the state's hardest-hit metropolitan areas, including Detroit, Warren and Flint. Improvement in the state economy has brought some recuperation in the housing market. After steep gains over 2013, housing price appreciation saw continued, but slower growth. According to the S&P/Case-Shiller Index of 20 major metropolitan areas, housing prices in Detroit rose 2.9% over the twelve months ended January 2015 (most recent data available at the time this report was prepared), compared with the national average increase of 4.6%. On the fiscal front, Michigan's budgetary performance over the last two years has been impressive. As revenues improved, the state demonstrated a commitment to rebuild reserves. For Fiscal 2014, Michigan's $49 billion budget was structurally balanced and did not require major expenditure cuts or borrowing. Although the state appropriated $75 million to the state's reserve fund in Fiscal 2014, $194.8 million was withdrawn to fund the state's contribution to the Detroit bankruptcy settlement. At year end the reserve fund balance stood at $386.2 million. Beginning in 2015 this withdrawal will be repaid with annual deposits from tobacco settlement revenues and the Fiscal 2015 budget provides for a $94 million contribution. By Fiscal Year end 2015, the reserve balance is projected to be nearly $500 million. The state's improved financial and cash position has eliminated the need for cash flow borrowing. A modest $336 million budget gap due to revenue shortfalls is now projected for Fiscal Year 2015. This gap is expected to be closed by shifting school aid revenues and cutting about $100 million in expenditures. The governor's proposed $54 billion budget for Fiscal 2016 represents a

2% spending increase. In May 2015 Michigan voters will be asked to approve a sales tax increase to generate up to $1.2 billion in new annual revenues to help fund state infrastructure and transportation needs. The governor has also proposed making a $95 million contribution to the state's reserve fund in Fiscal 2016. The budget is expected to be adopted by the end of June. As of March 2015, Moody's and S&P rated Michigan general obligation (GO) debt at Aa2 and AA-, respectively. Both agencies revised their outlook for the state to positive in 2013. During the twelve months ended February 28, 2015, municipal issuance in Michigan totaled $10.9 billion, an increase of 91% from the twelve months ended February 28, 2014.

Ohio's economy has been growing at a moderate rate for the past two years due to strong auto sales and increasing demand in the health care industry. As of February 2015, the state's unemployment rate was 5.1%, compared with the national rate of 5.5%. Manufacturing is the largest of Ohio's major employment sectors and the state continued to be a leading producer of steel and autos. Like other manufacturing-heavy states, Ohio tends to have a somewhat more cyclical economy than the nation as a whole. The state has experienced a small boom in oil and gas production, due largely to hydraulic fracturing in the Utica shale field in the Appalachian Basin. The recent decline in natural gas prices has caused the number of active rotary rigs to fall sharply. Over the long term, the Utica Shale is expected to remain a growth driver for the state. The housing market in Ohio is experiencing some weakness, as it is in much of the Midwest. According to the S&P/Case-Shiller Index of prices in 20 major metropolitan areas, housing prices in Cleveland posted a year-over-year increase of 1.6% as of January 2015 (most recent data available at the time this report was prepared). On the fiscal front, Ohio has seen revenue recovery in line with its economic recovery. Fiscal year-to-date (through Feb 2015) General Fund tax receipts are 4.2% higher than the prior year-to-date collections. Income and sales taxes now make up more than half the state's general fund revenues. In Fiscal 2013, Ohio fully funded its budget stabilization fund to its statutory maximum for the first time since 2000. The current balance in the state's Budget Stabilization Fund is $1.47 billion, which is the maximum limit. The governor's proposed biennium budget for Fiscal Years 2015-2016 continues a trend from prior budgets by calling for further reductions in the personal income tax rate and the taxes paid by small businesses. The reductions would be paid for in part by increases in the rates of the sales tax and cigarette tax, and a revamping of Ohio's severance tax on oil and natural gas. As of March 2015, Moody's and S&P rated Ohio GO debt at Aa1 and AA+, respectively, with stable outlooks. For the twelve months ended February 28, 2015, municipal issuance in Ohio totaled $10.9 billion, an increase of 20% compared with the twelve months ended February 28, 2014.

