

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSR
November 08, 2005

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 811-10197

Nuveen California Dividend Advantage Municipal Fund 2

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
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: August 31

Date of reporting period: August 31, 2005

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.

ANNUAL REPORT August 31, 2005

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.
NPC

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC.
NCL

NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND
NCU

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NAC

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NVX

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZH

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NKL

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND
NKX

Photo of: Man, woman and child at the beach.

Photo of: A child.

DEPENDABLE, TAX-FREE INCOME BECAUSE IT'S NOT WHAT YOU EARN, IT'S WHAT YOU
KEEP. (R)

Logo: NUVEEN Investments

Photo of: Woman

Photo of: Man and child

Photo of: Woman

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need it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's
LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the 12-month period covered by this report your Fund continued to provide you with monthly income free from federal and state income taxes, as well as with an attractive total return. For more details about the management strategy and performance of your Fund, please see the Portfolio Manager's Comments and Performance Overview sections of this report.

Given the continued strength of the California economy, some market commentators are speculating about whether longer-term interest rates will soon begin to rise substantially, mirroring the rise that has taken place in shorter-term rates. If longer-term rates do begin to rise significantly, some have suggested that this would be a signal to begin adjusting your holdings of fixed-income investments.

"IN FACT, A WELL-DIVERSIFIED PORTFOLIO MAY ACTUALLY HELP TO REDUCE YOUR OVERALL INVESTMENT RISK OVER THE LONG TERM."

Nobody knows what the market will do in the future or what investments will turn out to be tomorrow's best performers. But from our experience, we do know that a well-balanced portfolio, structured and carefully monitored with the help of a trusted investment professional, can be an important component in helping you achieve your long-term financial goals. In fact, a well-diversified portfolio may actually help to reduce your overall investment risk over the long term.

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That is one reason why we believe that a municipal bond investment like your Fund can be an important building block in a comprehensive investment program designed to perform well in a variety of market conditions.

As an added convenience for you, I urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's expenses. Sign up is quick and easy - see the inside front cover of this report for instructions.

Earlier in 2005, The St. Paul Travelers Companies, Inc., which owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), sold a substantial portion of its stake in Nuveen. More recently, St. Paul sold the balance of its shares Nuveen Investments or to others. Please be assured that these transactions only affect Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

October 15, 2005

Nuveen California Municipal Closed-End Exchange-Traded Funds
(NPC, NCL, NCU, NAC, NVX, NZH, NKL, NKX)

Portfolio Manager's
COMMENTS

Portfolio manager Scott Romans discusses the economic and municipal market environments, key investment strategies, and the Funds' annual performance. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since 2003. He assumed portfolio management responsibility for NPC and NCL in May 2005.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE ANNUAL REPORTING PERIOD ENDED AUGUST 31, 2005?

Between September 1, 2004 and August 31, 2005, the Federal Reserve implemented eight separate one-quarter-point increases in the closely-watched fed funds rate. These increases, which were aimed at controlling economic growth as well as the pace of inflation, raised this short-term target rate to 3.50% from 1.50%. (On September 20, 2005, following the close of this reporting period, the fed funds rate was increased by another 0.25% to 3.75%.) As the fed funds rate rose during this reporting period, shorter-term municipal market interest rates showed a corresponding increase.

At the same time, longer-term interest rates remained steady or slightly declined over this 12-month period. The yield on the benchmark 10-year U.S.

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Treasury note ended August 2005 at 4.02%, compared with 4.12% one year earlier. In the municipal market, with the yield on the Bond Buyer 25 Revenue Bond Index, a widely followed measure of longer-term municipal market rates, declined by approximately 25 basis points to 4.83% during this period. Together, the rise in shorter-term rates and decline in longer rates produced an overall flattening of the yield curve, which generally helped the performance of bonds with longer effective maturities while hindering the total return of bonds with shorter maturities or short call dates.

Despite a surge in energy prices over this reporting period, the ongoing national economic expansion managed to maintain fairly solid footing. After expanding at an annualized rate of 4.0% in the third quarter of 2004, the U.S. gross domestic product (GDP) grew by 3.3% (annualized) in the fourth quarter of 2004, 3.8% (annualized) in the first three months of 2005 and 3.3% (annualized) in the second quarter of 2005.

Over the 12 months ended August 31, 2005, municipal bond supply nationwide remained strong, with \$392.8 billion in new securities coming to market. A major factor behind the increase in supply was the flatter yield curve, which made advance refundings

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economically attractive for many issuers. During January-August 2005, advance refundings were 62% higher than during the same period in 2004, as issuers sought to take advantage of the relatively low rates prevalent at the longer-end of the yield curve. (Advance refundings, also called pre-refundings, occur when an issuer sells new bonds and uses the proceeds to purchase U.S. Government securities that are pledged to discharge the remaining principal and interest payments of older, existing bonds. This process generally results in lower net borrowing costs for bond issuers and higher credit quality for the older bonds that are pre-refunded.)

HOW ABOUT ECONOMIC AND MARKET CONDITIONS IN CALIFORNIA?

During this reporting period, California's economy experienced continued job growth that outpaced the national rate. Gains in professional and business services, construction, leisure and hospitality, education and health services led the way, overshadowing small losses in the government sector and in natural resources and mining. As of August 2005, California's unemployment rate was 5.2%, down from 6.1% in August 2004. The state's recent economic expansion has led to strong growth in both personal and corporate income, which in turn generated higher tax revenues. While this revenue increase helped California reduce its budget deficit, the state continued to face a structural budget gap estimated at \$5 billion for fiscal 2006.

In July 2005, both Moody's and Fitch upgraded their ratings on California's general obligation debt--to A2 from A3 and to A from A-, respectively. (Standard and Poor's had upgraded its California GO rating to A from BBB in August 2004.) In announcing the upgrades, both Moody's and Fitch cited the improvements in revenue generation and the resolution of the state's liquidity problems following California's issuance of economic recovery bonds in May 2004.

For the 12 months ended August 2005, municipal issuance in California totaled \$49.8 billion, a decrease of 15% from the previous 12 months. Despite the decrease, California issuance continued to lead all states over this time period.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE CALIFORNIA FUNDS DURING THE 12

MONTHS ENDED AUGUST 31, 2005?

One of our top priorities during this reporting period was careful duration management. Duration is a measure of a bond's price sensitivity as interest rates change, with longer

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duration bonds being more sensitive to changes and thereby presenting greater interest rate risk. Our duration management was tailored to meet the differing needs of the insured and uninsured Funds, as well as the needs of the older Funds that generally had more exposure to shorter duration bonds and the newer funds that typically had more bonds with longer durations.

Duration management became increasingly important for the uninsured Funds (NCU, NAC, NVX and NZH) during the first half of 2005, as the flattening yield curve over this period resulted in a dramatic rise in advance refundings. (The yield curve is said to flatten when shorter-term interest rates more closely approach the levels of longer-term interest rates.)

Advance refundings of bonds held by the Funds generally had an immediate, positive impact on their performances, as well as a shortening effect on the Funds' durations. In order to maintain the Funds' durations within our preferred strategic range, we sold some of our holdings with shorter durations, including short-dated pre-refunded bonds, bonds that were currently callable, and bonds priced to short calls, all of which tended to underperform in the interest rate environment of the past 12 months. This was especially true for NAC, one of the older Funds. The relatively newer NZH had fewer advance refundings and less need to adjust its portfolio to offset them.

The proceeds from the sale of these holdings were then reinvested in longer duration bonds, including zero coupon non-callable bonds, fixed-rate non-callable bonds, and 25- to 30-year bonds with at least 8-10 years of call protection. The longer durations of these bonds enabled us to counteract some of the duration shortening caused by the advance refundings and also contributed to the Funds' performance during this period. The purchase of these types of bonds also allowed us to improve the Funds' call protection.

In the insured Funds (NPC, NCL, NKL and NKX), we began this 12-month period by looking for value opportunities in insured, AAA rated bonds with about 20 years to maturity. As the period progressed, we began to extend our time horizon to the 30-year part of the yield curve in order to maintain the Funds' durations within our targeted range. This approach applied particularly to NPC and NCL, relatively older Funds that had shorter durations than the two newer Funds. As examples, we purchased insured, AAA

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rated bonds issued by Oakland Unified School District and insured, AAA rated bonds issued by Riverside County for all four insured Funds. As with the uninsured Funds, we sold pre-refunded bonds and other securities with short durations to finance these longer duration purchases. During this period, we also worked to enhance and diversify the call exposure of all of the insured Funds by looking for bonds with at least 10 years of call protection.

In NKL and NKX, we continued to manage their durations through the use of

forward interest rate swaps, a type of derivative financial instrument. As discussed in our last shareholder report, in late 2004 we began using these swaps in an effort to reduce some of the interest rate risk in these two Funds. It is important to note that these hedges did not represent an attempt to profit from correctly predicting the timing and direction of interest rate movements. Instead, our sole objective was to reduce the duration of these Funds without having a negative impact on the Funds' income streams or common share dividends over the short term. The gain or loss from each Fund's hedging activity is reflected as an addition or subtraction to the Fund's net asset value (NAV) as the market value of each hedge fluctuates. Over the course of this reporting period, the hedges were effective in achieving their intended goal of helping to reduce the NAV volatility of these Funds. However, they also had negative impacts on each Fund's total return for the period because declining long-term interest rates caused the value of the hedges to decline as the value of each Fund's portfolio rose.

In the four uninsured Funds and in NKL and NKX, which are insured but can invest up to 20% of their assets in uninsured investment-grade quality securities, we also continued to emphasize maintaining some exposure to lower-rated credits. Some of these securities were pre-refunded during this period, enabling us to capture price gains. In addition, lower-rated bonds generally performed very well during this period. However, given increased demand, we did not find many attractive opportunities among lower rated securities during this period. One example of a lower-rated credit that did meet our purchase criteria during this period was a BBB+ rated issue by the California Statewide Community Development Authority for the Daughters of Charity Health System, which was added to NAC, NVX and NZH.

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HOW DID THE FUNDS PERFORM?

Individual results for these Funds, as well as for comparative indexes and peer group averages, are presented in the accompanying table.

ANNUALIZED TOTAL RETURNS ON NET ASSET VALUE
For periods ended 8/31/05

| UNINSURED FUNDS | 1-YEAR | 5-YEAR | 10-YEAR |
|---|--------|--------|---------|
| NCU | 9.75% | 8.66% | 7.98% |
| NAC | 9.41% | 9.41% | NA |
| NVX | 10.80% | NA | NA |
| NZH | 10.69% | NA | NA |
| Lehman Brothers CA Tax-Exempt Bond Index1 | 5.67% | 6.30% | 6.50% |
| Lipper CA Municipal Debt Funds Average2 | 10.50% | 7.80% | 7.08% |
| INSURED FUNDS | | | |

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| | | | |
|---|-------|-------|-------|
| NPC | 6.74% | 7.77% | 7.16% |
| NCL | 7.42% | 7.73% | 7.52% |
| NKL | 9.46% | NA | NA |
| NKX | 9.84% | NA | NA |
| Lehman Brothers Insured CA Tax-Exempt Bond Index ³ | | | |
| | 6.24% | 6.29% | 6.40% |
| Lipper Insured CA Municipal Debt Funds Average ⁴ | | | |
| | 9.87% | 7.28% | 6.96% |

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.

For additional information, see the individual Performance Overview for your Fund in this report.

For the 12 months ended August 31, 2005, the total returns on NAV for all four of the uninsured Funds exceeded the return on the Lehman Brothers California Tax-Exempt Bond Index. NVX and NZH also outperformed the average return for the Lipper California Fund peer group, while NCU and NAC trailed this measure. Among the insured Funds, all four Funds outperformed the return on the Lehman Brothers Insured California Tax-Exempt Bond Index. All of the Funds trailed the average return for the Lipper Insured California Fund peer group.

- 1 The Lehman Brothers California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Lipper California Municipal Debt Funds category average is calculated using the returns of all closed-end exchange-traded funds in this category for each period as follows: 1 year, 27 funds; 5 years, 16 funds; and 10 years, 14 funds. Fund and Lipper returns assume reinvestment of dividends.
- 3 The Lehman Brothers Insured California Tax-Exempt Bond Index is an unleveraged, unmanaged index containing a broad range of insured California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 4 The Lipper Insured California Municipal Debt Funds average is calculated using the returns of all closed-end exchange-traded funds in its category for each period as follows: 1 year, 13 funds; 5 years, 8 funds; and 10 years, 6 funds. Fund and Lipper returns assume reinvestment of dividends.

One of the primary factors benefiting the 12-month performance of these Funds relative to that of the unleveraged Lehman Brothers indexes was the Funds' use of financial leverage. While leveraging can add volatility to a Fund's NAV and

share price, especially during periods when interest rates rise, this strategy can also provide opportunities for additional income and total return for common shareholders when short-term interest rates remain relatively low and long-term rates fall or remain relatively constant.

As noted earlier, the municipal market yield curve flattened over the course of this 12-month period as longer-term interest rates declined as short-term rates rose. Since falling bond yields mean rising bond prices, longer maturity bonds generally performed better over this time than securities with shorter maturities. Relatively greater exposure to the longer end of the yield curve helped the performances of NVX and NZH during this period, while the performances of NPC and NCL were hindered by their relatively greater exposure to the shorter end of the yield curve. One of the intended results of the duration management strategy discussed earlier is to more closely align the yield curve positioning of all of these Funds in the future.

The uninsured Funds (NCU, NAC, NVX, and NZH) as well as NKL and NKX, which can invest up to 20% of their portfolios in uninsured bonds, also benefited from their allocations of lower-quality bonds during this period, with bonds rated BBB and lower and non-rated bonds generally outperforming other credit quality sectors. Among the lower-rated bonds making significant contributions to these six Funds' total returns for this period were bonds backed by the 1998 master tobacco settlement agreement. Some of these California tobacco bonds posted annual returns of more than 20% over this 12-month time horizon as the litigation environment improved and increased demand drove tobacco bond prices higher. As of August 31, 2005, tobacco bonds represented approximately 3% to 6% of the portfolios of NCU, NAC, NVX and NZH. Bonds issued by Golden State Tobacco Securitization Corporation, which made up approximately 2% of the portfolios of NKL and NKX, were the top performing credits in both of these Funds for the period. Neither NPC nor NCL held any uninsured tobacco bonds - another reason for their relatively smaller total returns over this period.

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Another factor affecting the Funds' performances during this period was the amount and timing of advance refundings within their portfolios. Generally, a bond that was advance refunded tended to benefit from an immediate price increase as its credit quality was upgraded (because the bond is now backed by U.S. Government securities). However, that same bond - now priced as a high quality issue to a shorter final maturity - might then have underperformed lower quality issues and issues with longer final maturities over the balance of the reporting period. Therefore, the size of the holding, the credit quality benefit caused by the pre-refunding and the amount of time remaining before the end of the reporting period all had an impact on the overall performance of a pre-refunded bond.

Generally, the older Funds experienced more advance refundings over this period than the newer Funds, largely because of differences in the interest rate environments at the times these Funds were initially introduced. Among the insured Funds, approximately 12% of NCL's holdings and more than 9% of NPC were pre-refunded as of August 31, 2005, while NKL and NKX had 5% and 2%, respectively, of their portfolios advance refunded. Overall, bonds that were pre-refunded during the period tended to help these Funds' total return over this period. This was especially true of bonds issued by California Health Facilities Financing Authority for Cedars-Sinai Medical Center, which were held by NCU, NAC, NKL and NKX.

Conversely, significant holdings of bonds that had been pre-refunded/escrowed-to-maturity in prior periods acted as a drag on the performance of NPC,

which held 30% of its portfolio in refunded bonds as of August 31, 2005. In addition, NCU experienced calls on some of its higher-yielding multifamily housing bonds, which impacted the income component of the Fund's total return.

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HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF AUGUST 31, 2005?

We continued to believe that maintaining strong credit quality was an important requirement. As of August 31, 2005, the four uninsured Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 65% in NZH, 66% in NAC and 70% in NVX and NCU. NPC and NCL continued to be 100% invested in insured and/or U.S. guaranteed securities, while NKL and NKX, which can invest up to 20% of their assets in uninsured investment-grade quality securities, had allocated 81% and 82% of their portfolios, respectively, to insured bonds as of August 31, 2005.

On August 31, 2005, potential call exposure for the period from September 2005 through the end of 2006 ranged from 0% in NZH and NKL to 3% in NAC, 4% in NVX and NKX, 8% in NCU, 11% in NPC and 16% in NCL. The number of actual bond calls in all of these Funds depends largely on future market interest rates.

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Dividend and Share Price
INFORMATION

Each of the Funds in this report uses leverage to enhance opportunities for additional income for common shareholders. The extent of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. However, when short-term interest rates rise, as they did during this reporting period, the Funds' borrowing costs also rise. While leveraging still provided benefits for common shareholders over this 12-month period, the extent of these benefits was reduced. In addition, older Funds such as NPC, NCL and NCU had a greater number of older, higher-yielding bonds that matured or were called during this period, and the proceeds from these bonds were reinvested in the current lower-yield environment, thereby reducing their income streams. The decline in interest rates at the longer end of the yield curve during this period also had an impact on the newest Funds such as NKL and NKX, which had fewer opportunities to build reserves. These factors combined to produce one monthly dividend reduction in NPC, NCU and NKL, two in NCL, and three in NKX over the 12-month period ended August 31, 2005. The dividends of NAC, NVX and NZH remained stable throughout this reporting period.

In addition, due to normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2004 as follows:

| | LONG-TERM CAPITAL GAINS (PER SHARE) | ORDINARY INCOME (PER SHARE) |
|-----|--|--------------------------------|
| NPC | \$0.1157 | \$0.0557 |

| | | |
|-----|----------|----------|
| NAC | \$0.0464 | \$ -- |
| NKL | \$0.0426 | \$0.0072 |

The relatively large distributions from NPC represented an important part of this Fund's total return for this period. For the most part, this distribution was generated by bond calls or by sales of appreciated securities. The proceeds of these calls or sales then were reinvested in bonds paying lower, current interest rates. This had a slight negative impact on the Fund's earning power and was a minor factor in the dividend reduction noted above.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of August 31, 2005, all of the Funds in this report except NKX had positive UNII balances for both financial statement and tax purposes. NKX had a positive UNII balance for tax purposes and a negative UNII balance for financial statement purposes.

At the end of the reporting period, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

| | 8/31/05 PREMIUM/DISCOUNT | 12-MONTH AVERAGE PREMIUM/DISCOUNT |
|-----|-----------------------------|--------------------------------------|
| NPC | -1.91% | -2.54% |
| NCL | -1.83% | -1.19% |
| NCU | -4.39% | -6.32% |
| NAC | +0.56% | -3.81% |
| NVX | -2.82% | -7.29% |
| NZH | -5.36% | -8.86% |
| NKL | -5.12% | -5.40% |
| NKX | -5.21% | -3.58% |

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Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 70% |
| U.S. Guaranteed | 30% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|-------|
| Sep | 0.077 |
| Oct | 0.077 |
| Nov | 0.077 |
| Dec | 0.077 |
| Jan | 0.077 |
| Feb | 0.077 |
| Mar | 0.074 |
| Apr | 0.074 |
| May | 0.074 |
| Jun | 0.074 |
| Jul | 0.074 |
| Aug | 0.074 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 15.96 |
| | 15.91 |
| | 15.68 |
| | 15.7 |
| | 15.68 |
| | 15.63 |
| | 15.65 |
| | 15.94 |
| | 15.88 |
| | 15.8 |
| | 15.8 |
| | 15.89 |
| | 15.84 |
| | 15.76 |
| | 15.95 |
| | 15.94 |
| | 15.78 |
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| | 16.01 |
| | 15.93 |
| | 15.84 |
| | 15.88 |
| | 15.88 |
| | 15.75 |
| | 15.89 |
| | 16.1 |
| | 16.1 |
| | 15.82 |
| | 15.85 |
| | 15.68 |
| | 15.64 |

15.62
15.69
15.73
15.72
15.75
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15.62
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15.26
15.82
15.8
15.85
15.44
15.44
15.49
15.7
15.8
15.99
16.06
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16.05
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16.41
16.45
16.43
16.5
16.57
16.56
16.45
16.45
16.57
16.49
16.49
16.4
16.54
16.47
16.57
16.58
16.46
16.41
16.32
16.26
16.24
16.24
16.04
15.77
15.65
15.35
15.16
14.99
14.97
15.01
15
15.01
15.01
15.13
15.23
15.1
15.14
15.1
15.19
15.16
15.3
15.18
15.2
15.08
15.01
15.09
15.1
14.95
14.95
14.99

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14.97
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15.08
15.08
15.05
15.12
15.17
15.17
15.17
15.3
15.32
15.43
15.35
15.25
15.43
15.44
15.35
15.49
15.39
15.33
15.35
15.42
15.45
15.59
16
15.78
15.75
15.9
15.63
15.67
15.8
15.94
15.93
15.89
15.94
15.82
15.79
15.84
15.9
15.9
15.73
15.79
15.79
15.7
15.68
15.72
15.62
15.63
15.6
15.66
15.7
15.7
15.69
15.64
15.71
15.72
15.79
15.79
15.79

| | |
|---------|-------|
| | 15.91 |
| | 15.94 |
| | 15.96 |
| | 16.1 |
| | 16.12 |
| | 15.86 |
| | 15.93 |
| | 16.04 |
| | 16.04 |
| | 16.04 |
| | 16.04 |
| | 16.39 |
| | 16.39 |
| | 16.45 |
| | 16.25 |
| | 16.59 |
| | 16.8 |
| | 16.5 |
| | 16.47 |
| | 16.28 |
| | 16.1 |
| | 16.06 |
| | 16.31 |
| | 16.19 |
| | 16.14 |
| | 15.93 |
| | 15.86 |
| | 15.89 |
| | 15.89 |
| | 15.96 |
| | 15.87 |
| | 15.86 |
| | 15.88 |
| | 15.96 |
| | 15.81 |
| 8/31/05 | 15.9 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$15.90 |
| Common Share Net Asset Value | \$16.21 |
| Premium/(Discount) to NAV | -1.91% |
| Market Yield | 5.58% |
| Taxable-Equivalent Yield ¹ | 8.52% |
| Net Assets Applicable to Common Shares (\$000) | \$104,510 |
| Average Effective Maturity on Securities (Years) | 16.05 |
| Leverage-Adjusted Duration | 7.97 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/19/92)

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| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 7.58% | 6.74% |
| 5-Year | 8.27% | 7.77% |
| 10-Year | 8.47% | 7.16% |

SECTORS

(as a % of total investments)

| | |
|-----------------------------------|-------|
| U.S. Guaranteed | 30.0% |
| Tax Obligation/General | 22.4% |
| Tax Obligation/Limited | 16.5% |
| Water and Sewer | 15.7% |
| Education and Civic Organizations | 7.5% |
| Other | 7.9% |

- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.1714 per share.

14

Nuveen Insured California Premium Income Municipal Fund 2, Inc.
NCL

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 83% |
| U.S. Guaranteed | 17% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |

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| | |
|-----|-------|
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |
| Jun | 0.069 |
| Jul | 0.069 |
| Aug | 0.069 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 15.15 |
| | 15.12 |
| | 15.15 |
| | 15.05 |
| | 15.15 |
| | 15.1 |
| | 15.11 |
| | 15.14 |
| | 15.15 |
| | 15.1 |
| | 15.11 |
| | 15.15 |
| | 15.17 |
| | 15.22 |
| | 15.23 |
| | 15.28 |
| | 15.3 |
| | 15.3 |
| | 15.33 |
| | 15.37 |
| | 15.35 |
| | 15.36 |
| | 15.45 |
| | 15.33 |
| | 15.29 |
| | 15.26 |
| | 15.35 |
| | 15.38 |
| | 15.42 |
| | 15.28 |
| | 15.27 |
| | 15.27 |
| | 15.3 |
| | 15.26 |
| | 15.29 |
| | 15.3 |
| | 15.3 |
| | 15.3 |
| | 15.26 |
| | 15.35 |
| | 15.41 |
| | 15.3 |
| | 15.4 |
| | 15.5 |
| | 15.5 |
| | 15.5 |
| | 15.4 |
| | 15.35 |
| | 15.25 |
| | 15.25 |
| | 15.29 |

15.3
15.3
15.33
15.25
15.24
15.34
15.5
15.34
15.31
15.35
15.38
15.45
15.41
15.27
15.3
15.31
15.32
15.52
15.44
15.49
15.47
15.52
15.61
15.53
15.37
15.29
15.27
15.14
15.1
15
14.94
15.05
15.17
15.25
15.27
15.3
15.24
15.44
15.39
14.95
15.03
14.91
14.9
14.72
14.68
14.69
14.74
14.69
14.57
14.55
14.62
14.67
14.77
14.92
14.93
14.92
14.97
15.06
15.09
15
15.02
15.04

14.97
15.01
14.98
15.01
14.97
14.91
14.7
14.7
14.84
14.89
14.99
14.89
14.9
14.96
15
15.05
14.92
14.9
14.79
14.67
14.68
14.72
14.68
14.695
14.63
14.58
14.64
14.65
14.55
14.4
14.33
14.25
14.42
14.45
14.528
14.58
14.56
14.54
14.51
14.61
14.55
14.5
14.53
14.63
14.57
14.55
14.5
14.5
14.55
14.62
14.57
14.6
14.87
14.99
14.99
15
15.08
15.08
15.04
15.02
15.05
15.22

15.29
15.35
15.33
15.34
15.38
15.37
15.29
15.31
15.38
15.38
15.35
15.45
15.5
15.34
15.3
15.3
15.2
15.25
15.21
15.15
15.05
15.01
14.87
14.89
14.76
14.73
14.65
14.6
14.57
14.66
14.76
14.77
14.78
14.83
14.87
14.86
14.86
14.9
14.94
14.97
14.85
14.85
14.96
14.86
14.9
15
14.91
14.78
14.88
14.8
14.8
14.95
14.86
14.95
15.15
15.1
15.1
14.96
15
15
15.08
15

| | |
|---------|-------|
| | 15 |
| | 15 |
| | 15.03 |
| | 14.85 |
| | 14.85 |
| | 14.85 |
| | 14.84 |
| | 14.87 |
| | 14.89 |
| | 14.95 |
| | 14.9 |
| | 14.87 |
| | 14.96 |
| | 14.96 |
| | 14.94 |
| | 14.94 |
| | 15.07 |
| 8/31/05 | 15.05 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$15.05 |
| Common Share Net Asset Value | \$15.33 |
| Premium/(Discount) to NAV | -1.83% |
| Market Yield | 5.50% |
| Taxable-Equivalent Yield ¹ | 8.40% |
| Net Assets Applicable to Common Shares (\$000) | \$194,895 |
| Average Effective Maturity on Securities (Years) | 16.54 |
| Leverage-Adjusted Duration | 7.60 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/18/93)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 5.10% | 7.42% |
| 5-Year | 7.54% | 7.73% |
| 10-Year | 8.81% | 7.52% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/Limited | 28.3% |
| U.S. Guaranteed | 17.2% |
| Water and Sewer | 17.0% |

| | |
|-----------------------------------|-------|
| Tax Obligation/General | 13.7% |
| Education and Civic Organizations | 8.3% |
| Utilities | 7.5% |
| Other | 8.0% |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

15

Nuveen California Premium Income Municipal Fund
NCU

Performance
OVERVIEW As of August 31, 2005

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 64% |
| AA | 6% |
| A | 11% |
| BBB | 14% |
| BB or Lower | 4% |
| NR | 1% |

Bar Chart:
2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.073 |
| Oct | 0.073 |
| Nov | 0.073 |
| Dec | 0.073 |
| Jan | 0.073 |
| Feb | 0.073 |
| Mar | 0.07 |
| Apr | 0.07 |
| May | 0.07 |
| Jun | 0.07 |
| Jul | 0.07 |
| Aug | 0.07 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 13.7 |
| | 13.67 |
| | 13.55 |
| | 13.6 |
| | 13.7 |

13.53
13.62
13.7
13.81
13.73
13.88
13.93
13.85
13.94
13.95
13.95
13.9
13.95
14.22
14.1
14
13.82
13.75
13.88
13.85
13.8
13.85
13.99
14
14.02
13.92
14.05
14
13.94
13.94
14.01
14.1
13.95
13.85
13.9
13.91
13.9
13.9
13.92
13.91
13.84
13.55
13.34
13.36
13.3
13.38
13.42
13.5
13.6
13.65
13.6
13.55
13.6
13.5
13.6
13.65
13.65
13.7
13.59
13.51
13.52
13.61

13.56
13.5
13.63
13.73
13.58
13.5
13.54
13.42
13.31
13.3
13.279
13.32
13.31
13.27
13.1
13.18
13.14
13.18
13.22
13.33
13.38
13.44
13.42
13.49
13.5
13.4
13.43
13.54
13.53
13.53
13.48
13.71
14.25
14.13
14.18
13.9
14.03
14.02
13.83
13.78
13.75
13.83
14.1
14.05
14.06
14.03
13.93
14.3
14.3
14.17
14
13.96
14
14.35
14.15
14.21
14.2
14.07
14.07
14.1
14.16
14.15

14.06
13.84
13.74
13.64
13.64
13.64
13.64
13.52
13.64
13.54
13.26
13.17
13.06
13.06
13.03
13.07
13.1
13.02
13.09
13.08
13.09
13.03
13.21
13.22
13.29
13.5
13.63
13.9
13.81
13.82
13.8
13.76
13.67
13.85
13.85
13.86
13.97
13.97
13.97
14
13.99
13.98
13.99
13.97
13.83
13.92
13.9
13.77
13.89
13.97
13.89
14
13.92
13.91
13.93
13.94
13.99
14.13
14.06
14.1
13.99
14.22

14.33
14.74
14.7
14.49
14.47
14.4
14.3
14.18
14
14.24
14.2
14.12
14.11
14.12
14.12
14.16
14.03
14.1
14.14
14.13
14.15
14.23
14.32
14.31
14.25
14.3
14.2
14.13
14.25
14.13
14.1
14.1
14.0705
14.14
14.15
14.2
14.15
14.14
14.34
14.26
14.26
14.26
14.39
14.58
14.37
14.23
14.03
14.18
14.21
14.08
14.08
14.14
14.2
14.14
14.21
14.26
14.34
14.5
14.37
14.35
14.24
14.32

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| | |
|---------|-------|
| | 14.45 |
| 8/31/05 | 14.37 |

FUND SNAPSHOT

| | |
|---------------------------------------|----------|
| ----- | |
| Common Share Price | \$14.37 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.03 |
| ----- | |
| Premium/(Discount) to NAV | -4.39% |
| ----- | |
| Market Yield | 5.85% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 8.93% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$86,785 |
| ----- | |
| Average Effective | |
| Maturity on Securities (Years) | 15.61 |
| ----- | |
| Leverage-Adjusted Duration | 7.87 |
| ----- | |

AVERAGE ANNUAL TOTAL RETURN
(Inception 6/18/93)

| | | |
|---------|----------------|--------|
| ----- | | |
| | ON SHARE PRICE | ON NAV |
| ----- | | |
| 1-Year | 11.76% | 9.75% |
| ----- | | |
| 5-Year | 7.98% | 8.66% |
| ----- | | |
| 10-Year | 9.28% | 7.98% |
| ----- | | |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| ----- | |
| Tax Obligation/Limited | 34.5% |
| ----- | |
| Tax Obligation/General | 17.3% |
| ----- | |
| Water and Sewer | 10.9% |
| ----- | |
| Healthcare | 9.2% |
| ----- | |
| Utilities | 8.7% |
| ----- | |
| U.S. Guaranteed | 7.3% |
| ----- | |
| Transportation | 5.4% |
| ----- | |
| Other | 6.7% |
| ----- | |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate

qualified dividend income, the taxable-equivalent yield is lower.

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Nuveen California Dividend Advantage Municipal Fund
NAC

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 62% |
| AA | 4% |
| A | 12% |
| BBB | 14% |
| NR | 8% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|-----|-------|
| Sep | 0.082 |
| Oct | 0.082 |
| Nov | 0.082 |
| Dec | 0.082 |
| Jan | 0.082 |
| Feb | 0.082 |
| Mar | 0.082 |
| Apr | 0.082 |
| May | 0.082 |
| Jun | 0.082 |
| Jul | 0.082 |
| Aug | 0.082 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 15.06 |
| | 14.98 |
| | 14.92 |
| | 15.02 |
| | 15.09 |
| | 15 |
| | 15.14 |
| | 15.02 |
| | 14.96 |
| | 14.94 |
| | 14.95 |
| | 14.98 |
| | 14.99 |
| | 14.97 |
| | 15.04 |
| | 15.04 |
| | 15.04 |
| | 15 |
| | 15 |
| | 15.04 |
| | 14.96 |

14.81
14.85
14.91
14.9
14.9
14.99
15.05
15.05
15
15.01
15.05
15.12
15.18
15.24
15.19
15.27
15.28
15.27
15.31
15.27
15.32
15.47
15.4
15.5
15.48
15.23
14.89
15.04
14.96
15.12
15.14
15.14
15.17
15.18
15.28
15.05
15.11
15.09
15
14.98
14.9
14.76
14.75
14.7
14.81
14.82
14.81
14.89
14.83
14.83
14.83
14.86
14.9
14.86
14.95
14.93
14.85
14.84
14.83
14.76
14.9
14.84

14.89
14.9
14.9
14.82
14.75
14.81
14.88
14.76
14.75
14.57
14.46
14.4
14.5
14.53
14.59
14.57
14.53
14.61
14.52
14.61
14.69
14.74
14.8
14.89
14.98
15.07
15.19
15.15
15.23
15.21
15.11
15.11
15.04
14.98
15
14.83
14.79
14.82
14.9
15.06
15.01
14.98
14.97
14.94
15.01
15
14.95
14.76
14.78
14.68
14.61
14.62
14.55
14.59
14.58
14.61
14.59
14.33
14.4
14.29
14.4
14.42

14.51
14.6
14.6
14.68
14.7
14.71
14.659
14.72
14.79
14.78
14.73
14.8
14.83
14.88
14.88
14.89
14.86
14.89
14.85
14.82
14.86
14.93
14.93
14.96
15.01
15
15.02
15
15.11
15.27
15.28
15.22
15.29
15.37
15.35
15.45
15.4
15.35
15.39
15.3
15.25
15.31
15.25
15.39
15.53
15.51
15.59
15.6
15.58
15.55
15.55
15.502
15.38
15.34
15.43
15.64
15.67
15.53
15.53
15.5
15.5
15.59

15.51
 15.54
 15.61
 15.5
 15.69
 15.78
 15.7
 15.81
 15.82
 15.9
 15.9
 15.82
 15.81
 15.85
 15.8
 15.88
 15.77
 15.8
 15.9
 15.89
 15.95
 15.99
 16.08
 16.06
 16.06
 15.93
 16.08
 16.15
 16.12
 15.9
 15.95
 15.96
 15.94
 15.9
 16
 16.13
 16.12
 16.15
 16.15
 16.1
 16.02
 16.04
 15.98
 16.12
 16.051
 16.02
 16.08
 16.07

8/31/05

FUND SNAPSHOT

| | |
|---------------------------------|---------|
| Common Share Price | \$16.07 |
| Common Share Net Asset Value | \$15.98 |
| Premium/(Discount) to NAV | 0.56% |
| Market Yield | 6.12% |
| Taxable-Equivalent Yield1 | 9.34% |

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Net Assets Applicable to
Common Shares (\$000) \$374,265

Average Effective
Maturity on Securities (Years) 17.20

Leverage-Adjusted Duration 7.21

AVERAGE ANNUAL TOTAL RETURN
(Inception 5/26/99)

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 14.62% | 9.41% |
| 5-Year | 9.93% | 9.41% |
| Since Inception | 7.63% | 8.14% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 25.0% |
| Tax Obligation/General | 13.8% |
| Transportation | 13.4% |
| U.S. Guaranteed | 12.6% |
| Utilities | 7.8% |
| Education and Civic Organizations | 7.1% |
| Housing/Multifamily | 5.5% |
| Healthcare | 4.8% |
| Other | 10.0% |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0464 per share.

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Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 69% |
| AA | 1% |
| A | 12% |
| BBB | 12% |
| NR | 6% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |
| Mar | 0.076 |
| Apr | 0.076 |
| May | 0.076 |
| Jun | 0.076 |
| Jul | 0.076 |
| Aug | 0.076 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 14.15 |
| | 14.12 |
| | 14 |
| | 14 |
| | 14.09 |
| | 14.13 |
| | 14.2 |
| | 14.01 |
| | 13.98 |
| | 13.97 |
| | 13.95 |
| | 14.02 |
| | 14 |
| | 14.01 |
| | 13.99 |
| | 14.14 |
| | 14.03 |
| | 14.11 |
| | 14.17 |
| | 14.08 |
| | 14.05 |
| | 13.95 |
| | 13.95 |
| | 13.95 |
| | 13.9 |
| | 13.9 |
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13.917
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14.37
14.47
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14.59
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14.93
14.9
14.97
14.9
14.89

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 14.73
 14.82
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 14.82
 14.77
 14.82
 14.84
 14.88
 14.83
 14.93
 15
 14.97
 14.97
 14.93
 14.96
 14.9
 15.09
 14.79
 14.8
 15.02
 15.14
 15.05
 15
 14.98
 15.12
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 15.09
 15.05
 15.04
 14.96
 14.91
 15.05
 14.97
 15.13
 14.98
 15.19

8/31/05

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$15.19 |
| Common Share Net Asset Value | \$15.63 |
| Premium/(Discount) to NAV | -2.82% |
| Market Yield | 6.00% |
| Taxable-Equivalent Yield ¹ | 9.16% |
| Net Assets Applicable to Common Shares (\$000) | \$231,140 |
| Average Effective Maturity on Securities (Years) | 15.89 |
| Leverage-Adjusted Duration | 8.06 |

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AVERAGE ANNUAL TOTAL RETURN
(Inception 3/27/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 14.98% | 10.80% |
| Since Inception | 6.72% | 8.20% |

SECTORS
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 19.0% |
| Tax Obligation/General | 17.4% |
| U.S. Guaranteed | 13.3% |
| Education and Civic Organizations | 10.1% |
| Water and Sewer | 9.3% |
| Housing/Multifamily | 7.5% |
| Healthcare | 6.1% |
| Transportation | 6.1% |
| Utilities | 6.0% |
| Other | 5.2% |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

18

Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance
OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY
(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 63% |
| AA | 2% |
| A | 15% |
| BBB | 13% |
| NR | 7% |

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Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.072 |
| Oct | 0.072 |
| Nov | 0.072 |
| Dec | 0.072 |
| Jan | 0.072 |
| Feb | 0.072 |
| Mar | 0.072 |
| Apr | 0.072 |
| May | 0.072 |
| Jun | 0.072 |
| Jul | 0.072 |
| Aug | 0.072 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 13.4 |
| | 13.35 |
| | 13.34 |
| | 13.34 |
| | 13.35 |
| | 13.25 |
| | 13.35 |
| | 13.25 |
| | 13.25 |
| | 13.27 |
| | 13.4 |
| | 13.4 |
| | 13.48 |
| | 13.51 |
| | 13.45 |
| | 13.55 |
| | 13.5 |
| | 13.5 |
| | 13.5 |
| | 13.51 |
| | 13.42 |
| | 13.4 |
| | 13.43 |
| | 13.46 |
| | 13.4 |
| | 13.47 |
| | 13.51 |
| | 13.54 |
| | 13.44 |
| | 13.37 |
| | 13.42 |
| | 13.46 |
| | 13.43 |
| | 13.41 |
| | 13.5 |
| | 13.5 |
| | 13.48 |
| | 13.55 |
| | 13.58 |
| | 13.51 |
| | 13.59 |
| | 13.68 |
| | 13.75 |

13.83
13.74
13.78
13.47
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13.33
13.26
13.31
13.36
13.35
13.35
13.42
13.44
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13.34
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13.2
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13.15
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13.34
13.19
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13.27
13.15
13.17
13.15
13.12
13.1
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13.02
13.05
13.05
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13.17
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13.32
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13.35
13.31
13.37
13.42
13.4
13.5
13.5
13.46
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13.76
13.89
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13.84
13.87
13.79
13.8
13.79
13.72
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13.5
13.45
13.5
13.53
13.63
13.65
13.65
13.65
13.65
13.72
13.81
13.76
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13.53
13.46
13.41
13.37
13.31
13.41
13.43
13.45
13.44
13.16
13.2
13.07
13.17
13.23
13.31
13.33
13.37
13.4
13.44
13.41
13.37
13.41
13.38
13.4
13.32
13.42
13.46
13.45
13.47
13.43
13.43
13.43
13.34
13.44
13.43
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13.54
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13.62
13.76
13.68
13.56
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13.74
13.77
13.7
13.8
13.82
13.81
13.8
13.86
13.86
13.92
13.95
13.92
13.9
13.91
13.96
13.99
14
14.02
13.95
14.08
14.01
14.02
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13.95
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13.88
13.96
13.98
13.99
13.99
13.9
13.9
13.96
14.05
14.02
14.01
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14.06
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14.16
14.12
14.04
13.96
13.93
14.01
14.03
13.95
14.08
14.12
14.01
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| | |
|---------|-------|
| | 14.14 |
| | 14.15 |
| | 14.15 |
| | 14.26 |
| | 14.39 |
| | 14.41 |
| | 14.47 |
| | 14.38 |
| | 14.42 |
| | 14.4 |
| | 14.5 |
| | 14.34 |
| | 14.32 |
| | 14.38 |
| | 14.4 |
| | 14.4 |
| | 14.35 |
| | 14.34 |
| | 14.37 |
| | 14.33 |
| | 14.38 |
| | 14.36 |
| | 14.35 |
| | 14.41 |
| | 14.44 |
| 8/31/05 | 14.49 |

FUND SNAPSHOT

| | |
|---------------------------------------|-----------|
| ----- | |
| Common Share Price | \$14.49 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.31 |
| ----- | |
| Premium/(Discount) to NAV | -5.36% |
| ----- | |
| Market Yield | 5.96% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 9.10% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$369,262 |
| ----- | |
| Average Effective | |
| Maturity on Securities (Years) | 17.82 |
| ----- | |
| Leverage-Adjusted Duration | 8.69 |
| ----- | |

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/25/01)

| | | |
|-----------|----------------|--------|
| ----- | | |
| | ON SHARE PRICE | ON NAV |
| ----- | | |
| 1-Year | 15.75% | 10.69% |
| ----- | | |
| Since | | |
| Inception | 5.48% | 7.80% |
| ----- | | |

SECTORS
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 28.2% |
| Tax Obligation/General | 21.7% |
| Water and Sewer | 8.9% |
| Utilities | 8.6% |
| Healthcare | 8.6% |
| Housing/Multifamily | 6.6% |
| Transportation | 6.2% |
| Education and Civic Organizations | 5.1% |
| Other | 6.1% |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

Nuveen Insured California Dividend Advantage Municipal Fund
NKL

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 81% |
| AAA (uninsured) | 2% |
| AA (uninsured) | 3% |
| A (uninsured) | 8% |
| BBB (uninsured) | 6% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|-------|
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |
| Mar | 0.076 |
| Apr | 0.076 |
| May | 0.076 |
| Jun | 0.072 |
| Jul | 0.072 |
| Aug | 0.072 |

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Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 14.69 |
| | 14.67 |
| | 14.47 |
| | 14.47 |
| | 14.51 |
| | 14.6 |
| | 14.8 |
| | 14.65 |
| | 14.65 |
| | 14.66 |
| | 14.71 |
| | 14.69 |
| | 14.92 |
| | 14.76 |
| | 14.92 |
| | 14.86 |
| | 14.75 |
| | 14.86 |
| | 14.9 |
| | 14.85 |
| | 14.8 |
| | 14.68 |
| | 14.77 |
| | 14.74 |
| | 14.71 |
| | 14.65 |
| | 14.69 |
| | 14.85 |
| | 14.95 |
| | 14.86 |
| | 14.68 |
| | 14.66 |
| | 14.61 |
| | 14.65 |
| | 14.77 |
| | 14.76 |
| | 14.75 |
| | 14.85 |
| | 14.89 |
| | 14.85 |
| | 14.73 |
| | 14.71 |
| | 14.75 |
| | 14.9 |
| | 14.77 |
| | 14.78 |
| | 14.4 |
| | 14.25 |
| | 14.42 |
| | 14.38 |
| | 14.29 |
| | 14.38 |
| | 14.38 |
| | 14.5 |
| | 14.54 |
| | 14.75 |
| | 14.47 |

14.55
14.84
14.75
14.75
14.58
14.28
14.55
14.24
14.34
14.5
14.48
14.71
14.7
14.75
14.26
14.24
14.3
14.29
14.17
14.17
14.26
14.37
14.27
14.37
14.29
14.39
14.4
14.32
14.4
14.45
14.54
14.62
14.84
14.68
14.7
14.58
14.51
14.4
14.75
14.65
14.7
14.75
14.84
14.84
14.83
15
14.83
14.98
14.88
14.97
14.69
14.8
14.7
14.72
14.8
14.75
14.64
14.78
14.77
14.75
14.76
14.53

14.45
14.4
14.5
14.6
14.61
14.58
14.55
14.61
14.62
14.62
14.75
14.75
14.62
14.66
14.59
14.58
14.7
14.47
14.64
14.65
14.5
14.46
14.45
14.38
14.57
14.45
14.65
14.64
14.72
14.69
14.75
14.83
14.62
14.72
14.67
14.46
14.53
14.64
14.68
14.54
14.44
14.5
14.45
14.41
14.39
14.4
14.43
14.59
14.59
14.58
14.61
14.74
14.71
14.73
14.69
14.7
14.72
14.58
14.73
14.79
14.77
14.85

14.82
14.88
14.89
15.25
14.95
15
15.2
15.14
15.23
15.2
15.13
15.06
14.91
14.96
14.88
14.89
14.91
14.82
14.9
14.8
14.66
14.58
14.66
14.67
14.8
14.77
14.84
14.76
14.79
14.88
14.88
14.89
14.94
14.94
15.04
15.06
15.05
15
15.13
15.04
14.89
15
14.9
14.8
14.88
14.88
14.93
15
15.08
15.12
15.12
15.15
15.18
15.12
15.11
15.23
15.2
15.17
15
15.05
15.02
15.01

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| | |
|---------|-------|
| | 14.93 |
| | 14.89 |
| | 14.89 |
| | 14.99 |
| | 14.96 |
| | 14.92 |
| | 15 |
| | 15.01 |
| | 14.98 |
| | 15.07 |
| | 15.13 |
| 8/31/05 | 15 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$15.00 |
| Common Share Net Asset Value | \$15.81 |
| Premium/(Discount) to NAV | -5.12% |
| Market Yield | 5.76% |
| Taxable-Equivalent Yield ¹ | 8.79% |
| Net Assets Applicable to Common Shares (\$000) | \$241,254 |
| Average Effective Maturity on Securities (Years) | 19.59 |
| Leverage-Adjusted Duration | 7.01 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/25/02)

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 9.00% | 9.46% |
| Since Inception | 6.64% | 9.45% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 28.4% |
| Tax Obligation/General | 22.6% |
| Utilities | 13.0% |
| Water and Sewer | 11.3% |
| Education and Civic Organizations | 5.8% |
| U.S. Guaranteed | 5.5% |

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| | |
|----------------|-------|
| Transportation | 3.8% |
| ----- | ----- |
| Other | 9.6% |
| ----- | ----- |

- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.0498 per share.