The economic recovery in Texas continues to outpace the national recovery and most other states. State GDP growth was largely driven by gains in the mining, real estate and professional services sectors. The state's employment surpassed pre-recession levels in September 2011 and solid employment growth continued across all industries in 2014. The biggest year over year employment gains were seen in transportation and utility, leisure and hospitality, professional and business services. Texas' three largest non-government employment sectors, education and health services, professional and business services, and retail trade, represented approximately 57% of the state's workers. Strong employment and expanded labor force participation, together with positive demographic trends, created strong demand for housing and increases in the state's housing prices and home sales. The state economy continues to exhibit elevated exposure to the mining sector, with this sector contributing 9.1% of state earnings in 2013, compared to the mining sector contributing only 1.7% of national earnings in 2013. As of February 2015, the state's 4.3% unemployment rate was down from 5.4% in February 2014 and well below the February 2015 national unemployment rate of 5.5%. According to the S&P/Case-Shiller Index, housing prices in Dallas posted a year-over-year increase of 8.1% as of January 2015 (most recent data available at the time this report was prepared). On the fiscal front, Texas continued to benefit from strong revenue growth and the state's Fiscal 2014-2015 biennium budget was able to restore some previous budget cuts. The 84th session of the Texas Legislature is currently in session until June 1st and is working on the Fiscal 2016-2017 budget. Texas state sales tax collections represent more than half of the state's general revenues and Fiscal 2015 year to date collections through February 2015 were 9.8% higher than the first 6 months of Fiscal 2014. S&P upgraded its Texas general obligation (GO) rating to AAA from AA+ in December 2013, while Moody's and Fitch rated Texas GO debt at Aaa and AAA, respectively. For the twelve months ended February 28, 2015, municipal issuance in Texas totaled $42.1 billion a 25% increase from the previous twelve months. For the most recent twelve months, Texas was ranked as the second largest state issuer only behind California.

What key strategies were used to manage these Funds during the twelve-month reporting period ended February 28, 2015?

A backdrop of supportive technical and fundamental factors helped the municipal market rally for most of the reporting period. For the period as a whole, municipal bond prices generally rose, while interest rates declined. During this time, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term.

NAZ continued to focus on maintaining a bias toward longer and intermediate duration bonds while staying diversified, as well as actively seeking to minimize call risk especially toward the end of the reporting period. Additions to NAZ's portfolio included charter school, higher education and hospital credits. NAZ also purchased Puerto Rico Sales Tax Financing Corporation (COFINA) bonds in May 2014, based on their attractive diversification, duration and yield. Due to ongoing developments in Puerto Rico, Nuveen made the decision to sell these bonds from the portfolio in July 2014.

NUM, NUO and NTX also continued to focus on buying a mix of intermediate and longer-term credits, seeking opportunities in both the new issue and secondary markets.

In Michigan, municipal issuance rose substantially for the reporting period. This increase was largely due to the refinancing of Detroit water and sewer bonds, which accounted for approximately $1.8 billion of Michigan's $5.1 billion in issuance or almost all of the increase. In August 2014, Detroit announced a tender offer for the city's water and sewer bonds, aimed at replacing some of the $5.2 billion of existing debt with lower cost bonds. Approximately $1.5 billion in existing water and sewer bonds were returned to the city by investors under the tender offer, which enabled Detroit to issue new water and sewer bonds, resulting in savings of $250 million over the life of the bonds. The city also raised about $150 million to finance sewer system improvements. As part of the deal, Detroit water and sewer bonds also were permanently removed from the city's bankruptcy case, which led to a rally in the bonds' prices. NUM participated in both the tender offer and the new issue of Detroit water and sewer bonds. During this reporting period, NUM also found value in higher education, electric utilities, dedicated tax bonds (Detroit Regional Convention Facility Authority) and local government obligation (GO) credits. NUO continued to find bonds that helped us accomplish our goals for the Fund, adding Cuyahoga County sales tax revenue bonds, water and sewer credits and electric utility bonds. NUO also sold a longer duration Buckeye Tobacco Settlement credit to buy a shorter duration credit from the same issuer with an equivalent yield. Our purchases in NTX focused on dedicated tax bonds, state GOs, airports, water and sewer, and higher education bonds. All of our bond purchases in the Michigan, Ohio and Texas Funds represented in-state paper.

In addition, we established a portfolio hedge in NUM, NUO and NTX by purchasing a credit default swap on the debt obligations of the U.S. territory of Puerto Rico. We have previously noted a correlation between the credit quality of Puerto Rico bonds and that of the overall high yield municipal bond market. Given that these portfolios regularly maintain a meaningful stake in BBB-rated and below investment grade rated bonds, we saw this as a way to reduce the Funds' overall risk while continuing to take advantage of opportunities to invest in the lower quality portion of the market. During the reporting period, these swaps had a negligible impact on performance.