20

Nuveen Insured California Tax-Free Advantage Municipal Fund
NKX

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 82% |
| AAA (uninsured) | 2% |
| A (uninsured) | 10% |
| BBB (uninsured) | 6% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Sep | 0.0755 |
| Oct | 0.0755 |
| Nov | 0.0755 |
| Dec | 0.0725 |
| Jan | 0.0725 |
| Feb | 0.0725 |
| Mar | 0.0695 |
| Apr | 0.0695 |
| May | 0.0695 |
| Jun | 0.066 |
| Jul | 0.066 |
| Aug | 0.066 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/04 | 14.25 |
| | 14.33 |
| | 14.35 |
| | 14.45 |
| | 14.35 |
| | 14.43 |
| | 14.35 |
| | 14.45 |
| | 14.47 |
| | 14.4 |

14.44
14.55
14.75
14.82
14.75
14.67
14.7
14.69
14.75
14.79
14.7
14.55
14.5
14.52
14.45
14.45
14.35
14.5
14.55
14.49
14.4
14.35
14.32
14.28
14.38
14.29
14.17
14.16
14.31
14.31
14.51
14.79
14.51
14.62
14.51
14.64
14.57
14.4
14.35
14.04
14.08
14.14
14.1
14.08
14.22
14.25
14.27
14.22
14.32
14.74
14.5
14.39
14.11
14.19
14.37
14.25
14.27
14.18
14.12
14.13
14.14
14.01

14.01
13.9
13.86
13.76
13.84
13.81
14.35
14.34
14.25
14.13
14
14.21
14.4
14.4
14.46
14.45
14.5
14.32
14.34
14.37
14.4
14.6
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14.65
14.7
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14.4
14.24
14.24
14.04
14.24
13.96
13.96
14
13.9
13.96
13.93
13.8
13.83
13.92
13.92
14
14.04
13.93
13.9
13.95
13.88
13.89
13.93
13.97
13.9
13.95
13.91
13.91
13.86
14.02
13.88
13.88
13.91
14.26
14.32
14.25
14.226
14.24
14.11
14.11
14.1
14.28
14.28
14.34
14.3
14.16
14.28
14.34
14.46
14.48
14.54
14.62
15.08
14.93
14.78
14.69
14.53
14.53
14.45
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14.38
14.4
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14.26
14.18
14.26
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14.26
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14.42
14.25
14.33
14.25
14.22
14.5
14.5
14.55
14.32
14.28
14.27
14.4
14.36
14.47
14.47
14.44
14.45
14.33
14.5
14.42
14.53
14.69
14.52
14.21
14.2
14.23
14.22
14.22
14.28
14.338
14.36
14.35
14.46
14.68
14.54
14.62
14.62
14.38

8/31/05

FUND SNAPSHOT

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| | |
|---|----------|
| Common Share Price | \$14.38 |
| ----- | ----- |
| Common Share Net Asset Value | \$15.17 |
| ----- | ----- |
| Premium/(Discount) to NAV | -5.21% |
| ----- | ----- |
| Market Yield | 5.51% |
| ----- | ----- |
| Taxable-Equivalent Yield ¹ | 8.41% |
| ----- | ----- |
| Net Assets Applicable to Common Shares (\$000) | \$89,272 |
| ----- | ----- |
| Average Effective Maturity on Securities (Years) | 19.76 |
| ----- | ----- |
| Leverage-Adjusted Duration | 7.34 |
| ----- | ----- |

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/21/02)

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| ----- | ----- | ----- |
| 1-Year | 7.46% | 9.84% |
| ----- | ----- | ----- |
| Since Inception | 4.47% | 8.17% |
| ----- | ----- | ----- |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/General | 32.4% |
| ----- | ----- |
| Tax Obligation/Limited | 28.6% |
| ----- | ----- |
| Healthcare | 10.2% |
| ----- | ----- |
| Transportation | 9.2% |
| ----- | ----- |
| Water and Sewer | 7.6% |
| ----- | ----- |
| Other | 12.0% |
| ----- | ----- |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

Shareholder
MEETING REPORT

The Special Shareholder Meeting was held at The Northern Trust Bank,

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50 S. LaSalle St., Chicago, IL on July 26, 2005.

| | NPC | NCL | NCU |
|---|--|--|-------------------|
| APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENT WAS REACHED AS FOLLOWS: | | | |
| | Common and MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPrefered voti |
| For | 5,858,714 | 11,958,747 | |
| Against | 25,324 | 70,201 | |
| Abstain | 127,385 | 85,987 | |
| Total | 6,011,423 | 12,114,935 | |

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| | NVX | NZH | NKL |
|---|--|--|-------------------|
| APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENT WAS REACHED AS FOLLOWS: | | | |
| | Common and MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPrefered voti |
| For | 14,463,409 | 23,545,685 | |
| Against | 109,646 | 104,732 | |
| Abstain | 64,472 | 100,941 | |
| Total | 14,637,527 | 23,751,358 | |

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Report of
 INDEPENDENT REGISTERED
 PUBLIC ACCOUNTING FIRM

THE BOARDS OF DIRECTORS, TRUSTEES AND SHAREHOLDERS
 NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.
 NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC.
 NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3

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NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund as of August 31, 2005, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2005, by correspondence with the custodian and brokers or other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund at August 31, 2005, and the results of their operations for the year then ended, changes in their net assets for each of the two years in the period then ended, and their financial highlights for the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
October 17, 2005

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Portfolio of
INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 10.3% (7.5% OF TOTAL INVESTMENTS) | | |
| \$ 2,000 | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996, 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 2,500 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/18 - FSA Insured | 5/14 at 100 |
| 1,500 | California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured | 5/15 at 100 |
| 2,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.125%, 9/01/31 - FGIC Insured | 9/10 at 101 |
| ----- | | |
| HEALTHCARE - 4.6% (3.3% OF TOTAL INVESTMENTS) | | |
| 3,000 | California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured | 8/08 at 101 |
| 1,500 | California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured | 8/09 at 101 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| 180 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 30.9% (22.4% OF TOTAL INVESTMENTS) | | |
| Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A: | | |
| 1,890 | 5.250%, 8/01/23 - MBIA Insured | 8/14 at 100 |
| 1,250 | 5.250%, 8/01/25 - MBIA Insured | 8/14 at 100 |
| 2,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004: | | |
| 2,580 | 5.250%, 9/01/21 - FGIC Insured | 9/14 at 100 |

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| | | |
|-------|--|-------------|
| 1,775 | 5.250%, 9/01/22 - FGIC Insured | 8/14 at 100 |
| 1,225 | Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 - MBIA Insured | 2/13 at 103 |
| 1,180 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |
| 1,130 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured | 8/15 at 100 |
| | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | |
| 205 | 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |
| 215 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 - MBIA Insured | 8/11 at 103 |
| | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C: | |
| 1,335 | 5.000%, 7/01/21 - FSA Insured | 7/11 at 102 |
| 3,500 | 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 4,895 | 5.000%, 7/01/23 - FSA Insured | 7/11 at 102 |

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) (cont)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 2,525 | San Joaquin Delta Community College District, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/29 - FSA Insured | 8/15 at 100 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | |
| 165 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 240 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 22.7% (16.5% OF TOTAL INVESTMENTS) | |
| 1,000 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |

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| | | |
|-------|---|--------------|
| 1,215 | 5.000%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 1,615 | 5.000%, 12/01/21 - AMBAC Insured | 12/13 at 100 |
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 1,900 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured | 9/12 at 100 |
| 5,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured | 1/11 at 100 |
| 150 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 1,400 | Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 - AMBAC Insured | 9/13 at 100 |
| 895 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 1,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 165 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 110 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 3,000 | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1994A, 5.000%, 11/15/22 - AMBAC Insured | 11/07 at 102 |
| 2,805 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured | 10/11 at 100 |

TRANSPORTATION - 3.5% (2.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 3,400 | San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured | 9/14 at 100 |
|-------|---|-------------|

U.S. GUARANTEED *** - 41.4% (30.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | California, Various Purpose General Obligation Bonds, Series 2000: | |
| 7,995 | 5.750%, 3/01/22 (Pre-refunded to 3/01/10) - MBIA Insured | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 (Pre-refunded to 3/01/10) - MBIA Insured | 3/10 at 101 |

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| | | |
|-------|---|-------------|
| 2,500 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001A, 5.125%, 8/01/26 - FSA Insured | 8/09 at 102 |
| 6,000 | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 | No Opt. C |
| 2,000 | Los Angeles Unified School District, California, General Obligation Bonds, Series 1997A, 5.000%, 7/01/21 (Pre-refunded to 7/01/08) - FGIC Insured | 7/08 at 102 |
| 5,135 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | U.S. GUARANTEED *** (continued) | |
| \$ 6,220 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) | No Opt. C |
| 1,485 | San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 | No Opt. C |
| ----- | | |
| | UTILITIES - 2.8% (2.0% OF TOTAL INVESTMENTS) | |
| 2,600 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2003S, 5.000%, 11/15/13 - MBIA Insured | No Opt. C |
| ----- | | |
| | WATER AND SEWER - 21.7% (15.7% OF TOTAL INVESTMENTS) | |
| 5,255 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2003A, 5.000%, 3/01/20 - FGIC Insured | 3/13 at 100 |
| 1,230 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 1,000 | Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured | 11/05 at 100 |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 - AMBAC Insured | 12/14 at 100 |

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| | | |
|------------|--|--------------|
| 3,400 | San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Series 1997A, 5.250%, 5/15/22 - FGIC Insured | 5/07 at 101 |
| 2,150 | Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 - FGIC Insured | 6/10 at 100 |
| 1,310 | Santa Fe Springs Public Financing Authority, California, Water Revenue Bonds, Series 2003A, 5.000%, 5/01/33 - MBIA Insured | 5/13 at 100 |
| 1,345 | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured | 8/13 at 100 |
| 5,000 | Wheeler Ridge-Maricopa Water District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured | 11/06 at 102 |
| ----- | | |
| \$ 126,945 | Total Long-Term Investments (cost \$131,157,277) - 138.1% | |
| ===== | | |
| | Other Assets Less Liabilities - 5.0% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (43.1)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
 Portfolio of
 INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 12.3% (8.3% OF TOTAL INVESTMENTS) | | |
| | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996: | |
| \$ 2,400 | 5.750%, 9/01/21 - MBIA Insured | 9/06 at 102 |
| 3,000 | 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,000 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured | 11/10 at 100 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 5,380 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/16 - FSA Insured | 5/14 at 100 |
| 1,500 | California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured | 5/15 at 100 |
| 6,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| HEALTHCARE - 4.5% (3.0% OF TOTAL INVESTMENTS) | | |
| 1,450 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Mark Twain St. Joseph's Healthcare Corporation, Series 1996A, 6.000%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 5,000 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 1996A, 6.000%, 7/01/25 - MBIA Insured | 7/06 at 102 |
| 1,755 | University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured | 5/12 at 101 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 1,100 | California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 8/07 at 101 |

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| TAX OBLIGATION/GENERAL - 20.3% (13.7% OF TOTAL INVESTMENTS) | | |
|---|---|--------------|
| 1,460 | ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000B, 5.750%, 8/01/16 - FGIC Insured | 8/10 at 101 |
| 4,400 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| 3,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| | California, General Obligation Bonds, Series 2004: | |
| 1,000 | 5.000%, 2/01/18 - AMBAC Insured | 2/14 at 100 |
| 2,250 | 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
| 1,910 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002A, 6.000%, 8/01/26 - MBIA Insured | No Opt. C |
| | Kern Community College District, California, General Obligation Bonds, Series 2003A: | |
| 3,655 | 5.000%, 11/01/20 - FGIC Insured | 11/13 at 100 |
| 2,665 | 5.000%, 11/01/21 - FGIC Insured | 11/13 at 100 |
| 1,750 | Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds, Series 1999A, 5.250%, 8/01/24 - FGIC Insured | 8/09 at 100 |
| 1,255 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured | 8/15 at 100 |
| 2,200 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003F, 5.000%, 7/01/17 - FSA Insured | 7/13 at 100 |
| | Manteca Unified School District, San Joaquin County, California, General Obligation Bonds, Series 2004: | |
| 1,000 | 5.250%, 8/01/21 - FSA Insured | 8/14 at 100 |
| 1,000 | 5.250%, 8/01/22 - FSA Insured | 8/14 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|--|---------------------|
| TAX OBLIGATION/GENERAL (continued) | | |
| \$ 1,270 | Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured | 8/13 at 100 |
| 405 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |

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| | | |
|-------|---|-------------|
| 430 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 1,125 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured | No Opt. C |
| 2,000 | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured | 6/10 at 102 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | |
| 320 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 465 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| 1,000 | San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 - FSA Insured | 8/14 at 100 |
| 2,445 | Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |

TAX OBLIGATION/LIMITED - 41.8% (28.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| | Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C: | |
| 5,130 | 0.000%, 9/01/18 - FSA Insured | No Opt. C |
| 8,000 | 0.000%, 9/01/21 - FSA Insured | No Opt. C |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |
| 1,535 | 5.000%, 12/01/20 - AMBAC Insured | 12/13 at 100 |
| 1,780 | 5.000%, 12/01/23 - AMBAC Insured | 12/13 at 100 |
| 3,500 | California Department of Transportation, Federal Highway Grant Anticipation Bonds, Series 2004A, 5.000%, 2/01/15 - FGIC Insured | No Opt. C |
| 3,450 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 5,000 | Compton Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Projects, Series 1995A, 6.500%, 8/01/13 - FSA Insured | 2/06 at 102 |
| 4,000 | Contra Costa County, California, Certificates of Participation Refunding, Merrithew Memorial Hospital Replacement, Series 1997, 5.500%, 11/01/22 - MBIA Insured | 11/07 at 102 |
| 6,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured | 11/07 at 102 |

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| | | |
|-------|--|--------------|
| 285 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 5,000 | Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 - MBIA Insured | 5/08 at 102 |
| 5,000 | La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured | 9/07 at 102 |
| 2,300 | Long Beach Bond Finance Authority, Multiple Project Tax Allocation Bonds, Housing and Gas Utility Financing Project Areas, Series 2005A-1, 5.000%, 8/01/25 - AMBAC Insured | 8/15 at 100 |
| 4,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 1,000 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 3,865 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Bonds, Series 2000A, 5.250%, 7/01/30 - FGIC Insured | 7/10 at 101 |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) (co
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,250 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 2,690 | Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Revenue Refunding Bonds, Series 1995A, 6.000%, 9/01/15 - FSA Insured | 9/05 at 102 |
| 2,780 | Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/12 - MBIA Insured | No Opt. C |
| 4,140 | Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured | 6/13 at 101 |
| 2,000 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, | 12/10 at 102 |

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Series 2000, 5.750%, 6/15/33 - MBIA Insured

| | | |
|-------|---|--------------|
| 325 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 220 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 1,000 | Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured | 9/13 at 100 |
| 520 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 5,000 | San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured | 9/09 at 102 |

 TRANSPORTATION - 6.8% (4.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 6,500 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured | 1/10 at 65 |
| 4,000 | Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 - AMBAC Insured | 8/13 at 100 |
| 5,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |

 U.S. GUARANTEED *** - 25.4% (17.2% OF TOTAL INVESTMENTS)

| | | |
|---|--|-------------|
| California Infrastructure Economic Development Bank, Revenue Bonds, Asian Art Museum of San Francisco, Series 2000: | | |
| 1,295 | 5.500%, 6/01/19 (Pre-refunded to 6/01/10) - MBIA Insured | 6/10 at 101 |
| 1,000 | 5.500%, 6/01/20 (Pre-refunded to 6/01/10) - MBIA Insured | 6/10 at 101 |
| 2,500 | California, Various Purpose General Obligation Bonds, Series 1999, 5.500%, 9/01/24 (Pre-refunded to 9/01/09) - FSA Insured | 9/09 at 101 |
| California, Various Purpose General Obligation Bonds, Series 2000: | | |
| 7,995 | 5.750%, 3/01/22 (Pre-refunded to 3/01/10) - MBIA Insured | 3/10 at 101 |
| 1,900 | 5.750%, 3/01/27 (Pre-refunded to 3/01/10) - MBIA Insured | 3/10 at 101 |
| 2,725 | Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 - AMBAC Insured | 9/05 at 100 |

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| | | |
|-------|---|--------------|
| 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 - MBIA Insured | 11/06 at 102 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001F: | |
| 1,065 | 5.125%, 8/01/21 - FSA Insured | 8/09 at 102 |
| 1,160 | 5.125%, 8/01/22 - FSA Insured | 8/09 at 102 |
| 1,220 | 5.125%, 8/01/23 - FSA Insured | 8/09 at 102 |
| 1,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000A, 5.250%, 8/01/25 (Pre-refunded to 8/01/10) - MBIA Insured | 8/10 at 101 |
| 1,840 | Menifee Union School District, Riverside County, California, Certificates of Participation, School Projects, Series 1996, 6.125%, 9/01/24 (Pre-refunded to 9/01/06) - FSA Insured | 9/06 at 102 |
| 2,500 | Oakland, California, Insured Revenue Bonds, 1800 Harrison Foundation - Kaiser Permanente, Series 1999A, 6.000%, 1/01/29 (Pre-refunded to 1/01/10) - AMBAC Insured | 1/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | U.S. GUARANTEED *** (continued) | |
| \$ 4,320 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax) | No Opt. C |
| 1,270 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 (Pre-refunded to 12/01/09) - AMBAC Insured | 12/09 at 102 |
| 1,000 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 (Pre-refunded to 12/01/10) - AMBAC Insured | 12/10 at 101 |
| 3,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 (Pre-refunded to 7/01/09) - FGIC Insured | 7/09 at 101 |
| 4,450 | Visalia, California, Certificates of Participation Refunding, Motor Vehicle License Fee Enhancement, Series 1996A, 5.375%, 12/01/26 (Pre-refunded to 12/01/06) - MBIA Insured | 12/06 at 102 |
| ----- | | |
| | UTILITIES - 11.1% (7.5% OF TOTAL INVESTMENTS) | |
| 3,740 | California Pollution Control Financing Authority, Revenue Refunding Bonds, Southern California Edison Company, Series 1999B, 5.450%, 9/01/29 - MBIA Insured (a) | 9/09 at 101 |

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| | | |
|-------|---|--------------|
| 3,215 | Modesto Irrigation District, California, Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/15 - MBIA Insured | 10/06 at 102 |
| 3,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.125%, 7/01/26 - FSA Insured | 7/12 at 101 |
| 1,950 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 (Alternative Minimum Tax) - AMBAC Insured | 8/12 at 100 |
| | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A: | |
| 2,800 | 5.000%, 7/01/24 - MBIA Insured | 7/13 at 100 |
| 5,000 | 5.000%, 7/01/28 - MBIA Insured | 7/13 at 100 |

WATER AND SEWER - 25.1% (17.0% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 1,700 | Castaic Lake Water Agency, California, Revenue Certificates of Participation, Series 2004A, 5.000%, 8/01/20 - AMBAC Insured | 8/14 at 100 |
| 2,975 | Chino Basin Regional Finance Authority, California, Sewerage System Revenue Bonds, Inland Empire Utilities Agency, Series 1994, 6.000%, 8/01/16 - AMBAC Insured | 2/06 at 101 |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 2,700 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/21 - FSA Insured | 10/13 at 100 |
| 12,000 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| 2,775 | Pomona Public Financing Authority, California, Revenue Bonds, Water Facilities Project, Series 1999AC, 5.500%, 5/01/29 - FGIC Insured | 5/09 at 101 |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 - AMBAC Insured | 12/14 at 100 |
| 1,520 | San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 - AMBAC Insured | 10/14 at 100 |
| 3,675 | San Dieguito Water District, California, Water Revenue Bonds, Series 2004, 5.000%, 10/01/23 - FGIC Insured | 10/14 at 100 |
| | Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A: | |
| 1,400 | 5.000%, 2/01/19 - FGIC Insured | 2/14 at 100 |
| 445 | 5.000%, 2/01/20 - FGIC Insured | 2/14 at 100 |
| 465 | 5.000%, 2/01/21 - FGIC Insured | 2/14 at 100 |
| 2,130 | Santa Rosa, Sonoma County, California, Wastewater Revenue Bonds, Series 2004B, 5.000%, 9/01/18 - FGIC Insured | 9/14 at 100 |

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| | | |
|-------|--|-------------|
| 2,500 | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 - MBIA Insured | 8/13 at 100 |
| 4,500 | Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/30 - MBIA Insured | 3/15 at 100 |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) (continued)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL CALL PROVISIONS |
|--|--|-----------------------------|
| WATER AND SEWER (continued) | | |
| | Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003: | |
| \$ 2,010 | 5.000%, 10/01/28 - FGIC Insured | 10/13 at 100 |
| 2,530 | 5.000%, 10/01/33 - FGIC Insured | 10/13 at 100 |
| \$ 277,505 Total Long-Term Investments (cost \$269,190,580) - 147.9% | | |
| Other Assets Less Liabilities - 0.8% | | |
| Preferred Shares, at Liquidation Value - (48.7)% | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.