During this reporting period, S&P upgraded its credit rating on National Public Finance Guarantee Corp. (NPFG), the insurance subsidiary of MBIA, to AA- rating from A rating, citing NPFG's strong operating performance and competitive position in the financial guarantee market. As a result, the ratings on the Funds' holdings of bonds backed by insurance from NPFG were similarly upgraded to AA- rating as of mid-March 2014. This action produced an increase in the percentage of our portfolios held in the AA- rated credit quality category (and a corresponding decrease in the A rated category), improving the overall credit quality of the Funds. During this reporting period, S&P also upgraded its rating on Assured Guaranty Municipal (AGM) as well as AGM's municipal-only insurer Municipal

Assurance Corp. to AA from AA-.

Cash for new purchases was generated primarily by proceeds from called and matured bonds, which we worked to redeploy to keep the Funds fully invested and support their income streams. As previously mentioned, the decline in municipal yields and the flattening of the municipal yield curve relative to the Treasury curve helped to make refunding deals more attractive and we saw an

Portfolio Managers' Comments (continued)

increase in this activity during the reporting period, which provided ample cash for purchases. NAZ took an active approach to managing heightened call activity, selling some callable bond positions at the end of 2014 and in early 2015 to try to reduce the overall portfolio's reinvestment risk. NAZ's other notable sell during the period included the COFINA bonds described earlier. NUM sold all of its remaining uninsured Detroit water and sewer paper, uninsured Wayne County GOs (which were eliminated prior to Fitch's downgrade of Wayne County in March 2015) and Detroit Public Schools state aid revenue bonds. NUO sold a Wittenberg University revenue bond on deteriorating credit concerns, and NTX sold a pre-refunded bond.

As of February 28, 2015, all four of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management and income enhancement. For duration and cash management reasons, NUM and NUO found it advantageous to terminate several inverse floating rate trusts during this reporting period. This had the effect of modestly reducing leverage.

How did the Funds perform for the twelve-month reporting period ended February 28, 2015?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year and ten-year periods ended February 28, 2015. Each Fund's returns on common share net asset value (NAV) are compared with the performance of corresponding market index and Lipper classification average.

For the twelve months ended February 28, 2015, the total returns on common share NAV for these four Funds outperformed the returns for their respective state's S&P Municipal Bond Index as well as that of the national S&P Municipal Bond Index. NAZ and NUO outperformed the average return for the Lipper Other States Municipal Debt Funds Classification, while NUM and NTX underperformed this Lipper average. Shareholders should note that the performance of the Lipper Other States classification represents the overall average of returns for funds from ten states with a wide variety of municipal market conditions, making direct comparisons less meaningful.

Key management factors that influenced the Funds' returns during this reporting period included duration and yield curve positioning, credit exposure and sector allocation. The use of leverage also was an important factor affecting the Funds' performance. Leverage is discussed in more detail later in this report.

Given the combination of declining interest rates and a flattening yield curve during this reporting period, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits with maturities of 15 years or more, especially those at the longest end of the municipal yield curve, outperformed the general municipal market, while bonds at the shortest end of the curve produced the weakest results. Because these four Funds were generally overweighted in the longer segments of the municipal curve that performed best and generally underweighted in the underperforming shorter end of the curve, duration and yield curve positioning was a significant positive contributor to their performance.

During the reporting period, lower rated bonds generally outperformed higher quality bonds, as the municipal market rally continued and investors became more willing to accept risk. NUO and NTX were the most favorably positioned for this environment, with overweights in the stronger performing, lower rated bonds and underweights in the weaker performing, higher rated bonds contributing positively to performance. NAZ benefited from similar positioning, but gains were slightly offset by a AA-rated Puerto Rico credit that detracted from returns. For NUM, an overweight to AA-rated bonds (which underperformed) and an underweight to BB-rated bonds (which outperformed) were detrimental to performance.