(a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

Nuveen California Premium Income Municipal Fund (NCU)
 Portfolio of
 INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 6.1% (4.0% OF TOTAL INVESTMENTS) | |
| \$ 1,500 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 6/12 at 100 |
| 3,580 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29 | 5/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 1.9% (1.2% OF TOTAL INVESTMENTS) | |
| 1,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| | HEALTHCARE - 14.2% (9.2% OF TOTAL INVESTMENTS) | |
| 325 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 5,150 | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15 | 11/05 at 100 |
| 1,500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 125 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A: 5.250%, 7/01/24 | 7/15 at 100 |

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| | | |
|---|---|--------------|
| 260 | 5.250%, 7/01/35 | 7/15 at 100 |
| 3,100 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 1,370 | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 1993A, 6.000%, 12/01/06 | 12/05 at 100 |
| ----- | | |
| HOUSING/MULTIFAMILY - 1.9% (1.2% OF TOTAL INVESTMENTS) | | |
| 1,600 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13) | 7/08 at 101 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 340 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
| 60 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1996C, 7.500%, 8/01/27 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| TAX OBLIGATION/GENERAL - 26.8% (17.3% OF TOTAL INVESTMENTS) | | |
| 4,000 | California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax) | 12/05 at 100 |
| 1,000 | California, General Obligation Bonds, Series 2003: 5.250%, 11/01/19 - RAAI Insured | 11/13 at 100 |
| 1,055 | 5.250%, 2/01/21 | 8/13 at 100 |
| 1,500 | 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| 1,750 | California, General Obligation Bonds, Series 2004: 5.000%, 4/01/22 | 4/14 at 100 |
| 1,750 | 5.000%, 2/01/23 | 2/14 at 100 |
| 1,400 | 5.200%, 4/01/26 | 4/14 at 100 |
| 1,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured | 8/12 at 101 |
| 550 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | 8/15 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| TAX OBLIGATION/GENERAL (continued) | | |
| \$ 1,570 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2005A-1, 5.000%, 7/01/25 - FGIC Insured | 7/15 at 100 |
| 2,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | | |
| 190 | 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |
| 200 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured | 8/11 at 103 |
| 15 | Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - MBIA Insured | 8/14 at 100 |
| San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | | |
| 140 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 210 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| TAX OBLIGATION/LIMITED - 48.7% (31.5% OF TOTAL INVESTMENTS) | | |
| 1,000 | Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 - RAAI Insured | 10/13 at 100 |
| 985 | Beverly Hills Public Financing Authority, California, Lease Revenue Refunding Bonds, Series 2003A, 5.250%, 6/01/15 - MBIA Insured | 6/13 at 100 |
| California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | | |
| 1,695 | 5.000%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 1,865 | 5.000%, 12/01/24 - AMBAC Insured | 12/13 at 100 |
| California, Economic Recovery Revenue Bonds, Series 2004A: | | |
| 1,720 | 5.000%, 7/01/15 | 7/14 at 100 |
| 1,000 | 5.000%, 7/01/16 | 7/11 at 100 |
| 5,920 | California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home - Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 - AMBAC Insured | 11/09 at 101 |
| 130 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - | 9/15 at 100 |

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| XLCA Insured | | |
|--------------|--|--------------|
| 3,500 | Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 - MBIA Insured | 8/11 at 100 |
| 1,745 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Multifamily Housing Bonds, Grand Central Square/Bunker Hill Project, Series 1993A, 5.750%, 12/01/13 (Alternative Minimum Tax) | 12/05 at 100 |
| 2,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 2,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/15 - FGIC Insured | 3/13 at 100 |
| 1,000 | Poway, California, Community Facilities District 88-1, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09 | 8/08 at 102 |
| 155 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 100 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 3,000 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20 | No Opt. C |
| 1,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - MBIA Insured | No Opt. C |
| 5,000 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2005A, 5.000%, 7/01/24 (WI, settling 9/07/05) - MBIA Insured | 7/15 at 100 |
| | San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998: | |
| 1,500 | 5.800%, 9/01/18 | 9/08 at 101 |
| 1,000 | 5.800%, 9/01/27 | 9/08 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 2,050 | Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured | 12/11 at 102 |

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 TRANSPORTATION - 8.4% (5.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 3,000 | California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 2,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 | 1/10 at 100 |
| 2,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 10A, 5.700%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 102 |

 U.S. GUARANTEED *** - 11.2% (7.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 (Pre-refunded to 12/01/09) | 12/09 at 101 |
| | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B: | |
| 1,000 | 5.625%, 6/01/33 (Pre-refunded to 6/01/13) | 6/13 at 100 |
| 1,000 | 5.500%, 6/01/33 (Pre-refunded to 6/01/13) | 6/13 at 100 |
| 2,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/21 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 100 |
| 1,185 | Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 (Pre-refunded to 8/01/14) - MBIA Insured | 8/14 at 100 |
| 2,000 | Vista, California, Mobile Home Park Revenue Bonds, Vista Manor Mobile Home Park Project, Series 1999A, 5.750%, 3/15/29 (Pre-refunded to 3/15/24) | 3/24 at 100 |

 UTILITIES - 11.2% (7.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 400 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 2,250 | 5.125%, 5/01/18 | 5/12 at 101 |
| 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,500 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.500%, 9/01/22 | 9/05 at 102 |
| 4,580 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 - FSA Insured | 8/12 at 100 |

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| WATER AND SEWER - 17.0% (10.9% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 1,125 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 - AMBAC Insured | 6/14 at 100 |
| 1,095 | California Statewide Community Development Authority, Water and Wastewater Revenue Bonds, Pooled Financing Program, Series 2003A, 5.250%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 5,000 | Culver City, California, Wastewater Facilities Revenue Refunding Bonds, Series 1999A, 5.700%, 9/01/29 - FGIC Insured | 9/09 at 102 |
| 3,495 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 - FGIC Insured | 8/13 at 100 |
| 1,000 | Sacramento County Water Financing Authority, California, Revenue Bonds, Agency Zones 40-41 System Projects, Series 2003, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 100 |
| 1,795 | Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33 | 7/13 at 100 |
| <hr/> | | |
| \$ 119,055 | Total Long-Term Investments (cost \$120,473,344) - 147.9% | |
| <hr/> | | |

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Nuveen California Premium Income Municipal Fund (NCU) (continued)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|---------------------|
| <hr/> | | |
| SHORT-TERM INVESTMENTS - 6.9% (4.5% OF TOTAL INVESTMENTS) | | |
| \$ 2,000 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2002C-7, 2.420%, 5/01/22 - FSA Insured + | |
| 2,000 | Oxnard Financing Authority, California, Lease Revenue Bonds, Variable Rate Demand Obligations, Series 2003B, 2.430%, 6/01/33 - AMBAC Insured + | |
| 2,000 | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Variable Rate Demand Obligations, Series 2004A, 2.220%, 9/01/35 - AMBAC Insured + | |
| <hr/> | | |
| \$ 6,000 | Total Short-Term Investments (cost \$6,000,000) | |
| <hr/> | | |
| Total Investments (cost \$126,473,344) - 154.8% | | |
| <hr/> | | |
| Other Assets Less Liabilities - (5.3)% | | |
| <hr/> | | |
| Preferred Shares, at Liquidation Value - (49.5)% | | |
| <hr/> | | |
| Net Assets Applicable to Common Shares - 100% | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen California Dividend Advantage Municipal Fund (NAC)
 Portfolio of
 INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|---------------------|
| CONSUMER STAPLES - 5.7% (3.9% OF TOTAL INVESTMENTS) | | |
| \$ 5,000 | California Statewide Community Development Authority, Certificates of Participation, Pride Industries and Pride One Inc., Series 1999, 7.250%, 11/01/29 | 11/09 at 102 |
| 5,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A: | |

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| | | |
|-------|--|-------------|
| 2,500 | 5.250%, 6/01/31 | 6/11 at 100 |
| 4,500 | 5.375%, 6/01/41 | 6/11 at 100 |
| 3,135 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.250%, 6/01/27 | 6/12 at 100 |

EDUCATION AND CIVIC ORGANIZATIONS - 10.3% (7.1% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 615 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 3,000 | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.500%, 11/01/17 - AMBAC Insured | 11/11 at 100 |
| 700 | University of California, Certificates of Participation, San Diego and Sacramento Campus Projects, Series 2002A, 5.250%, 1/01/22 | 1/10 at 101 |
| 6,000 | University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.000%, 9/01/12 | 9/08 at 101 |
| | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O: | |
| 10,770 | 5.000%, 9/01/20 - FGIC Insured | 9/10 at 101 |
| 11,305 | 5.000%, 9/01/21 - FGIC Insured | 9/10 at 101 |
| 3,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |

HEALTHCARE - 7.0% (4.8% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 2,160 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/15 | 3/13 at 100 |
| 1,325 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 530 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/24 | 7/15 at 100 |
| 8,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 10,500 | Duarte, California, Certificates of Participation, City of Hope National Medical Center, Series 1999A, 5.250%, 4/01/31 | 4/09 at 101 |
| 2,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |

| HOUSING/MULTIFAMILY - 7.9% (5.5% OF TOTAL INVESTMENTS) | | |
|--|--|-------------|
| 7,250 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08) | 7/08 at 101 |
| 5,215 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| 5,000 | Contra Costa County, California, Multifamily Housing Revenue Bonds, Delta View Apartments Project, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax) | 6/09 at 102 |
| 1,725 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|---------------------|
| <hr/> | | |
| HOUSING/MULTIFAMILY (continued) | | |
| \$ 1,120 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |
| <hr/> | | |
| LONG-TERM CARE - 2.4% (1.6% OF TOTAL INVESTMENTS) | | |
| 8,500 | Riverside County Public Financing Authority, California, Certificates of Participation, Air Force Village West, Series 1999, 5.800%, 5/15/29 | 5/09 at 101 |
| <hr/> | | |
| TAX OBLIGATION/GENERAL - 20.0% (13.8% OF TOTAL INVESTMENTS) | | |
| 8,000 | California, General Obligation Refunding Bonds, Series 2002: 5.000%, 2/01/12 | No Opt. C |
| 4,435 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |

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| | | | |
|--------|---|--|--------------|
| | California, General Obligation Bonds, Series 2003: | | |
| 2,000 | 5.250%, 11/01/19 - RAAI Insured | | 11/13 at 100 |
| 5,200 | 5.250%, 2/01/20 | | 8/13 at 100 |
| | California, General Obligation Bonds, Series 2004: | | |
| 5,000 | 5.125%, 4/01/23 | | 4/14 at 100 |
| 4,150 | 5.125%, 4/01/25 | | 4/14 at 100 |
| 5,000 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002A, 6.000%, 8/01/26 - MBIA Insured | | No Opt. C |
| 2,335 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | | 8/15 at 100 |
| 10,845 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 - MBIA Insured | | 7/12 at 100 |
| 3,335 | Moreno Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 - FSA Insured | | 8/14 at 100 |
| 1,750 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2001, 5.125%, 8/01/21 - FSA Insured | | 8/08 at 101 |
| | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | | |
| 770 | 5.000%, 8/01/25 - MBIA Insured | | 8/15 at 100 |
| 810 | 5.000%, 8/01/26 - MBIA Insured | | 8/15 at 100 |
| 5,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 - FSA Insured | | 7/13 at 101 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | | |
| 600 | 5.000%, 9/01/25 - MBIA Insured | | 9/15 at 100 |
| 880 | 5.000%, 9/01/27 - MBIA Insured | | 9/15 at 100 |
| 2,560 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/23 - FGIC Insured | | 8/14 at 100 |
| 1,300 | Ventura County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/15 - MBIA Insured | | 8/12 at 101 |
| 3,605 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/21 - FSA Insured | | 8/11 at 101 |
| ----- | | | |
| | TAX OBLIGATION/LIMITED - 36.5% (25.0% OF TOTAL INVESTMENTS) | | |
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | | |
| 1,000 | 5.500%, 9/01/24 | | 9/14 at 102 |
| 615 | 5.800%, 9/01/35 | | 9/14 at 102 |

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| | | | |
|-------|--|--|--------------|
| | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001: | | |
| 1,110 | 5.375%, 11/01/18 - FSA Insured | | 11/11 at 100 |
| 1,165 | 5.375%, 11/01/19 - FSA Insured | | 11/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|---|---------------------|
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 1,990 | Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured | 9/12 at 100 |
| 7,400 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 2,000 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 3,490 | Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2, Series 1998A, 5.250%, 9/01/17 - MBIA Insured | 9/08 at 102 |
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 3,980 | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured | 3/12 at 101 |
| 540 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 4,500 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 2,200 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,500 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - | 7/08 at 101 |

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AMBAC Insured

| | | |
|-------|--|--------------|
| 3,555 | Los Angeles County Public Works Financing Authority, California, Revenue Bonds, Regional Park and Open Space District, Series 1997A, 5.000%, 10/01/16 | 10/07 at 101 |
| 1,530 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/24 - FSA Insured | 3/14 at 100 |
| 9,200 | Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 - MBIA Insured | 3/11 at 102 |
| 5,545 | Oakland Joint Power Financing Authority, California, Lease Revenue Refunding Bonds, Oakland Convention Centers, Series 2001, 5.500%, 10/01/14 - AMBAC Insured | No Opt. C |
| 3,290 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |
| 4,000 | Orange County Local Transportation Authority, California, Limited Sales Tax Revenue Refunding Bonds, Measure M, Series 1997A, 5.700%, 2/15/08 - AMBAC Insured | No Opt. C |
| 5,600 | Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001A, 5.000%, 11/01/22 - MBIA Insured | 11/11 at 101 |
| 1,000 | Palmdale Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project Areas, Series 2004, 5.000%, 12/01/24 - AMBAC Insured | 12/14 at 100 |
| 8,100 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured | 12/10 at 102 |
| 1,055 | Poway Redevelopment Agency, California, Tax Allocation Bonds, Paguay Redevelopment Project, Series 2001, 5.375%, 12/15/16 - AMBAC Insured | 12/11 at 101 |
| 620 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 1,860 | Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 - MBIA Insured | 8/13 at 100 |
| 2,515 | Riverside County Public Financing Authority, California, Junior Lien Reassessment Revenue Bonds, Rancho Villages Project, Series 1999B, 6.000%, 9/02/07 | No Opt. C |
| 410 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)
 Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 2,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured | No Opt. C |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 24,060 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 1998, 5.250%, 8/01/29 | 8/08 at 102 |
| 2,695 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 - AMBAC Insured | 6/12 at 100 |
| 1,595 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |
| 1,350 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| ----- | | |
| TRANSPORTATION - 19.5% (13.4% OF TOTAL INVESTMENTS) | | |
| 8,150 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.750%, 1/15/40 | 1/10 at 101 |
| 8,515 | Los Angeles Harbors Department, California, Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18 (Alternative Minimum Tax) - AMBAC Insured | 8/11 at 100 |
| 23,000 | Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 (Alternative Minimum Tax) - FGIC Insured | 5/10 at 100 |
| 5,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 13B, 5.625%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |
| 23,275 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 24A, 5.750%, 5/01/30 (Alternative Minimum Tax) - | 5/10 at 101 |

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FSA Insured

| U.S. GUARANTEED *** - 18.3% (12.6% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 8,400 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 1998B, 5.250%, 10/01/14 (Optional put 10/01/08) | 10/08 at 101 |
| 15,000 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 (Pre-refunded to 12/01/09) | 12/09 at 101 |
| 1,835 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 (Pre-refunded to 12/01/11) - FSA Insured | 12/11 at 100 |
| 18,500 | Los Angeles Unified School District, California, General Obligation Bonds, Series 1999C, 5.250%, 7/01/24 (Pre-refunded to 7/01/09) - MBIA Insured | 7/09 at 101 |
| | Orange County Water District, California, Revenue Certificates of Participation, Series 1999A: | |
| 5,840 | 5.375%, 8/15/29 | 8/09 at 101 |
| 8,160 | 5.375%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 4,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/16 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 100 |

| UTILITIES - 11.3% (7.8% OF TOTAL INVESTMENTS) | | |
|---|---|--------------|
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 2,500 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 9,750 | 5.125%, 5/01/18 | 5/12 at 101 |
| 3,630 | Imperial Irrigation District, California, Certificates of Participation, Electric System Revenue Bonds, Series 2003, 5.250%, 11/01/23 - FSA Insured | 11/13 at 100 |
| 7,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| <hr/> | | |
| | UTILITIES (continued) | |
| \$ 8,370 | Los Angeles Department of Water and Power, California, Power System Revenue Refunding Bonds, Series 2001A-2, 5.375%, 7/01/19 - MBIA Insured | 7/11 at 100 |

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| | | |
|--|--|--------------|
| 1,200 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 7,000 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.750%, 9/01/31 | 9/05 at 102 |
| ----- | | |
| WATER AND SEWER - 6.5% (4.5% OF TOTAL INVESTMENTS) | | |
| 9,165 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 - FSA Insured | 12/11 at 100 |
| 8,250 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 5,115 | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured | 11/12 at 100 |
| ----- | | |
| \$ 502,835 | Total Long-Term Investments (cost \$505,744,666) - 145.4% | |
| ===== | | |
| Other Assets Less Liabilities - 1.4% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (46.8)% | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.
- (WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
 Portfolio of
 INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 6.2% (4.3% OF TOTAL INVESTMENTS) | |
| \$ 4,625 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 | 6/12 at 100 |
| 3,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 3,000 | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 | 6/11 at 100 |
| 2,800 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 | 6/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 14.8% (10.1% OF TOTAL INVESTMENTS) | |
| 2,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 6,375 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 8,880 | California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A: 5.375%, 10/01/16 - FSA Insured | 10/12 at 100 |
| 10,570 | 5.375%, 10/01/18 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 3,000 | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured | 11/11 at 101 |
| ----- | | |
| | HEALTHCARE - 8.9% (6.1% OF TOTAL INVESTMENTS) | |
| 2,000 | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22 | 4/12 at 100 |
| 825 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |

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| | | |
|-------|--|--------------|
| 500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 955 | California State Public Works Board, Revenue Bonds, University of California - Davis Medical Center, Series 2004II-A, 5.000%, 11/01/22 - MBIA Insured | 11/14 at 100 |
| | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A: | |
| 330 | 5.250%, 7/01/24 | 7/15 at 100 |
| 190 | 5.250%, 7/01/35 | 7/15 at 100 |
| 5,355 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 5/31/09) | No Opt. C |
| 2,185 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11 | No Opt. C |
| 2,500 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured | 6/13 at 100 |
| 3,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 1,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | HOUSING/MULTIFAMILY - 11.0% (7.5% OF TOTAL INVESTMENTS) | |
| \$ 2,450 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 3,250 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08) | 7/08 at 101 |
| 5,962 | California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Alternative Minimum Tax) (Mandatory put 6/01/16) | 6/11 at 102 |
| 3,475 | California Statewide Community Development Authority, | 8/12 at 105 |

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| | | |
|-------|---|--------------|
| | GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | |
| 4,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32 | 12/13 at 102 |
| 1,055 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 700 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 3,045 | Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36 | 5/11 at 102 |
| ----- | | |
| | HOUSING/SINGLE FAMILY - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 1,405 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 102 |
| ----- | | |
| | LONG-TERM CARE - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 1,550 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| ----- | | |
| | TAX OBLIGATION/GENERAL - 25.6% (17.4% OF TOTAL INVESTMENTS) | |
| 5,000 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/12 | No Opt. C |
| 5,225 | California, General Obligation Veterans Welfare Bonds, Series 2001BV, 5.600%, 12/01/32 - FSA Insured | 6/06 at 101 |
| 3,000 | California, General Obligation Bonds, Series 2003: 5.250%, 2/01/20 | 8/13 at 100 |
| 1,400 | 5.250%, 2/01/21 | 8/13 at 100 |
| 1,350 | California, General Obligation Bonds, Series 2004, 5.125%, 4/01/25 | 4/14 at 100 |
| 3,615 | Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 - FGIC Insured | 8/12 at 102 |
| 3,005 | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002: 5.000%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 3,300 | 5.000%, 8/01/22 - FGIC Insured | 8/12 at 100 |

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| | | |
|--------|--|-------------|
| 1,325 | Golden West Schools Financing Authority, California, General Obligation Revenue Refunding Bonds, School District Program, Series 1998A, 6.650%, 8/01/13 - MBIA Insured | No Opt. C |
| 1,445 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | 8/15 at 100 |
| 10,840 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 - MBIA Insured | 7/12 at 100 |
| 1,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 - FSA Insured | 7/13 at 100 |
| 1,375 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 - FGIC Insured | 8/14 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | |
| \$ 475 | 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |
| 500 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 2,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.500%, 7/01/20 - MBIA Insured | No Opt. C |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | |
| 370 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 545 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| 4,050 | Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 - FGIC Insured | 5/11 at 101 |
| 1,160 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 2,710 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured | 8/14 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 27.8% (19.0% OF TOTAL INVESTMENTS) | |