The influence of sector allocation varied among the Funds during the reporting period. Although an overweight in the underper-forming housing sector was modestly disadvantageous to performance, NUO benefited from its underweight in state GO credits, a sector that underperformed, and an overweight in health care credits, a group that outperformed. For NAZ, the impact on overall returns was small, but still positive. Exposure to Tax-Supported credits, particularly dedicated tax credits hurt NAZ's returns. Despite being underweight in transportation this sector was a positive contributor as the positions held were longer duration bonds. An overweight in the industrial development/pollution control revenue credits boosted results. Among individual credits, NAZ had positive results from a Phoenix Sky Harbor International Airport bond, two charter school bonds issued by the Phoenix Industrial Development Authority (Choice Academies Inc. and Legacy Traditional Schools), two hospital systems (John C. Lincoln Health Network and University Medical Center) and tax increment dirt bonds, which are so-called because they are secured by land values.

For NUM and NTX, sector allocation was an overall detractor from performance. Specifically, although exposure to health care helped NUM's performance, it did not offset the negative effect of exposure to higher education and pre-refunded bonds. NTX was hurt by health care credits and an underweight in toll roads, which overwhelmed gains from its position in dedicated tax bonds.

We also continue to monitor two situations in the broader municipal market for any impact on the Funds' holdings and performance: the ongoing economic problems of Puerto Rico and the bankruptcy filing of Detroit, Michigan. Regarding Puerto Rico, shareholders should note that NUM, NUO and NTX had sold out of their exposures to Puerto Rico debt prior to this reporting period, while NAZ had an allocation of approximately 1% throughout the reporting period. The Puerto Rico credits offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state, and local taxes). However, Puerto Rico's continued economic weakening, escalating debt service obligations, and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Following the latest rating reduction by Moody's in July 2014, Puerto Rico general obligation debt was rated B2/BB+/BB (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks.

On February 6, 2015 a federal court found Puerto Rico's Recovery Act to be unconstitutional. Though the Commonwealth is pursuing an appeal of the ruling, the outcome is uncertain. Puerto Rico's non-voting Representative in Congress recently introduced legislation that would make chapter 9 bankruptcy available to the Commonwealth's public corporations. A congressional committee hearing was held on February 26, 2015, but the bill has not advanced out of committee.

In light of the evolving economic situation in Puerto Rico, Nuveen's credit analysis of the Commonwealth had previously considered the possibility of a default and restructuring of public corporations and we adjusted our portfolios to prepare for such an outcome, although no such default or restructuring has occurred to date. The Nuveen complex's entire exposure to obligations of the government of Puerto Rico and other Puerto Rico issuers totaled 0.36% of assets under management as of February 28, 2015. As of February 28, 2015, NAZs limited exposure to Puerto Rico generally was invested in bonds that were insured (which we believe adds value), pre-refunded (and therefore backed by securities such as U.S. Treasuries), or tobacco settlement bonds. Overall, the small size of our exposures meant that our Puerto Rico holdings had a negligible impact on performance.

The second situation that we continued to monitor was the City of Detroit's filing for chapter 9 in federal bankruptcy court in July 2013. Burdened by decades of population loss, changes in the auto manufacturing industry and significant tax base deterioration, Detroit had been under severe financial stress for an extended period prior to the filing. Before Detroit could exit bankruptcy, issues surrounding the city's complex debt portfolio, numerous union contracts, significant legal questions and more than 100,000 creditors had to be resolved. By October 2014, all of the major creditors had reached an agreement on the city's plan to restructure its $18.5 billion of debt and emerge from bankruptcy on November 7, 2014. The U.S. Bankruptcy Court approved the city's bankruptcy exit plan, thereby erasing approximately $7 billion in debt. The settlement plan also provided for $1.7 billion to be reinvested in the city for improved public safety, blight removal and upgraded basic services. As described in the key strategies section earlier in this commentary, Detroit's tender offer for the city's water and sewer bonds in August 2014 was a positive event, resulting in beneficial savings for the city and the permanent removal of the water and sewer credits from the city's bankruptcy case. In general, Detroit water and sewer credits rallied following these positive developments. Shareholders of NUM should note that this Fund has no exposure to Detroit general obligation bonds and is underweighted in Detroit water and sewer bonds relative to the Michigan index.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the returns of the Funds relative to their comparative benchmarks was the Funds' use of leverage through their issuance of preferred shares and/or investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, 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 have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, 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. Leverage had a positive impact on the performance of the Funds over this reporting period.

As of February 28, 2015, the Funds' percentages of leverage are shown in the accompanying table.

	NAZ	NUM	NUO	NTX
Effective Leverage*	35.59%	34.58%	35.20%	32.20%
Regulatory Leverage*	31.27%	32.57%	31.96%	