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| | | |
|-------|---|--------------|
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | |
| 650 | 5.500%, 9/01/24 | 9/14 at 102 |
| 385 | 5.800%, 9/01/35 | 9/14 at 102 |
| 4,500 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 4,900 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 1,200 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 4,845 | Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 - MBIA Insured | 4/08 at 102 |
| 750 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 335 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 4,000 | Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 - MBIA Insured | 5/07 at 101 |
| 2,000 | Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 1,265 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 1,320 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,000 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 8,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 - MBIA Insured | No Opt. C |
| 3,295 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |

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| | | |
|-------|---|-------------|
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |
| 2,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 385 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 6,000 | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 - AMBAC Insured | 10/11 at 102 |
| 255 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 700 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 975 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 1,930 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 6.750%, 9/01/30 | 9/13 at 103 |
| 850 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 500 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| ----- | | |
| TRANSPORTATION - 8.9% (6.1% OF TOTAL INVESTMENTS) | | |
| 7,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27 | 1/14 at 101 |
| 5,585 | Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 (Alternative Minimum Tax) - MBIA Insured | 11/12 at 100 |
| 2,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, | 5/12 at 100 |

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Second Series 2002, Issue 28A, 5.250%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured

San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A:

| | | |
|-------|--|-------------|
| 2,430 | 5.250%, 5/01/18 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 2,555 | 5.250%, 5/01/19 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 1,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |

 U.S. GUARANTEED *** - 19.4% (13.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 9,000 | Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 (Pre-refunded to 8/01/11) - MBIA Insured | 8/11 at 100 |
| 8,330 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 (Pre-refunded to 7/01/10) - FGIC Insured | 7/10 at 100 |
| | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A: | |
| 15,090 | 5.000%, 6/01/25 (Pre-refunded to 6/01/11) - MBIA Insured | 6/11 at 100 |
| 2,000 | 5.000%, 6/01/26 (Pre-refunded to 6/01/11) - MBIA Insured | 6/11 at 100 |
| 6,200 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded to 8/01/11) - AMBAC Insured | 8/11 at 101 |

 UTILITIES - 8.7% (6.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 5,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 | 5/12 at 101 |
| | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2: | |
| 750 | 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,000 | 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100 |
| 3,000 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.850%, 9/01/36 | 9/05 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | UTILITIES (continued) | |
| \$ 1,000 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2002, 6.500%, 9/01/34 | 9/05 at 103 |
| 2,000 | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A, 5.250%, 7/01/20 - MBIA Insured | 7/13 at 100 |
| ----- | | |
| | WATER AND SEWER - 13.5% (9.3% OF TOTAL INVESTMENTS) | |
| 2,740 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002Z, 5.000%, 12/01/18 - FGIC Insured | 12/12 at 100 |
| 4,900 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured | 6/11 at 100 |
| 2,655 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 1,700 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |
| 6,885 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 - MBIA Insured | 8/12 at 100 |
| 10,000 | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 - MBIA Insured | 4/13 at 100 |
| ----- | | |
| \$ 313,102 | Total Long-Term Investments (cost \$316,942,756) - 146.1% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.5% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (47.6)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

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

* Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

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** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH)
Portfolio of
INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 6.2% (4.1% OF TOTAL INVESTMENTS) | |
| \$ 11,240 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Merced County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 | 6/12 at 100 |
| 6,100 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 4,200 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 | 6/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 7.6% (5.1% OF TOTAL INVESTMENTS) | |
| 3,825 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 3,600 | California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A, 5.375%, 10/01/17 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 7,595 | San Francisco State University Foundation Inc., California, Auxiliary Organization Student Housing Revenue Bonds, Series 2001, 5.000%, 9/01/26 - MBIA Insured | 9/11 at 100 |

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| | | |
|-------|--|-------------|
| 2,990 | University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.000%, 9/01/23 | 9/08 at 101 |
| 3,820 | University of California, Revenue Bonds, Research Facilities, Series 2001E, 5.000%, 9/01/26 - AMBAC Insured | 9/09 at 101 |
| 4,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/23 - AMBAC Insured | 5/13 at 100 |

HEALTHCARE - 12.8% (8.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001: | |
| 4,000 | 6.000%, 4/01/22 | 4/12 at 100 |
| 2,000 | 6.125%, 4/01/32 | 4/12 at 100 |
| 1,345 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 9,000 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 540 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/24 | 7/15 at 100 |
| 7,665 | California Statewide Community Development Authority, Insured Mortgage Hospital Revenue Bonds, Mission Community Hospital, Series 2001, 5.375%, 11/01/21 | 11/09 at 102 |
| 6,525 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/12 | No Opt. C |
| 6,450 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured | 6/13 at 100 |
| | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000: | |
| 1,770 | 6.000%, 2/01/20 | 2/10 at 101 |
| 1,740 | 6.000%, 2/01/30 | 2/10 at 101 |
| 2,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|---|--|--------------|
| HOUSING/MULTIFAMILY - 9.9% (6.6% OF TOTAL INVESTMENTS) | | |
| | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B: | |
| \$ 4,750 | 6.400%, 8/15/30 (Alternative Minimum Tax) (Mandatory put 8/15/08) | No Opt. C |
| 4,000 | 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 5,210 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| 2,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.800%, 12/15/25 | 12/13 at 102 |
| 1,735 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 1,125 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |
| 3,610 | San Bernardino County Housing Authority, California, GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41 | 11/11 at 105 |
| | San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B: | |
| 1,250 | 5.350%, 2/20/26 (Alternative Minimum Tax) | 8/11 at 102 |
| 2,880 | 5.450%, 2/20/43 (Alternative Minimum Tax) | 8/11 at 102 |
| LONG-TERM CARE - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| | California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly Project, Series 2002A: | |
| 1,500 | 5.125%, 3/01/22 | 3/12 at 101 |
| 1,315 | 5.250%, 3/01/32 | 3/12 at 101 |
| 2,450 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| TAX OBLIGATION/GENERAL - 32.4% (21.7% OF TOTAL INVESTMENTS) | | |

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| | | |
|--------|---|--------------|
| 10 | California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax) | 12/06 at 102 |
| 9,335 | California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured | No Opt. C |
| 8,450 | California, General Obligation Refunding Bonds, Series 2002: 5.000%, 2/01/12 | No Opt. C |
| 2,780 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 14,300 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| 9,000 | California, General Obligation Bonds, Series 2004, 5.125%, 4/01/23 | 4/14 at 100 |
| 1,840 | Compton Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.250%, 9/01/18 - MBIA Insured | 9/13 at 100 |
| 3,000 | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/23 - FGIC Insured | 8/12 at 100 |
| 2,500 | Fullerton Joint Union High School District, Orange County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |
| 2,260 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/22 - FGIC Insured | 8/11 at 101 |
| 2,345 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | 8/15 at 100 |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 3,145 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2005A-1, 5.000%, 7/01/25 - FGIC Insured | 7/15 at 100 |
| | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A: | |
| 3,750 | 5.250%, 7/01/20 - FSA Insured | 7/13 at 100 |
| 7,200 | 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 1,525 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - FGIC Insured | 8/14 at 100 |
| | Oakland Unified School District, Alameda County, California, | |

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| | | | |
|--------|--|--|--------------|
| | General Obligation Bonds, Series 2005: | | |
| 780 | 5.000%, 8/01/25 - MBIA Insured | | 8/15 at 100 |
| 820 | 5.000%, 8/01/26 - MBIA Insured | | 8/15 at 100 |
| 870 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured | | 7/11 at 100 |
| | Riverside Community College District, California, General Obligation Bonds, Series 2005: | | |
| 2,675 | 5.000%, 8/01/21 - FSA Insured | | 8/15 at 100 |
| 5,000 | 5.000%, 8/01/24 - FSA Insured | | 8/15 at 100 |
| 5,000 | Riverside Unified School District, Riverside County, California, General Obligation Bonds, Series 2002A, 5.000%, 2/01/27 - FGIC Insured | | 2/12 at 101 |
| 10,810 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured | | 7/11 at 102 |
| 4,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured | | 7/12 at 101 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | | |
| 605 | 5.000%, 9/01/25 - MBIA Insured | | 9/15 at 100 |
| 875 | 5.000%, 9/01/27 - MBIA Insured | | 9/15 at 100 |
| 1,000 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/24 - FGIC Insured | | 8/12 at 100 |
| 3,905 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured | | 8/14 at 100 |
| 1,630 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured | | 8/11 at 101 |
| ----- | | | |
| | TAX OBLIGATION/LIMITED - 42.1% (28.2% OF TOTAL INVESTMENTS) | | |
| 4,000 | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2002A, 6.750%, 9/01/25 | | 9/12 at 102 |
| 7,135 | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured | | 11/11 at 100 |
| 7,350 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | | 7/14 at 100 |
| 3,350 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.250%, 12/01/17 - AMBAC Insured | | 12/12 at 100 |
| 8,210 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | | 12/13 at 100 |

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| | | |
|-------|--|--------------|
| 4,510 | California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured | 12/11 at 102 |
| 9,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured | 3/12 at 100 |
| | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003: | |
| 1,750 | 5.875%, 9/01/23 | 9/13 at 100 |
| 550 | 6.000%, 9/01/33 | 9/13 at 100 |
| 1,810 | Cerritos Public Financing Authority, California, Tax Allocation Revenue Bonds, Los Cerritos Redevelopment Projects, Series 2002A, 5.000%, 11/01/14 - AMBAC Insured | No Opt. C |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,270 | Coalinga Public Financing Authority, California, Local Obligation Senior Lien Revenue Bonds, Series 1998A, 6.000%, 9/15/18 - AMBAC Insured | No Opt. C |
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 1,000 | Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Series 2002, 6.100%, 9/01/22 | 9/12 at 100 |
| 550 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 3,000 | Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 5,250 | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District of Mountain House, Series 2002, 6.300%, 9/01/24 | 9/12 at 101 |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 2,200 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |

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| | | |
|--------|--|--------------|
| 1,500 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 5,425 | Lodi, California, Certificates of Participation, Public Improvement Financing Project, Series 2002, 5.000%, 10/01/26 - MBIA Insured | 10/12 at 100 |
| 4,075 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 - MBIA Insured | No Opt. C |
| 1,000 | Monterey County, California, Certificates of Participation, Master Plan Financing, Series 2001, 5.250%, 8/01/15 - MBIA Insured | 8/11 at 100 |
| 1,675 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/26 - FSA Insured | 3/14 at 100 |
| 3,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured | 3/13 at 100 |
| 4,520 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.000%, 8/01/24 - AMBAC Insured | 8/11 at 101 |
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |
| 11,165 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 - MBIA Insured | 4/12 at 102 |
| 3,250 | Pomoma Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured | 2/11 at 100 |
| 5,500 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.375%, 7/01/36 | 7/12 at 100 |
| 625 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 420 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 1,700 | Roseville, California, Special Tax Bonds, Community Facilities District 1 - Crocker, Series 2003, 6.000%, 9/01/27 | 9/09 at 103 |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 14,505 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2001A, 5.000%, 9/01/26 - FSA Insured | 9/11 at 101 |

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| | | |
|-------|--|-------------|
| 8,725 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 - AMBAC Insured | 7/11 at 100 |
| 1,595 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |
| 1,375 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| 2,500 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/26 - MBIA Insured | 10/11 at 100 |
| ----- | | |
| TRANSPORTATION - 9.3% (6.2% OF TOTAL INVESTMENTS) | | |
| 11,750 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 1.000%, 1/15/28 | 1/14 at 101 |
| 1,500 | Port of Oakland, California, Revenue Refunding Bonds, Series 1997I, 5.600%, 11/01/19 - MBIA Insured | 11/07 at 102 |
| 1,000 | Port of Oakland, California, Revenue Bonds, Series 2002M, 5.250%, 11/01/20 - FGIC Insured | 11/12 at 100 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B: | |
| 4,110 | 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |
| 10,625 | 5.125%, 5/01/18 - FGIC Insured | 5/13 at 100 |
| 5,140 | 5.125%, 5/01/19 - FGIC Insured | 5/13 at 100 |
| ----- | | |
| U.S. GUARANTEED *** - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| 1,380 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 (Pre-refunded to 7/01/11) - | 7/11 at 100 |

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FSA Insured

| | | |
|-------|---|-------------|
| 2,085 | San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Community Facilities District 99-1, Series 2002, 6.300%, 9/01/20 (Pre-refunded to 9/01/07) | 9/07 at 102 |
| 1,595 | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/22 (Pre-refunded to 6/01/11) - MBIA Insured | 6/11 at 100 |

 UTILITIES - 12.8% (8.6% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 15,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102 |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 3,500 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 9,000 | 5.125%, 5/01/18 | 5/12 at 101 |
| 1,200 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,600 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2002, 6.500%, 9/01/34 | 9/05 at 103 |
| 5,000 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36 | 9/13 at 102 |
| 2,250 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 (Alternative Minimum Tax) - AMBAC Insured | 8/12 at 100 |
| 6,085 | Southern California Public Power Authority, Revenue Bonds, Magnolia Power Project, Series 2003-1A, 5.250%, 7/01/16 - AMBAC Insured | 7/13 at 100 |

 WATER AND SEWER - 13.3% (8.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,070 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/22 - AMBAC Insured | 6/14 at 100 |
| 7,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2003Y, 5.250%, 12/01/13 - FGIC Insured | 6/13 at 100 |
| 7,000 | Carmichael Water District, Sacramento County, California, Water Revenue Certificates of Participation, Series 1999, 5.125%, 9/01/29 - MBIA Insured | 9/09 at 102 |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)
 Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | WATER AND SEWER (continued) | |
| \$ 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 1,000 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 1,000 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |
| | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: | |
| 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| 6,260 | 5.000%, 8/01/24 - MBIA Insured | 8/12 at 100 |
| | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A: | |
| 3,315 | 5.250%, 10/01/18 - MBIA Insured | 4/13 at 100 |
| 12,000 | 5.250%, 10/01/19 - MBIA Insured | 4/13 at 100 |
| 1,955 | Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/23 - MBIA Insured | 3/15 at 100 |
| ----- | | |
| \$ 512,755 | Total Long-Term Investments (cost \$523,212,751) - 149.4% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.2% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (50.6)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

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

* Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency

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securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Insured California Dividend Advantage Municipal Fund (NKL)
Portfolio of
INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 2.3% (1.6% OF TOTAL INVESTMENTS) | |
| \$ 4,500 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 8.6% (5.8% OF TOTAL INVESTMENTS) | |
| 1,675 | California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30 | 10/12 at 100 |
| 9,000 | California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured | 11/12 at 100 |
| 9,000 | University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.300%, 9/01/30 | 9/08 at 101 |
| ----- | | |
| | HEALTHCARE - 5.5% (3.7% OF TOTAL INVESTMENTS) | |
| 5,000 | ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26 | 4/12 at 100 |
| 2,815 | California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2003C, 5.000%, 8/15/20 - AMBAC Insured | 8/13 at 100 |
| 1,090 | California State Public Works Board, Revenue Bonds, University of California - Davis Medical Center, Series 2004II-A, 5.000%, 11/01/21 - MBIA Insured | 11/14 at 100 |
| 3,380 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 | 7/14 at 100 |

| | | |
|---|--|--------------|
| ----- | | |
| HOUSING/MULTIFAMILY - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 1,000 | California Statewide Community Development Authority, Student Housing Revenue Bonds, EAH - Irvine East Campus Apartments, LLC Project, Series 2002A, 5.500%, 8/01/22 - ACA Insured | 8/12 at 100 |
| 1,905 | Los Angeles, California, GNMA Mortgage-Backed Securities Program Multifamily Housing Revenue Bonds, Park Plaza West Senior Apartments, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax) | 7/11 at 102 |
| ----- | | |
| INDUSTRIALS - 1.3% (1.0% OF TOTAL INVESTMENTS) | | |
| 3,000 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Republic Services Inc., Series 2002C, 5.250%, 6/01/23 (Alternative Minimum Tax) (Mandatory put 12/01/17) | No Opt. C |
| ----- | | |
| LONG-TERM CARE - 3.5% (2.4% OF TOTAL INVESTMENTS) | | |
| 3,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22 | 11/12 at 100 |
| 5,000 | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging, Series 2003, 5.000%, 11/15/18 | 11/13 at 100 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 33.4% (22.6% OF TOTAL INVESTMENTS) | | |
| 5,920 | Cajon Valley Union School District, San Diego County, California, General Obligation Bonds, Series 2002B, 5.125%, 8/01/32 - MBIA Insured | 8/10 at 102 |
| 9,000 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 - MBIA Insured | 2/12 at 100 |
| 2,900 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21 | 8/13 at 100 |
| 1,315 | Compton Community College District, Los Angeles County, California, General Obligation Bonds, Series 2004A: 5.250%, 7/01/22 - MBIA Insured | 7/14 at 100 |
| 2,560 | 5.250%, 7/01/23 - MBIA Insured | 7/14 at 100 |
| 2,415 | El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 - FSA Insured | 6/13 at 100 |
| 10,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |

Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (contin
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 1,520 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | 8/15 at 100 |
| 5,000 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.125%, 1/01/27 - MBIA Insured | 7/12 at 100 |
| | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A: | |
| 3,700 | 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 3,500 | 5.000%, 1/01/28 - MBIA Insured | 7/13 at 100 |
| 1,500 | Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| 2,500 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | |
| 505 | 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |
| 530 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 3,300 | Peralta Community College District, Alameda County, California, General Obligation Bonds, Election of 2000, Series 2001A, 5.000%, 8/01/31 - FGIC Insured | 8/09 at 102 |
| 3,250 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 1,160 | San Gabriel Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2005, 5.000%, 8/01/22 - FSA Insured | 8/15 at 100 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | |
| 395 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 575 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| 3,500 | San Mateo County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/26 - FGIC Insured | 9/12 at 100 |
| 10,000 | Vista Unified School District, San Diego County, California, | 8/12 at 100 |

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General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 -
FSA Insured

TAX OBLIGATION/LIMITED - 42.1% (28.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,450 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21 | 8/13 at 102 |
| 6,895 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| 2,290 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 2,200 | California Infrastructure Economic Development Bank, Los Angeles County, Revenue Bonds, Department of Public Social Services, Series 2003, 5.000%, 9/01/28 - AMBAC Insured | 9/13 at 101 |
| 3,100 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Richmond Lab, Series 2005B, 5.000%, 11/01/30 - XLCA Insured | 11/15 at 100 |
| 7,035 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 - MBIA Insured | 9/13 at 100 |
| 3,145 | Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 - MBIA Insured | 5/11 at 101 |
| 1,020 | Desert Sands Unified School District, Riverside County, California, Certificates of Participation Refunding, Series 2002, 5.000%, 3/01/20 - MBIA Insured | 3/12 at 101 |
| 8,720 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 4,000 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |
| 355 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - XLCA Insured | 9/15 at 100 |
| 2,115 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|---|--------------|
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 3,500 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2001, 5.100%, 9/01/31 - AMBAC Insured | 9/11 at 102 |
| 3,400 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2002, 5.000%, 9/01/22 - AMBAC Insured | 9/12 at 102 |
| 1,460 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 7,000 | Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.200%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 4,690 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 8,470 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.200%, 8/01/29 - AMBAC Insured | 8/11 at 101 |
| 5,000 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 - MBIA Insured | 4/12 at 102 |
| 405 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 4,475 | Riverside County, California, Asset Leasing Corporate Leasehold Revenue Bonds, Riverside County Hospital Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured | 6/12 at 101 |
| 270 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| 3,175 | San Buenaventura, California, Certificates of Participation, Series 2001C, 5.250%, 2/01/31 - AMBAC Insured | 2/11 at 101 |
| 3,730 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 4,000 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 - MBIA Insured | 9/11 at 100 |
| 1,000 | Shasta Joint Powers Financing Authority, California, Lease Revenue Bonds, County Administration Building Project, Series 2003A, 5.250%, 4/01/23 - MBIA Insured | 4/13 at 100 |
| 2,160 | Temecula Redevelopment Agency, California, Tax Allocation | 8/08 at 102 |

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Revenue Bonds, Redevelopment Project 1, Series 2002,
5.125%, 8/01/27 - MBIA Insured

TRANSPORTATION - 5.7% (3.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,250 | California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/36 - AMBAC Insured | 7/13 at 100 |
| 7,500 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/29 | 1/14 at 101 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: | |
| 2,185 | 5.250%, 5/01/16 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 2,300 | 5.250%, 5/01/17 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |

U.S. GUARANTEED *** - 8.1% (5.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A: | |
| 2,500 | 6.125%, 12/01/30 (Pre-refunded to 12/01/09) | 12/09 at 101 |
| 3,000 | 6.250%, 12/01/34 (Pre-refunded to 12/01/09) | 12/09 at 101 |
| 2,070 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002G, 5.125%, 8/01/26 - FSA Insured | 8/10 at 102 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002B: | |
| 1,135 | 5.125%, 8/01/23 - FGIC Insured | 8/10 at 102 |
| 1,190 | 5.125%, 8/01/24 - FGIC Insured | 8/10 at 102 |
| 1,245 | 5.125%, 8/01/25 - FGIC Insured | 8/10 at 102 |
| 1,255 | 5.125%, 8/01/26 - FGIC Insured | 8/10 at 102 |
| 2,980 | Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 (Pre-refunded to 8/01/11) - FGIC Insured | 8/11 at 101 |

Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (contin
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | U.S. GUARANTEED *** (continued) | |
| \$ 2,460 | Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 (Pre-refunded to 8/01/11) - FSA Insured | 8/11 at 101 |

| UTILITIES - 19.2% (13.0% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 9,000 | Anaheim Public Finance Authority, California, Revenue Bonds, Electric System Distribution Facilities, Series 2002A, 5.000%, 10/01/27 - FSA Insured | 10/12 at 100 |
| 10,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102 |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 | 5/12 at 101 |
| 3,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
| 775 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 6,000 | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured | 7/08 at 101 |
| 3,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured | 8/11 at 100 |
| 5,630 | Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured | 7/12 at 100 |

| WATER AND SEWER - 16.6% (11.3% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 3,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, 5.150%, 12/01/23 - FGIC Insured | 12/12 at 100 |
| 6,100 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured | 6/11 at 100 |
| 9,000 | Eastern Municipal Water District, California, Water and Sewerage System Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 - FGIC Insured | 7/11 at 100 |
| 4,500 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 3,475 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| 9,185 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |

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| | | | |
|-------|---------|---|--------------|
| | | Semitropic Water Storage District, Kern County, California, Water Banking Revenue Bonds, Series 2004A: | |
| 1,315 | 5.500% | 12/01/20 - XLCA Insured | 12/14 at 100 |
| 1,415 | 5.500% | 12/01/21 - XLCA Insured | 12/14 at 100 |
| ----- | | | |
| \$ | 333,935 | Total Long-Term Investments (cost \$329,844,400) - 147.6% | |
| ===== | | | |
| | | Other Assets Less Liabilities - 1.3% | |
| ----- | | | |
| | | Preferred Shares, at Liquidation Value - (48.9)% | |
| ----- | | | |
| | | Net Assets Applicable to Common Shares - 100% | |
| ===== | | | |

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FORWARD SWAPS OUTSTANDING AT AUGUST 31, 2005:

| COUNTERPARTY | NOTIONAL AMOUNT | FIXED RATE PAID BY THE FUND (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | FLOATING RATE RECEIVED BY THE FUND BASED ON | FLOATING RATE PAYMENT FREQUENCY | EFF |
|----------------|-----------------|--|------------------------------|---|---------------------------------|-----|
| Citigroup | 5,000,000 | 4.699% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |
| JPMorgan | 5,000,000 | 4.833% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |
| Morgan Stanley | 5,200,000 | 4.816% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates)

At least 80% of the Fund's net assets (including net assets attributable to Preferred shares) are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets (including net assets attributable to Preferred shares) may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

* Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX)
 Portfolio of
 INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 2.3% (1.5% OF TOTAL INVESTMENTS) | |
| \$ 1,625 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
| ----- | | |
| | HEALTHCARE - 15.3% (10.2% OF TOTAL INVESTMENTS) | |
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, UCSF - Stanford Healthcare, Series 1998A, 5.000%, 11/15/31 - FSA Insured | 11/08 at 101 |
| 1,800 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 6,000 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 2,000 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/23 - FSA Insured | 6/13 at 100 |
| 1,260 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, | 7/14 at 100 |

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5.875%, 7/01/26

 LONG-TERM CARE - 5.7% (3.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22 | 11/12 at 100 |
| 2,000 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.250%, 1/01/26 | 1/13 at 100 |
| 1,815 | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging, Series 2003, 5.000%, 11/15/18 | 11/13 at 100 |

 HOUSING/MULTIFAMILY - 1.3% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,165 | Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23 | 5/13 at 102 |
|-------|--|-------------|

 TAX OBLIGATION/GENERAL - 48.6% (32.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,000 | Berryessa Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/21 - FSA Insured | 8/12 at 100 |
| 2,000 | Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured | 8/12 at 101 |
| 1,500 | California, General Obligation Refunding Bonds, Series 2002: 5.000%, 2/01/12 | No Opt. C |
| 3,750 | 5.000%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 3,000 | 5.250%, 4/01/30 - XLCA Insured | 4/12 at 100 |
| 500 | California, General Obligation Bonds, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| 450 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |
| 4,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B: 5.000%, 8/01/26 - FSA Insured | 8/13 at 100 |
| 2,030 | 5.000%, 8/01/27 - FSA Insured | 8/13 at 100 |
| 2,000 | Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured | 9/12 at 100 |
| 565 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 6/01/26 - FSA Insured | 8/15 at 100 |

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| | | |
|--------|--|-------------|
| 10,500 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
|--------|--|-------------|

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 1,000 | Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 - FGIC Insured | 9/13 at 100 |
| | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005: | |
| 190 | 5.000%, 8/01/25 - MBIA Insured | 8/15 at 100 |
| 200 | 5.000%, 8/01/26 - MBIA Insured | 8/15 at 100 |
| 3,000 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 2000B, 5.125%, 7/01/22 - MBIA Insured | 7/10 at 100 |
| | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A: | |
| 145 | 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 215 | 5.000%, 9/01/27 - MBIA Insured | 9/15 at 100 |
| 3,855 | San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2003A, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 42.8% (28.6% OF TOTAL INVESTMENTS) | |
| 550 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21 | 8/13 at 102 |
| 2,025 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 4,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured | 12/12 at 100 |
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 1,610 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |
| 130 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 - | 9/15 at 100 |

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| XLCA Insured | | |
|--------------|--|--------------|
| 5,540 | Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured | 9/05 at 103 |
| 2,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 1,770 | Los Angeles Unified School District, California, Certificates of Participation, Administration Building Project II, Series 2002C, 5.000%, 10/01/27 - AMBAC Insured | 10/12 at 100 |
| 1,500 | Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 - MBIA Insured | 9/10 at 103 |
| 825 | Paramount Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2003, 5.000%, 8/01/19 - MBIA Insured | 8/13 at 100 |
| 150 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 100 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 (WI, settling 9/08/05) - XLCA Insured | 10/15 at 100 |
| | San Buenaventura, California, Certificates of Participation, Golf Course Financing Project, Series 2002D: | |
| 3,000 | 5.000%, 2/01/27 - AMBAC Insured | 2/12 at 100 |
| 3,300 | 5.000%, 2/01/32 - AMBAC Insured | 2/12 at 100 |
| 1,200 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 1,220 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 - MBIA Insured | 8/10 at 101 |
| 2,770 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.000%, 6/01/32 - AMBAC Insured | 6/12 at 100 |
| 2,390 | Solano County, California, Certificates of Participation, Series 2002, 5.250%, 11/01/24 - MBIA Insured | 11/12 at 100 |

Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (contin
Portfolio of INVESTMENTS August 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

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TRANSPORTATION - 13.8% (9.2% OF TOTAL INVESTMENTS)

| | | | |
|----|-------|--|-------------|
| \$ | 5,480 | Bay Area Governments Association, California, BART SFO Extension, Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured | 8/12 at 100 |
| | 2,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 | 1/10 at 100 |
| | 3,135 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 16B, 5.000%, 5/01/24 - FSA Insured | 5/08 at 101 |
| | 1,300 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 26B, 5.000%, 5/01/25 - FGIC Insured | 5/10 at 101 |

U.S. GUARANTEED *** - 3.4% (2.3% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | 2,700 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.250%, 12/01/34 (Pre-refunded to 12/01/09) | 12/09 at 101 |
|--|-------|---|--------------|

UTILITIES - 5.3% (3.5% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | 1,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| | 3,055 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/22 - FSA Insured | 7/11 at 100 |
| | 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |

WATER AND SEWER - 11.3% (7.6% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | 1,285 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| | 3,000 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: 5.000%, 8/01/22 - MBIA Insured | 8/12 at 100 |
| | 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| | 1,180 | South Feather Water and Power Agency, California, Water Revenue Certificates of Participation, Solar Photovoltaic Project, Series 2003, 5.375%, 4/01/24 | 4/13 at 100 |
| | 1,600 | Sunnyvale Financing Authority, California, Water and Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured | 10/11 at 100 |

\$ 125,155 Total Long-Term Investments (cost \$126,060,718) - 149.8%

```

=====
Other Assets Less Liabilities - 0.6%
-----
Preferred Shares, at Liquidation Value - (50.4)%
-----
Net Assets Applicable to Common Shares - 100%
=====
    
```

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FORWARD SWAPS OUTSTANDING AT AUGUST 31, 2005:

| COUNTERPARTY | NOTIONAL AMOUNT | FIXED RATE PAID BY THE FUND (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | FLOATING RATE RECEIVED BY THE FUND BASED ON | FLOATING RATE PAYMENT FREQUENCY | EFF DA |
|----------------|-----------------|--|------------------------------|---|---------------------------------|--------|
| Citigroup | 1,900,000 | 4.699% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |
| JPMorgan | 1,700,000 | 4.833% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |
| Morgan Stanley | 2,400,000 | 4.816% | Semi-annually | 3-month USD-LIBOR | Quarterly | 2 |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates)

At least 80% of the Fund's net assets (including net assets attributable to Preferred shares) are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets (including net assets attributable to Preferred shares) may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES August 31, 2005

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|---|--|---|
| <hr/> | | |
| ASSETS | | |
| Investments, at market value (cost \$131,157,277, \$269,190,580, \$126,473,344 and \$505,744,666, respectively) | \$144,323,230 | \$288,167,119 |
| Receivables: | | |
| Interest | 2,311,809 | 3,760,509 |
| Investments sold | 4,068,978 | 546,889 |
| Other assets | 8,559 | 33,518 |
| <hr/> | | |
| Total assets | 150,712,576 | 292,508,035 |
| <hr/> | | |
| LIABILITIES | | |
| Cash overdraft | 511,737 | 1,253,216 |
| Payable for investments purchased | 563,809 | 1,122,265 |
| Forward swaps, at value | -- | -- |
| Accrued expenses: | | |
| Management fees | 80,380 | 154,158 |
| Other | 43,934 | 61,076 |
| Preferred share dividends payable | 2,934 | 22,488 |
| <hr/> | | |
| Total liabilities | 1,202,794 | 2,613,203 |
| <hr/> | | |
| Preferred shares, at liquidation value | 45,000,000 | 95,000,000 |
| <hr/> | | |
| Net assets applicable to Common shares | \$104,509,782 | \$194,894,832 |
| <hr/> | | |
| Common shares outstanding | 6,448,935 | 12,716,370 |
| <hr/> | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 16.21 | \$ 15.33 |
| <hr/> | | |

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NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

| | | |
|---|---------------|---------------|
| Common shares, \$.01 par value per share | \$ 64,489 | \$ 127,164 |
| Paid-in surplus | 89,255,103 | 176,226,615 |
| Undistributed (Over-distribution of) net investment income | 1,022,294 | 935,376 |
| Accumulated net realized gain (loss) from investments and forward swaps | 1,001,943 | (1,370,862) |
| Net unrealized appreciation of investments and forward swaps | 13,165,953 | 18,976,539 |
| Net assets applicable to Common shares | \$104,509,782 | \$194,894,832 |
| Authorized shares: | | |
| Common | 200,000,000 | 200,000,000 |
| Preferred | 1,000,000 | 1,000,000 |

See accompanying notes to financial statements.

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| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) |
|---|--|--|
| ASSETS | | |
| Investments, at market value (cost \$316,942,756, \$523,212,751, \$329,844,400 and \$126,060,718 respectively) | \$337,703,268 | \$551,696,711 |
| Receivables: | | |
| Interest | 4,417,910 | 7,700,289 |
| Investments sold | 1,044,778 | 1,911,885 |
| Other assets | 25,004 | 16,222 |
| Total assets | 343,190,960 | 561,325,107 |
| LIABILITIES | | |
| Cash overdraft | 572,170 | 2,598,763 |
| Payable for investments purchased | 1,308,466 | 2,148,833 |
| Forward swaps, at value | -- | -- |
| Accrued expenses: | | |
| Management fees | 94,452 | 150,856 |
| Other | 58,059 | 114,161 |
| Preferred share dividends payable | 17,402 | 50,822 |
| Total liabilities | 2,050,549 | 5,063,435 |
| Preferred shares, at liquidation value | 110,000,000 | 187,000,000 |
| Net assets applicable to Common shares | \$231,140,411 | \$369,261,672 |
| Common shares outstanding | 14,790,660 | 24,112,833 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.63 | \$ 15.31 |

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NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

| | | |
|---|---------------|---------------|
| Common shares, \$.01 par value per share | \$ 147,907 | \$ 241,128 |
| Paid-in surplus | 210,049,075 | 342,513,152 |
| Undistributed (Over-distribution of) net investment income | 1,278,398 | 2,278,927 |
| Accumulated net realized gain (loss) from investments and forward swaps | (1,095,481) | (4,255,495) |
| Net unrealized appreciation of investments and forward swaps | 20,760,512 | 28,483,960 |
| Net assets applicable to Common shares | \$231,140,411 | \$369,261,672 |
| Authorized shares: | | |
| Common | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Year Ended August 31, 2005

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|--|--|---|
| INVESTMENT INCOME | \$7,280,519 | \$13,924,111 |
| EXPENSES | | |
| Management fees | 954,202 | 1,825,656 |
| Preferred shares - auction fees | 112,500 | 237,500 |
| Preferred shares - dividend disbursing agent fees | 10,000 | 20,000 |
| Shareholders' servicing agent fees and expenses | 10,023 | 16,230 |
| Custodian's fees and expenses | 34,126 | 65,136 |
| Directors'/Trustees' fees and expenses | 2,551 | 5,067 |
| Professional fees | 13,830 | 19,555 |
| Shareholders' reports - printing and mailing expenses | 10,629 | 19,743 |
| Stock exchange listing fees | 10,565 | 10,648 |
| Investor relations expense | 14,004 | 34,067 |
| Other expenses | 12,338 | 17,313 |
| Total expenses before custodian fee credit and expense reimbursement | 1,184,768 | 2,270,915 |
| Custodian fee credit | (7,622) | (9,144) |
| Expense reimbursement | -- | -- |
| Net expenses | 1,177,146 | 2,261,771 |
| Net investment income | 6,103,373 | 11,662,340 |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain from investments | 1,025,239 | 572,385 |
| Net realized gain (loss) from forward swaps | -- | -- |

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| | | |
|---|-------------|--------------|
| Change in net unrealized appreciation (depreciation) of investments | 347,962 | 3,008,579 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- |
| Net realized and unrealized gain | 1,373,201 | 3,580,964 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (659,626) | (1,431,484) |
| From accumulated net realized gains from investments | (53,379) | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (713,005) | (1,431,484) |
| Net increase in net assets applicable to Common shares from operations | \$6,763,569 | \$13,811,820 |

See accompanying notes to financial statements.

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| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) |
|--|--|--|
| INVESTMENT INCOME | \$16,044,820 | \$26,042,254 |
| EXPENSES | | |
| Management fees | 2,119,509 | 3,420,287 |
| Preferred shares - auction fees | 275,000 | 467,500 |
| Preferred shares - dividend disbursing agent fees | 20,000 | 20,000 |
| Shareholders' servicing agent fees and expenses | 2,998 | 5,125 |
| Custodian's fees and expenses | 71,177 | 117,386 |
| Directors'/Trustees' fees and expenses | 6,123 | 9,576 |
| Professional fees | 21,310 | 31,088 |
| Shareholders' reports - printing and mailing expenses | 27,062 | 38,249 |
| Stock exchange listing fees | 1,259 | 2,052 |
| Investor relations expense | 42,451 | 67,419 |
| Other expenses | 24,129 | 30,904 |
| Total expenses before custodian fee credit and expense reimbursement | 2,611,018 | 4,209,586 |
| Custodian fee credit | (17,969) | (32,579) |
| Expense reimbursement | (1,007,945) | (1,643,435) |
| Net expenses | 1,585,104 | 2,533,572 |
| Net investment income | 14,459,716 | 23,508,682 |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain from investments | 383,423 | 462,942 |
| Net realized gain (loss) from forward swaps | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 10,159,524 | 15,832,228 |

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| | | |
|--|--------------|--------------|
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- |
| Net realized and unrealized gain | 10,542,947 | 16,295,170 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (1,768,569) | (3,098,457) |
| From accumulated net realized gains from investments | -- | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (1,768,569) | (3,098,457) |
| Net increase in net assets applicable to Common shares from operations | \$23,234,094 | \$36,705,395 |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | |
|--|--|-----------------------|--|-----------------------|
| | YEAR ENDED 8/31/05 | YEAR ENDED 8/31/04 | YEAR ENDED 8/31/05 | YEAR ENDED 8/31/04 |
| OPERATIONS | | | | |
| Net investment income | \$ 6,103,373 | \$ 6,380,123 | \$ 11,662,340 | \$ 12,155,900 |
| Net realized gain (loss) | | | | |
| from investments | 1,025,239 | 1,060,439 | 572,385 | 6,591,500 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 347,962 | 3,379,499 | 3,008,579 | 127,100 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | -- |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (659,626) | (324,673) | (1,431,484) | (727,200) |
| From accumulated net realized gains from investments | (53,379) | (18,045) | -- | -- |
| Net increase in net assets applicable to Common shares from operations | 6,763,569 | 10,477,343 | 13,811,820 | 18,147,300 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (5,939,147) | (5,990,256) | (11,212,178) | (11,576,000) |
| From accumulated net realized gains from investments | (1,006,068) | (339,859) | -- | -- |

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| | | | | |
|--|---------------|---------------|---------------|-------------|
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (6,945,215) | (6,330,115) | (11,212,178) | (11,576,0 |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares: | | | | |
| Net proceeds from sale of shares | -- | -- | -- | |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 73,727 | 43,490 | 260,359 | 282,8 |
| Preferred shares offering costs | -- | -- | -- | |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 73,727 | 43,490 | 260,359 | 282,8 |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | (107,919) | 4,190,718 | 2,860,001 | 6,854,1 |
| Net assets applicable to Common shares at the beginning of year | 104,617,701 | 100,426,983 | 192,034,831 | 185,180,6 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$104,509,782 | \$104,617,701 | \$194,894,832 | \$192,034,8 |
| ===== | | | | |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 1,022,294 | \$ 1,521,582 | \$ 935,376 | \$ 1,960,7 |
| ===== | | | | |

See accompanying notes to financial statements.

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| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | |
|---|--|-----------------------|--|-----------------------|
| | YEAR ENDED 8/31/05 | YEAR ENDED 8/31/04 | YEAR ENDED 8/31/05 | YEAR ENDED 8/31/04 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 24,302,547 | \$ 24,522,028 | \$ 14,459,716 | \$ 14,625,0 |
| Net realized gain (loss) from investments | 480,737 | 3,065,461 | 383,423 | 734,6 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | |
| Change in net unrealized appreciation (depreciation) of investments | 11,381,369 | 14,927,705 | 10,159,524 | 10,663,6 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | |

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| | | | | |
|---|---------------|---------------|---------------|---------------|
| Distributions to | | | | |
| Preferred Shareholders: | | | | |
| From net investment income | (2,855,101) | (1,400,301) | (1,768,569) | (861,101) |
| From accumulated net realized gains from investments | (64,137) | -- | -- | |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | 33,245,415 | 41,114,893 | 23,234,094 | 25,162,101 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (23,037,818) | (22,967,185) | (13,489,083) | (13,489,083) |
| From accumulated net realized gains from investments | (1,086,300) | -- | -- | |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (24,124,118) | (22,967,185) | (13,489,083) | (13,489,083) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares: | | | | |
| Net proceeds from sale of shares | -- | -- | -- | |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 77,239 | -- | -- | |
| Preferred shares offering costs | -- | -- | -- | |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 77,239 | -- | -- | |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 9,198,536 | 18,147,708 | 9,745,011 | 11,673,018 |
| Net assets applicable to Common shares at the beginning of year | 365,066,207 | 346,918,499 | 221,395,400 | 209,722,382 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$374,264,743 | \$365,066,207 | \$231,140,411 | \$221,395,400 |
| ===== | | | | |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 2,641,354 | \$ 4,254,915 | \$ 1,278,398 | \$ 2,094,417 |
| ===== | | | | |

See accompanying notes to financial statements.

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| | YEAR ENDED 8/31/05 | YEAR END 8/31/04 |
|---|-----------------------|---------------------|
| OPERATIONS | | |
| Net investment income | \$ 15,469,138 | \$ 15,590,700 |
| Net realized gain (loss) from investments | 750,281 | 657,500 |
| Net realized gain (loss) from forward swaps | (2,892,459) | |
| Change in net unrealized appreciation (depreciation) of investments | 9,357,072 | 13,017,800 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 809,703 | (1,001,300) |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (1,886,679) | (854,400) |
| From accumulated net realized gains from investments | (45,704) | (143,900) |
| Net increase in net assets applicable to Common shares from operations | 21,561,352 | 27,266,300 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (13,733,781) | (13,916,900) |
| From accumulated net realized gains from investments | (759,922) | (1,910,500) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (14,493,703) | (15,827,400) |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | (1,500) |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | |
| Preferred shares offering costs | (54) | (1,400) |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (54) | (2,900) |
| Net increase (decrease) in net assets applicable to Common shares | 7,067,595 | 11,435,900 |
| Net assets applicable to Common shares at the beginning of year | 234,186,496 | 222,750,500 |
| Net assets applicable to Common shares at the end of year | \$241,254,091 | \$234,186,400 |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 899,990 | \$ 1,051,700 |

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The California funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL), Nuveen California Premium Income Municipal Fund (NCU), Nuveen California Dividend Advantage Municipal Fund (NAC), Nuveen California Dividend Advantage Municipal Fund 2 (NVX), Nuveen California Dividend Advantage Municipal Fund 3 (NZH), Nuveen Insured California Dividend Advantage Municipal Fund (NKL) and Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX). Common shares of Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL) and California Dividend Advantage (NAC) are traded on the New York Stock Exchange while Common shares of California Premium Income (NCU), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

Each Fund seeks to provide current income exempt from both regular federal and California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within the state of California or certain U.S. territories.

Effective January 1, 2005, Nuveen Advisory Corp. ("NAC"), the Funds' previous Adviser, and its affiliate, Nuveen Institutional Advisory Corp. ("NIAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NAC or NIAC.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles.

Investment Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of derivative investments are also provided by an independent pricing service approved by each Fund's Board of Directors/Trustees. If the pricing service is unable to supply a price for a municipal bond or derivative investment, each Fund may use a market price or fair market value quote provided by a major broker/dealer in such investments. If it is determined that the market price or fair market value for an investment are unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the investment. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At August 31, 2005, Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL), California Premium Income (NCU), California Dividend Advantage (NAC), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) had outstanding when-issued purchase commitments of \$114,771, \$229,541, \$5,418,937, \$427,782, \$266,059, \$438,215, \$281,710 and \$104,337, respectively.

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also includes paydown gains and losses, if any.

Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal

Notes to

FINANCIAL STATEMENTS (continued)

and California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended August 31, 2005, have been designated Exempt Interest Dividends. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

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Preferred Shares

The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in one or more Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CA |
|-------------------|---|---|---------------------------------|----|
| ----- | | | | |
| Number of shares: | | | | |
| Series M | -- | -- | 1,720 | |
| Series T | 1,800 | 1,900 | -- | |
| Series TH | -- | 1,900 | -- | |
| Series F | -- | -- | -- | |
| ----- | | | | |
| Total | 1,800 | 3,800 | 1,720 | |
| ===== | | | | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | CA |
|-------------------|---------------------------------------|---------------------------------------|---|----|
| ----- | | | | |
| Number of shares: | | | | |
| Series M | 2,200 | 3,740 | -- | |
| Series T | -- | -- | 2,360 | |
| Series TH | -- | 3,740 | -- | |
| Series F | 2,200 | -- | 2,360 | |
| ----- | | | | |
| Total | 4,400 | 7,480 | 4,720 | |
| ===== | | | | |

Insurance

Insured California Premium Income (NPC) and Insured California Premium Income 2 (NCL) invest only in municipal securities which are either covered by insurance or are backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest.

Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) invest at least 80% of their net assets (including net assets attributable to Preferred shares) in municipal securities that are covered by insurance. Each Fund may also invest up to 20% of its net assets (including net assets attributable to Preferred shares) in municipal securities which are either (i) backed by an

escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, or (ii) rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

Each insured municipal security is covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance. Such insurance does not guarantee the market value of the municipal securities or the value of the Funds' Common shares. Original Issue Insurance and Secondary Market Insurance remain in effect as long as the municipal securities covered thereby remain outstanding and the insurer remains in business, regardless of whether the Funds ultimately dispose of such municipal securities. Consequently, the market value of the municipal securities covered by Original Issue Insurance or Secondary Market Insurance may reflect value attributable to the insurance. Portfolio Insurance, in contrast, is effective only while the municipal securities are held by the Funds. Accordingly, neither the prices used in determining the market value of the underlying municipal securities nor the Common share net asset value of the Funds include value, if any, attributable to the Portfolio Insurance. Each policy of the Portfolio Insurance does, however, give the Funds the right to obtain permanent insurance with respect to the municipal security covered by the Portfolio Insurance policy at the time of its sale.

Forward Swap Transactions

The Funds may invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net asset value. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The amount of the payment obligation is based on the notional amount of the forward swap contract, and would increase or decrease in value based primarily on the extent to which long-term interest rates for bonds having a maturity of the swaps' termination date were to increase or decrease. The Funds may close out a contract prior to the effective date, at which point a realized gain or loss would be recognized. When a forward swap is terminated, it ordinarily does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash on a net basis. Each Fund intends, but is not obligated to, terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To minimize such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate, either up or down, by at least the predetermined threshold amount.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

Indemnifications

Under the Funds' organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of

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

Use of Estimates

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

2. FUND SHARES

Transactions in Common shares were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | CALIFORNIA PREMIUM INCOM | |
|--|--|------------|--|------------|-----------------------------|----|
| | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YE |
| | 8/31/05 | 8/31/04 | 8/31/05 | 8/31/04 | 8/31/05 | |

Common shares issued
to shareholders
due to reinvestment
of distributions

| | | | | |
|-------|-------|--------|--------|----|
| 4,473 | 2,632 | 16,994 | 18,275 | -- |
|-------|-------|--------|--------|----|

| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | CALIFORNIA DI ADVANTAGE 3 | |
|--|--|------------|--|------------|------------------------------|----|
| | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YE |
| | 8/31/05 | 8/31/04 | 8/31/05 | 8/31/04 | 8/31/05 | |

Common shares issued
to shareholders
due to reinvestment
of distributions

| | | | | |
|-------|----|----|----|----|
| 4,849 | -- | -- | -- | -- |
|-------|----|----|----|----|

Notes to
FINANCIAL STATEMENTS (continued)

| | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | INSURED CALIFORNIA TA ADVANTAGE (| |
|--|---|------------|---|----|
| | YEAR ENDED | YEAR ENDED | YEAR ENDED | YE |
| | 8/31/05 | 8/31/04 | 8/31/05 | |

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| | | | | |
|---------------------|---------------|---------------|---------------|---------------|
| Cost of investments | \$316,931,650 | \$523,203,484 | \$331,924,967 | \$127,000,000 |
|---------------------|---------------|---------------|---------------|---------------|

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Gross unrealized appreciation and gross unrealized depreciation of investments at August 31, 2005, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA PREMIUM INCOME (NKL) |
|--|---|---|--|--|
| Gross unrealized: | | | | |
| Appreciation | \$13,253,217 | \$19,146,900 | \$7,934,099 | \$38,334,216 |
| Depreciation | -- | (29,458) | (3,856) | (33,314) |
| Net unrealized appreciation of investments | \$13,253,217 | \$19,117,442 | \$7,930,243 | \$38,300,902 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | CALIFORNIA DIVIDEND ADVANTAGE (NKL) |
|--|--|--|---|--|
| Gross unrealized: | | | | |
| Appreciation | \$20,862,281 | \$28,597,109 | \$26,390,927 | \$75,850,317 |
| Depreciation | (90,663) | (103,882) | (2,220,738) | (207,283) |
| Net unrealized appreciation of investments | \$20,771,618 | \$28,493,227 | \$24,170,189 | \$75,643,034 |

The tax components of undistributed net investment income and net realized gains at August 31, 2005, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA PREMIUM INCOME (NKL) |
|---|---|---|--|--|
| Undistributed net tax-exempt income * | \$1,335,929 | \$1,691,142 | \$907,928 | \$4,935,000 |
| Undistributed net ordinary income ** | 79,252 | 3,248 | -- | 1,000,000 |
| Undistributed net long-term capital gains | 1,001,943 | -- | -- | 1,000,000 |

| | | | | |
|--|------------|------------|-----------------------|------------|
| | CALIFORNIA | CALIFORNIA | INSURED CALIFORNIA | CALIFORNIA |
|--|------------|------------|-----------------------|------------|

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| | DIVIDEND ADVANTAGE 2 (NVX) | DIVIDEND ADVANTAGE 3 (NZH) | DIVIDEND ADVANTAGE (NKL) | A |
|---|----------------------------------|----------------------------------|--------------------------------|---|
| Undistributed net tax-exempt income * | \$2,408,781 | \$4,056,605 | \$1,872,014 | |
| Undistributed net ordinary income ** | -- | -- | -- | |
| Undistributed net long-term capital gains | -- | -- | -- | |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on August 1, 2005, paid on September 1, 2005.

** Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

The tax character of distributions paid during the fiscal years ended August 31, 2005 and August 31, 2004, was designated for purposes of the dividends paid deduction as follows:

| 2005 | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CA | A |
|--|---|---|--|------|---|
| Distributions from tax-exempt income | \$6,520,209 | \$12,725,281 | \$5,644,396 | \$25 | |
| Distributions from net ordinary income ** | 377,496 | -- | -- | -- | |
| Distributions from net long-term capital gains | 785,476 | -- | -- | -- | 1 |

| 2005 | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | CA | A |
|--|--|--|---|-----|---|
| Distributions from tax-exempt income | \$15,245,298 | \$23,895,351 | \$15,677,229 | \$5 | |
| Distributions from net ordinary income ** | -- | -- | 116,229 | -- | |
| Distributions from net long-term capital gains | -- | -- | 689,397 | -- | |

Notes to
FINANCIAL STATEMENTS (continued)

| 2004 | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CA | A |
|------|---|---|--|----|---|
|------|---|---|--|----|---|

| | | | | |
|--|-------------|--------------|-------------|------|
| Distributions from net tax-exempt income | \$6,242,243 | \$12,293,836 | \$5,391,619 | \$24 |
| Distributions from net ordinary income ** | 59,796 | -- | -- | |
| Distributions from net long-term capital gains | 357,419 | -- | -- | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | CA A |
|------|--|--|---|---------|
| 2004 | | | | |

| | | | | |
|--|--------------|--------------|--------------|-----|
| Distributions from net tax-exempt income | \$14,342,456 | \$22,428,037 | \$14,773,957 | \$5 |
| Distributions from net ordinary income ** | -- | -- | 1,816,883 | |
| Distributions from net long-term capital gains | -- | -- | 237,622 | |

** Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

At August 31, 2005, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | CA A |
|--|---|--|--|---------|
|--|---|--|--|---------|

Expiration year:

| | | | | |
|-------|-------------|-------------|-------------|--|
| 2009 | \$930,352 | \$ -- | \$ -- | |
| 2010 | 440,510 | -- | -- | |
| 2011 | -- | -- | 3,931,655 | |
| 2012 | -- | 1,095,481 | 323,840 | |
| Total | \$1,370,862 | \$1,095,481 | \$4,255,495 | |

Insured California Dividend Advantage (NKL) elected to defer net realized losses from investments incurred from November 1, 2004 through August 31, 2005 ("post-October losses"), in accordance with Federal income tax regulations. Post-October losses of \$259,334 were treated as having arisen on the first day of the following fiscal year.

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Each Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser, and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

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The annual fund-level fee, payable monthly, for each Fund is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED CALIFORNIA PREMIUM INCOME (NPC) INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) CALIFORNIA PREMIUM INCOME (NCU) FUND-LEVEL FEE RATE |
|--|--|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For net assets over \$5 billion | .3750 |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) FUND-LEVEL FEE RATE |
|--|--|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For net assets over \$2 billion | .3750 |

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the table below. As of August 31, 2005, the complex-level fee rate was .1896%.

| COMPLEX-LEVEL ASSETS(1) | COMPLEX-LEVEL FEE RATE |
|--|---------------------------|
| For the first \$55 billion | .2000% |
| For the next \$1 billion | .1800 |
| For the next \$1 billion | .1600 |
| For the next \$3 billion | .1425 |
| For the next \$3 billion | .1325 |
| For the next \$3 billion | .1250 |
| For the next \$5 billion | .1200 |
| For the next \$5 billion | .1175 |
| For the next \$15 billion | .1150 |
| For Managed Assets over \$91 billion (2) | .1400 |

(1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.

(2) With respect to the complex-wide Managed Assets over \$91 billion, the fee

rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

Notes to
FINANCIAL STATEMENTS (continued)

For the first ten years of California Dividend Advantage's (NAC) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

| YEAR ENDING JULY 31, | | YEAR ENDING JULY 31, | |
|-------------------------|------|-------------------------|------|
| 1999* | .30% | 2005 | .25% |
| 2000 | .30 | 2006 | .20 |
| 2001 | .30 | 2007 | .15 |
| 2002 | .30 | 2008 | .10 |
| 2003 | .30 | 2009 | .05 |
| 2004 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse California Dividend Advantage (NAC) for any portion of its fees and expenses beyond July 31, 2009.

For the first ten years of California Dividend Advantage 2's (NVX) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

| YEAR ENDING MARCH 31, | | YEAR ENDING MARCH 31, | |
|--------------------------|------|--------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |

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| | | | |
|------|-----|------|-----|
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse California Dividend Advantage 2 (NVX) for any portion of its fees and expenses beyond March 31, 2011.

For the first ten years of California Dividend Advantage 3's (NZH) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

| YEAR ENDING SEPTEMBER 30, | | YEAR ENDING SEPTEMBER 30, | |
|------------------------------|------|------------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse California Dividend Advantage 3 (NZH) for any portion of its fees and expenses beyond September 30, 2011.

For the first ten years of Insured California Dividend Advantage's (NKL) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

| YEAR ENDING MARCH 31, | | YEAR ENDING MARCH 31, | |
|--------------------------|------|--------------------------|------|
| 2002* | .30% | 2008 | .25% |
| 2003 | .30 | 2009 | .20 |
| 2004 | .30 | 2010 | .15 |
| 2005 | .30 | 2011 | .10 |
| 2006 | .30 | 2012 | .05 |
| 2007 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Insured California Dividend Advantage (NKL) for any portion of its fees and expenses beyond March 31, 2012.

For the first eight years of Insured California Tax-Free Advantage's (NKX) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

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| YEAR ENDING NOVEMBER 30, | | YEAR ENDING NOVEMBER 30, | |
|-----------------------------|------|-----------------------------|------|
| 2002* | .32% | 2007 | .32% |
| 2003 | .32 | 2008 | .24 |
| 2004 | .32 | 2009 | .16 |
| 2005 | .32 | 2010 | .08 |
| 2006 | .32 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Insured California Tax-Free Advantage (NKX) for any portion of its fees and expenses beyond November 30, 2010.

6. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. Transactions (C) and (D) above were settled in late July, which effectively reduced St. Paul Travelers' controlling stake in Nuveen and was deemed an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and the Adviser, which resulted in the automatic termination of each agreement under the 1940 Act. In anticipation of such deemed assignment, the Board of Directors/Trustees had approved new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders, which shareholder approval was received prior to the settlement of transactions (C) and (D). The new ongoing management agreements took effect upon such settlement.

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on October 3, 2005, to shareholders of record on September 15, 2005, as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) |
|--------------------|---|---|--|--|
| Dividend per share | \$.0705 | \$.0660 | \$.0670 | \$.0785 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) |
|--------------------|--|--|---|---|
| Dividend per share | \$.0725 | \$.0720 | \$.0720 | \$.0630 |

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | Total |
|--|--|-----------------------------|---|---|---|--------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | |
| ===== | | | | | | |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | | |
| ----- | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | \$16.23 | \$.95 | \$.22 | \$ (.10) | \$ (.01) | \$1.06 |
| 2004 | 15.59 | .99 | .68 | (.05) | -- | 1.62 |
| 2003 | 16.17 | .99 | (.45) | (.06) | (.01) | .47 |
| 2002 | 16.04 | 1.05 | .03 | (.09) | -- | .99 |
| 2001 | 15.08 | 1.04 | .99 | (.21) | -- | 1.82 |
| | | | | | | |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | | | | | |
| ----- | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | 15.12 | .91 | .29 | (.11) | -- | 1.09 |
| 2004 | 14.60 | .96 | .53 | (.06) | -- | 1.43 |
| 2003 | 15.08 | .99 | (.51) | (.07) | -- | .41 |
| 2002 | 15.01 | 1.02 | (.02) | (.10) | -- | .90 |
| 2001 | 14.09 | 1.01 | .91 | (.22) | -- | 1.70 |
| | | | | | | |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | | | |
| ----- | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | 14.51 | .90 | .60 | (.12) | -- | 1.38 |
| 2004 | 13.66 | .94 | .85 | (.06) | -- | 1.73 |
| 2003 | 14.42 | .96 | (.78) | (.07) | -- | .11 |
| 2002 | 14.22 | .99 | .13 | (.10) | -- | 1.02 |
| 2001 | 13.34 | 1.00 | .90 | (.23) | -- | 1.67 |
| ===== | | | | | | |

| | Total Returns | | | | |
|--------------------|--|---|---------------------------|---------------------------------|--|
| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value* | Based on Common Share Net Asset Value* |
| ===== | | | | | |
| INSURED CALIFORNIA | | | | | |

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PREMIUM INCOME (NPC)

| ----- | | | | | |
|------------------|-------|---------|---------|-------|-------|
| Year Ended 8/31: | | | | | |
| 2005 | \$ -- | \$16.21 | \$15.90 | 7.58% | 6.74% |
| 2004 | -- | 16.23 | 15.81 | 11.80 | 10.64 |
| 2003 | -- | 15.59 | 15.07 | 1.55 | 2.82 |
| 2002 | -- | 16.17 | 15.85 | 6.73 | 6.47 |
| 2001 | -- | 16.04 | 15.69 | 14.12 | 12.43 |

INSURED CALIFORNIA
PREMIUM INCOME 2 (NCL)

| ----- | | | | | |
|------------------|----|-------|-------|-------|-------|
| Year Ended 8/31: | | | | | |
| 2005 | -- | 15.33 | 15.05 | 5.10 | 7.42 |
| 2004 | -- | 15.12 | 15.18 | 12.71 | 10.02 |
| 2003 | -- | 14.60 | 14.32 | 2.69 | 2.71 |
| 2002 | -- | 15.08 | 14.80 | 5.57 | 6.29 |
| 2001 | -- | 15.01 | 14.83 | 11.99 | 12.45 |

CALIFORNIA PREMIUM
INCOME (NCU)

| ----- | | | | | |
|------------------|----|-------|-------|-------|-------|
| Year Ended 8/31: | | | | | |
| 2005 | -- | 15.03 | 14.37 | 11.76 | 9.75 |
| 2004 | -- | 14.51 | 13.67 | 12.04 | 12.94 |
| 2003 | -- | 13.66 | 13.02 | (.91) | .69 |
| 2002 | -- | 14.42 | 14.00 | 4.84 | 7.48 |
| 2001 | -- | 14.22 | 14.17 | 12.84 | 12.92 |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | | After Credit/R | |
|---|---|--|---|--|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Investment Income to Average Net Assets Applicable to Common Shares++ |
| Ending Net Assets Applicable to Common Shares (000) | | | | |

INSURED CALIFORNIA
PREMIUM INCOME (NPC)

| ----- | | | | |
|------------------|-----------|-------|-------|-------|
| Year Ended 8/31: | | | | |
| 2005 | \$104,510 | 1.14% | 5.85% | 1.13% |
| 2004 | 104,618 | 1.17 | 6.17 | 1.16 |
| 2003 | 100,427 | 1.17 | 6.13 | 1.16 |
| 2002 | 104,137 | 1.21 | 6.65 | 1.19 |
| 2001 | 103,068 | 1.22 | 6.77 | 1.21 |

INSURED CALIFORNIA
PREMIUM INCOME 2 (NCL)

| ----- | | | | |
|------------------|---------|------|------|------|
| Year Ended 8/31: | | | | |
| 2005 | 194,895 | 1.17 | 6.03 | 1.17 |
| 2004 | 192,035 | 1.19 | 6.38 | 1.19 |
| 2003 | 185,181 | 1.20 | 6.53 | 1.19 |
| 2002 | 190,870 | 1.23 | 6.83 | 1.22 |

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| | | | | |
|---------------------------------|---------|------|------|------|
| 2001 | 189,633 | 1.24 | 7.01 | 1.24 |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 | 86,785 | 1.21 | 6.08 | 1.20 |
| 2004 | 83,772 | 1.23 | 6.62 | 1.22 |
| 2003 | 78,859 | 1.24 | 6.72 | 1.24 |
| 2002 | 83,249 | 1.27 | 7.07 | 1.26 |
| 2001 | 82,067 | 1.32 | 7.36 | 1.30 |
| ===== | | | | |

Preferred Shares at End of Period

| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
|-------|---|---|--------------------------------|
| ----- | | | |

INSURED CALIFORNIA PREMIUM INCOME (NPC)

| | | | |
|------------------|----------|----------|----------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | \$45,000 | \$25,000 | \$83,061 |
| 2004 | 45,000 | 25,000 | 83,121 |
| 2003 | 45,000 | 25,000 | 80,793 |
| 2002 | 45,000 | 25,000 | 82,854 |
| 2001 | 45,000 | 25,000 | 82,260 |

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

| | | | |
|------------------|--------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | 95,000 | 25,000 | 76,288 |
| 2004 | 95,000 | 25,000 | 75,535 |
| 2003 | 95,000 | 25,000 | 73,732 |
| 2002 | 95,000 | 25,000 | 75,229 |
| 2001 | 95,000 | 25,000 | 74,903 |

CALIFORNIA PREMIUM INCOME (NCU)

| | | | |
|------------------|--------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | 43,000 | 25,000 | 75,456 |
| 2004 | 43,000 | 25,000 | 73,704 |
| 2003 | 43,000 | 25,000 | 70,848 |
| 2002 | 43,000 | 25,000 | 73,400 |
| 2001 | 43,000 | 25,000 | 72,714 |
| ===== | | | |

* Total Investment Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. Total Return on Common Share Net Asset Value is the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. Total returns are not annualized.

** After custodian fee credit and expense reimbursement, where applicable.

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+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

See accompanying notes to financial statements.

78-79 SPREAD

Financial HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | Total |
|--|--|-----------------------------|---|---|---|--------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | |
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | \$15.59 | \$1.04 | \$.50 | \$ (.12) | \$ -- | \$1.42 |
| 2004 | 14.82 | 1.05 | .76 | (.06) | -- | 1.75 |
| 2003 | 15.24 | 1.06 | (.47) | (.07) | -- | .52 |
| 2002 | 15.13 | 1.07 | -- | (.10) | -- | .97 |
| 2001 | 13.82 | 1.07 | 1.28 | (.23) | -- | 2.12 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | 14.97 | .98 | .71 | (.12) | -- | 1.57 |
| 2004 | 14.18 | .99 | .77 | (.06) | -- | 1.70 |
| 2003 | 14.79 | 1.00 | (.62) | (.07) | -- | .31 |
| 2002 | 15.11 | 1.06 | (.40) | (.11) | -- | .55 |
| 2001 (a) | 14.33 | .34 | .90 | (.05) | -- | 1.19 |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 | 14.65 | .97 | .68 | (.13) | -- | 1.52 |
| 2004 | 13.72 | .98 | .88 | (.07) | -- | 1.79 |
| 2003 | 14.33 | .98 | (.66) | (.08) | -- | .24 |
| 2002 (b) | 14.33 | .83 | .09 | (.08) | -- | .84 |

INSURED CALIFORNIA

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DIVIDEND ADVANTAGE (NKL)

Year Ended 8/31:

| | | | | | | |
|----------|-------|------|-------|-------|-------|------|
| 2005 | 15.35 | 1.01 | .52 | (.12) | -- | 1.41 |
| 2004 | 14.60 | 1.02 | .84 | (.06) | (.01) | 1.79 |
| 2003 | 15.14 | .99 | (.49) | (.07) | (.01) | .42 |
| 2002 (c) | 14.33 | .34 | .92 | (.03) | -- | 1.23 |

INSURED CALIFORNIA

TAX-FREE ADVANTAGE (NKX)

Year Ended 8/31:

| | | | | | | |
|----------|-------|-----|-------|-------|----|------|
| 2005 | 14.62 | .96 | .57 | (.13) | -- | 1.40 |
| 2004 | 13.79 | .96 | .84 | (.06) | -- | 1.74 |
| 2003 (d) | 14.33 | .64 | (.33) | (.04) | -- | .27 |

Total Returns

| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value* | Based on Common Share Net Asset Value* |
|--|--|---|---------------------------|---------------------------------|--|
|--|--|---|---------------------------|---------------------------------|--|

CALIFORNIA DIVIDEND
ADVANTAGE (NAC)

Year Ended 8/31:

| | | | | | |
|------|-------|---------|---------|--------|-------|
| 2005 | \$ -- | \$15.98 | \$16.07 | 14.62% | 9.41% |
| 2004 | -- | 15.59 | 15.00 | 12.07 | 12.11 |
| 2003 | -- | 14.82 | 14.30 | 4.79 | 3.37 |
| 2002 | -- | 15.24 | 14.55 | 3.67 | 6.75 |
| 2001 | -- | 15.13 | 14.89 | 15.06 | 15.85 |

CALIFORNIA DIVIDEND
ADVANTAGE 2 (NVX)

Year Ended 8/31:

| | | | | | |
|----------|-------|-------|-------|-------|-------|
| 2005 | -- | 15.63 | 15.19 | 14.98 | 10.80 |
| 2004 | -- | 14.97 | 14.08 | 13.60 | 12.11 |
| 2003 | -- | 14.18 | 13.24 | (.95) | 2.16 |
| 2002 | -- | 14.79 | 14.28 | (.27) | 3.90 |
| 2001 (a) | (.12) | 15.11 | 15.21 | 3.40 | 7.55 |

CALIFORNIA DIVIDEND
ADVANTAGE 3 (NZH)

Year Ended 8/31:

| | | | | | |
|----------|-------|-------|-------|--------|-------|
| 2005 | -- | 15.31 | 14.49 | 15.75 | 10.69 |
| 2004 | -- | 14.65 | 13.33 | 11.97 | 13.36 |
| 2003 | .01 | 13.72 | 12.71 | (3.20) | 1.68 |
| 2002 (b) | (.12) | 14.33 | 14.00 | (1.68) | 5.32 |

INSURED CALIFORNIA
DIVIDEND ADVANTAGE (NKL)

Year Ended 8/31:

| | | | | | |
|------|----|-------|-------|------|------|
| 2005 | -- | 15.81 | 15.00 | 9.00 | 9.46 |
|------|----|-------|-------|------|------|

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| | | | | |
|----------|---------|-------|-------|------|
| 2003 | 222,751 | 1.18 | 6.00 | .72 |
| 2002 (c) | 231,062 | 1.10* | 4.98* | .60* |

INSURED CALIFORNIA
TAX-FREE ADVANTAGE (NKX)

| | | | | |
|------------------|--------|-------|-------|------|
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 | 89,272 | 1.21 | 5.95 | .73 |
| 2004 | 86,008 | 1.23 | 6.17 | .73 |
| 2003 (d) | 81,141 | 1.14* | 5.25* | .67* |
| ===== | | | | |

Preferred Shares at End of Period

| | | | |
|-------|-------------|-------------|-----------|
| ----- | | | |
| | Aggregate | Liquidation | Asset |
| | Amount | and Market | Coverage |
| | Outstanding | Value | Per Share |
| | (000) | Per Share | |
| ===== | | | |

CALIFORNIA DIVIDEND
ADVANTAGE (NAC)

| | | | |
|------------------|-----------|----------|----------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | \$175,000 | \$25,000 | \$78,466 |
| 2004 | 175,000 | 25,000 | 77,152 |
| 2003 | 175,000 | 25,000 | 74,560 |
| 2002 | 175,000 | 25,000 | 75,974 |
| 2001 | 175,000 | 25,000 | 75,600 |

CALIFORNIA DIVIDEND
ADVANTAGE 2 (NVX)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | 110,000 | 25,000 | 77,532 |
| 2004 | 110,000 | 25,000 | 75,317 |
| 2003 | 110,000 | 25,000 | 72,664 |
| 2002 | 110,000 | 25,000 | 74,731 |
| 2001 (a) | 110,000 | 25,000 | 75,782 |

CALIFORNIA DIVIDEND
ADVANTAGE 3 (NZH)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | 187,000 | 25,000 | 74,367 |
| 2004 | 187,000 | 25,000 | 72,241 |
| 2003 | 187,000 | 25,000 | 69,229 |
| 2002 (b) | 187,000 | 25,000 | 71,186 |

INSURED CALIFORNIA
DIVIDEND ADVANTAGE (NKL)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 | 118,000 | 25,000 | 76,113 |
| 2004 | 118,000 | 25,000 | 74,616 |
| 2003 | 118,000 | 25,000 | 72,193 |
| 2002 (c) | 118,000 | 25,000 | 73,954 |

INSURED CALIFORNIA
TAX-FREE ADVANTAGE (NKX)

Year Ended 8/31:

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| | | | |
|---------|--------|--------|--------|
| 2005 | 45,000 | 25,000 | 74,595 |
| 2004 | 45,000 | 25,000 | 72,782 |
| 2003(d) | 45,000 | 25,000 | 70,078 |
| ===== | | | |

* Annualized.

** Total Investment Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. Total Return on Common Share Net Asset Value is the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

- (a) For the period March 27, 2001 (commencement of operations) through August 31, 2001.
- (b) For the period September 25, 2001 (commencement of operations) through August 31, 2002.
- (c) For the period March 25, 2002 (commencement of operations) through August 31, 2002.
- (d) For the period November 21, 2002 (commencement of operations) through August 31, 2003.

See accompanying notes to financial statements.

80-81 SPREAD

Board Members
AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board Members of the Funds. The number of board members of the Fund is currently set at nine. None of the board members who are not "interested" persons of the Funds has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

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 BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS:

| | | | |
|---|---|------|---|
| Timothy R. Schwertfeger(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Trustee | 1994 | Chairman (since 1996) and Director of N Inc., Nuveen Investments, LLC, Nuveen A Nuveen Institutional Advisory Corp.(3); of Institutional Capital Corporation; C (since 1997) of Nuveen Asset Management Director of Rittenhouse Asset Managemen Chairman of Nuveen Investments Advisers |
|---|---|------|---|

 BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | |
|--|--------------|------|---|
| Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Private Investor and Management Consult |
|--|--------------|------|---|

| | | | |
|--|--------------|------|--|
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1993 | Retired (since 1989) as Senior Vice Pre Northern Trust Company; Director (since Advisory Board for Highland Park and Hi Way of the North Shore. |
|--|--------------|------|--|

| | | | |
|---|--------------|------|--|
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director and Fire Group, a publicly held company; Ad University of Iowa; Director, Gazette C of Coe College; Director, Iowa College Director, Alliant Energy; formerly, Dir Bank of Chicago; formerly, President an SCI Financial Group, Inc., a regional f |
|---|--------------|------|--|

| | | | |
|---|--------------|------|---|
| William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2004 | Dean and Distinguished Professor of Fin Business at the University of Connectic previously, Senior Vice President and D at the Federal Reserve Bank of Chicago (since 1997), Credit Research Center at Director (since 2004) of Xerox Corporat |
|---|--------------|------|---|

| | | | |
|--|--------------|------|--|
| David J. Kundert 10/28/42 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 | Retired (since 2004) as Chairman, JPMor Management, President and CEO, Banc One Advisors Corporation, and President, On Funds; prior thereto, Executive Vice Pr Corporation and Chairman and CEO, Banc Management Group; Board of Regents, Lut currently a member of the American and Associations. |
|--|--------------|------|--|

| | | | |
|-----------------|--------------------------|--------------------------|--|
| NAME, BIRTHDATE | POSITION(S) HELD WITH | YEAR FIRST ELECTED OR | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS |
|-----------------|--------------------------|--------------------------|--|

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AND ADDRESS THE FUNDS APPOINTED (2) DURING PAST 5 YEARS

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|--------------|------|--|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Chairman, formerly, Senior Partner and Officer (retired, December 2004), Miller Ltd., a real estate investment company; President, Miller-Valentine Realty, a Chair of the Finance Committee and member of Committee of Premier Health Partners, a company of Miami Valley Hospital; President, Philharmonic Orchestra Association; Board of Regional Leaders Forum, which promotes economic development issues; Director and Past Chair, Dayton Development Coalition Community Advisory Board, National City Ohio and Business Advisory Council, Cleveland Reserve Bank. |
|---|--------------|------|--|

| | | | |
|---|--------------|------|--|
| Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Executive Director, Gaylord and Dorothy Foundation (since 1994); prior thereto, Great Lakes Protection Fund (from 1990 |
|---|--------------|------|--|

| | | | |
|---|--------------|------|---|
| Eugene S. Sunshine 1/22/50 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 | Senior Vice President for Business and Northwestern University (since 1997); Director of Chicago Board of Options Exchange; Director of National Mentor Holdings, a privately-held provider of home and community-based services; Chairman (1997), Board of Directors, Rubicon, a private company owned by Northwestern University (1997), Evanston Chamber of Commerce and Inventure, a business development organization. |
|---|--------------|------|---|

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUND:

| | | | |
|--|------------------------------------|------|---|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice Assistant General Counsel, of Nuveen Institutional Managing Director (2002-2004), General and Assistant Secretary, formerly, Vice Advisory Corp. and Nuveen Institutional Managing Director (since 2002) and Assistant Associate General Counsel, formerly, Vice (1997), of Nuveen Asset Management; Managing Director (since 2004) and Assistant Secretary (since 2004) of Nuveen Investments, Inc.; Assistant Secretary of Management Company, LLC. (since 2002); Assistant Secretary of Nuveen Investments (since 2002); Managing Director, Assistant and Assistant Secretary of Rittenhouse |
|--|------------------------------------|------|---|

Board Members
AND OFFICERS (CONTINUED)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|---|--|---|---|
| ----- OFFICERS OF THE FUNDS (CONTINUED): ----- | | | |
| Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2004 | Managing Director (since 2005), formerly (since 2002); formerly, Assistant Vice of Nuveen Investments, LLC; Chartered F |
| Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 2000 | Vice President (since 2002), formerly, President (since 2000) of Nuveen Invest |
| Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 1999 | Vice President of Nuveen Investments, L President and Treasurer (since 1999) of Inc.; Vice President and Treasurer (199 Advisory Corp. and Nuveen Institutional Vice President and Treasurer of Nuveen (since 2002) and of Nuveen Investments 2002); Assistant Treasurer of NWQ Inves Company, LLC. (since 2002); Vice Presid Nuveen Rittenhouse Asset Management, In Chartered Financial Analyst. |
| Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 1998 | Vice President (since 2002), Assistant Assistant General Counsel (since 1998) Vice President (since 1998) of Nuveen I Vice President (2002-2004) and Assistan formerly, Assistant Vice President of N and Nuveen Institutional Advisory Corp. Assistant Secretary (since 2005) of Nuve |
| Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1998 | Managing Director (since 2004), formerl Nuveen Investments, LLC, Managing Direc Vice President (1998-2004) of Nuveen Ad Nuveen Institutional Advisory Corp. (3); (since 2005) of Nuveen Asset Management |
| William M. Fitzgerald 3/2/64 333 W. Wacker Drive | Vice President | 1995 | Managing Director (since 2002), formerl Nuveen Investments; Managing Director (I Nuveen Advisory Corp. and Nuveen Instit |

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Chicago, IL 60606

Corp.(3); Managing Director of Nuveen A (since 2001); Vice President of Nuveen Inc. (since 2002); Chartered Financial

 Stephen D. Foy Vice President 1998 Vice President (since 1993) and Funds C
 5/31/54 and Controller of Nuveen Investments, LLC; formerly, V
 333 W. Wacker Drive Funds Controller (1998-2004) of Nuveen
 Chicago, IL 60606 Certified Public Accountant.

 James D. Grassi Vice President 2004 Vice President and Deputy Director of C
 4/13/56 and Chief of Nuveen Investments, LLC, Nuveen Inve
 333 W. Wacker Drive Compliance Nuveen Asset Management and Rittenhouse
 Chicago, IL 60606 Officer Inc.; previously, Vice President and De
 (2004) of Nuveen Advisory Corp. and Nuv
 Corp.(3); formerly, Senior Attorney (19
 Trust Company.

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

 OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|--|----------------|------|--|
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I LLC; Certified Public Accountant. |
|--|----------------|------|--|

| | | | |
|--|----------------|------|---|
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President of Nuveen Investments, L |
|--|----------------|------|---|

| | | | |
|--|--|------|--|
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.(3); Vice P and Assistant Secretary of Nuveen Inves President (since 2005) and Assistant Se of Nuveen Asset Management; Vice Presid Assistant Secretary and Assistant Gener 1998) of Rittenhouse Asset Management, and Assistant Secretary of Nuveen Inves (since 2002); Assistant Secretary of NW Management Company, LLC (since 2002). |
|--|--|------|--|

(1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.

(2) Board members serve an indefinite term until his/her successor is elected.

- The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
 - (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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ANNUAL INVESTMENT
MANAGEMENT AGREEMENT
APPROVAL PROCESS

At a meeting held on May 10-12, 2005, the Board of Trustees of the Funds, including the independent Trustees, unanimously approved the Investment Management Agreement between each Fund and NAM.

THE APPROVAL PROCESS

To assist the Board in its evaluation of an advisory contract with NAM, the independent Trustees received a report in adequate time in advance of their meeting which outlined, among other things, the services provided by NAM; the organization of NAM, including the responsibilities of various departments and key personnel; the Fund's past performance as well as the Fund's performance compared to funds of similar investment objectives compiled by an independent third party (a "Peer Group") and if available, with recognized or, in certain cases, customized benchmarks; the profitability of NAM and certain industry profitability analyses for advisers to unaffiliated investment companies; the expenses of NAM in providing the various services; the management fees of NAM, including comparisons of such fees with the management fees of comparable funds in its Peer Group as well as comparisons of NAM's management fees with the fees NAM assesses to other types of investment products or accounts, if any; the soft dollar practices of NAM; and the expenses of each Fund, including comparisons of the Fund's expense ratios (after any fee waivers) with the expense ratios of its Peer Group. This information supplements that received by the Board throughout the year regarding Fund performance, expense ratios, portfolio composition, trade execution and sales activity.

In addition to the foregoing materials, independent legal counsel to the independent Trustees provided, in advance of the meeting, a legal memorandum outlining, among other things, the duties of the Trustees under the 1940 Act as well as the general principles of relevant state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; an adviser's fiduciary duty with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards of directors have fulfilled their duties and factors to be considered by the board in voting on advisory agreements.

At the Board meeting, NAM made a presentation to and responded to questions from the Board. After the presentations and after reviewing the written materials, the independent Trustees met privately with their legal counsel to review the Board's duties in reviewing advisory contracts and consider the renewal of the advisory contract. It is with this background that the Trustees considered each Investment Management Agreement with NAM. The independent Trustees, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC directives relating to the renewal of advisory contracts. As outlined in more detail below, the Trustees considered all factors they believed

relevant with respect to each Fund, including the following: (a) the nature, extent and quality of the services to be provided by NAM; (b) the investment performance of the Fund and NAM; (c) the costs of the services to be provided and profits to be realized by NAM and its affiliates from the relationship with the Fund; (d) the extent to which economies of scale would be realized as the Fund grows; and (e) whether fee levels reflect these economies of scale for the benefit of Fund investors.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In evaluating the nature, extent and quality of NAM's services, the Trustees reviewed information concerning the types of services that NAM or its affiliates provide and are expected to provide to the Nuveen Funds; narrative and statistical information concerning the Fund's performance record and how such performance compares to the Fund's Peer Group and, if available, recognized benchmarks or, in certain cases, customized benchmarks (as described in further detail in Section B below); information describing NAM's organization and its various departments, the experience and responsibilities of key personnel, and available resources. In the discussion of key personnel, the Trustees received materials regarding the changes or additions in personnel of NAM. The Trustees further noted the willingness of the personnel of NAM to engage in open, candid discussions with the Board. The Trustees further considered the quality of NAM's investment process in making portfolio management decisions, including any refinements or improvements to the portfolio management processes, enhancements to technology and systems that are available to portfolio managers, and any additions of new personnel which may strengthen or expand the research and investment capabilities of NAM. In their review of advisory contracts for the fixed income funds, such as the Funds, the Trustees also noted that Nuveen won the Lipper Award for Best Fund Family: Fixed Income-Large Asset Class, for 2004. Given the Trustees' experience with the Funds, other Nuveen funds and NAM, the Trustees noted that they were familiar with and continue to have a good understanding of the organization, operations and personnel of NAM.

In addition to advisory services, the independent Trustees considered the quality of the administrative or non-advisory services provided. In this regard, NAM provides the Fund with such administrative and other services (exclusive of, and in addition to, any such services provided by others for the Funds) and officers and other personnel as are necessary for the operations of the respective Fund. In addition to investment management services, NAM and its affiliates provide each Fund with a wide range of services, including:

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preparing shareholder reports; providing daily accounting; providing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support (such as helping to prepare registration statements, amendments thereto and proxy statements and responding to regulatory inquiries); and performing other Fund administrative tasks necessary for the operation of the respective Fund (such as tax reporting and fulfilling regulatory filing requirements). In addition, in evaluating the administrative services, the Trustees considered, in particular, NAM's policies and procedures for assuring compliance with applicable laws and regulations in light of the new SEC regulations governing compliance. The Trustees noted NAM's focus on compliance and its compliance systems. In their review, the Trustees considered, among other things, the additions of experienced personnel to NAM's compliance group and modifications and other enhancements to NAM's computer systems. In addition to the foregoing, the Trustees also noted that NAM outsources certain services that cannot be replicated without significant costs

or at the same level of expertise. Such outsourcing has been a beneficial and efficient use of resources by keeping expenses low while obtaining quality services.

In addition to the above, in reviewing the variety of additional services that NAM or its affiliates must provide to closed-end funds, such as the Funds, the independent Trustees determined that Nuveen's commitment to supporting the secondary market for the common shares of its closed-end funds is particularly noteworthy. In this regard, the Trustees noted Nuveen's efforts to sponsor numerous forums for analysts and specialists regarding the various Nuveen closed-end funds, its creation of a new senior position dedicated to providing secondary market support services and enhancing communications with investors and analysts, and its advertising and media relations efforts designed to raise investor and analyst awareness of the closed-end funds.

With respect to services provided to municipal funds, such as the Funds, the Trustees also noted, among other things, the enhancements NAM implemented to its municipal portfolio management processes (e.g., the increased use of benchmarks to guide and assess the performance of its portfolio managers); the implementation of a risk management program; and the various initiatives being undertaken to enhance or modify NAM's computer systems as necessary to support the innovations of the municipal investment team (such as, the ability to assess certain historical data in order to create customized benchmarks, perform attribution analysis and facilitate the use of derivatives as hedging instruments). With respect to certain of the Funds with a less seasoned portfolio, the Trustees also noted the hedging program implemented for such Funds and the team responsible for developing, implementing and monitoring the hedging procedures. The hedging program was designed to help maintain the applicable Fund's duration within certain benchmarks.

Based on their review, the Trustees found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the Funds under the Investment Management Agreements were of a high level and were quite satisfactory.

B. THE INVESTMENT PERFORMANCE OF THE FUND AND ADVISER

As previously noted, the Board received a myriad of performance information regarding each Fund and its Peer Group, if available. Among other things, the Board received materials reflecting a Fund's historic performance, the Fund's performance compared to its Peer Group and, if available, its performance compared to recognized and, in certain cases, customized benchmarks. Further, in evaluating the performance information, in certain limited instances, the Trustees noted that the closest Peer Group for a Fund still would not adequately reflect such Fund's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such Fund's performance with that of the Peer Group.

For state municipal funds, such as the Funds, the performance data included, among other things, the respective Fund's performance relative to its peers. More specifically, a Fund's one-, three- and five-year total returns (as available) for the periods ending December 31, 2004 were evaluated relative to the unaffiliated funds in its respective Peer Group (including the returns of individual peers as well as the Peer Group average) as well as additional performance information with respect to all the funds in the Peer Group, subject to the following. Certain state municipal Funds do not have a corresponding Peer Group in which case their performance is measured against a state-specific municipal index compiled by an independent third party. Such indices measure bond performance rather than fund performance. The closed-end Funds that utilize such indices are from Connecticut, Georgia, Maryland, Missouri, North Carolina, Texas and Virginia. Based on their review, the Trustees determined that each Fund's absolute and relative investment performance over time had been

satisfactory.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

In evaluating the management fees and expenses that a Fund is expected to bear, the Trustees considered the Fund's current management fee structure and the Fund's expected expense ratios in absolute terms as well as compared with the fees and expense ratios of the unaffiliated funds in its Peer Group. The Trustees reviewed the financial information of NAM, including its respective revenues, expenses and profitability. In reviewing fees, the Trustees, among other things, reviewed comparisons of the Fund's gross management fees (fees after fund-level and complex-wide level breakpoints but before reimbursements and fee waivers), net management fees (after breakpoints and reimbursements and fee waivers) and total expense ratios (before and after waivers) with those of the unaffiliated funds in the Peer Group and peer averages. In this regard, the Trustees noted that the relative ranking of the Nuveen Funds on fees and expenses was aided by the significant level of fee reductions provided by the fund-level and complex-wide breakpoint schedules, and the fee waivers and reimbursements provided by Nuveen for certain Funds launched since 1999. The complex-wide breakpoint schedule was instituted in 2004 and is described in further detail below in Section D entitled "Economies of Scale and Whether Fee Levels Reflect these Economies of Scale." In their review of the fee and expense information provided, including, in particular, the expense ratios of the unaffiliated funds in the respective Peer Group, the Trustees determined that each Fund's net total expense ratio was within an acceptable range compared to such peers.

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ANNUAL INVESTMENT MANAGEMENT
AGREEMENT APPROVAL PROCESS (continued)

2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Trustees further compared the fees of NAM to the fees NAM assessed for other types of clients investing in municipal funds (such as municipal managed accounts). With respect to such separately managed accounts, the advisory fees for such accounts are generally lower than those charged to the comparable Fund. The Trustees noted, however, the additional services that are provided and the costs incurred by Nuveen in managing and operating registered investment companies, such as the Funds, compared to individually managed separate accounts. For instance, as described above, NAM and its affiliates provide numerous services to the Funds including, but not limited to, preparing shareholder reports; providing daily accounting; preparing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support; and administering all other aspects of the Fund's operations. Further, the Trustees noted the increased compliance requirements for funds in light of new SEC regulations and other legislation. These services are generally not required to the same extent, if at all, for separate accounts. In addition to the differences in services, the Trustees also considered, among other things, the differences in product distribution, investment policies, investor profiles and account sizes. Accordingly, the Trustees believe that the nature and number of services provided to operate a Fund merit the higher fees than those to separate managed accounts.

3. PROFITABILITY OF ADVISER

In conjunction with its review of fees, the Trustees also considered NAM's profitability. The Trustees reviewed NAM's revenues, expenses and profitability margins (on both a pre-tax and after-tax basis). In reviewing profitability, the Trustees recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. Accordingly, the Trustees reviewed NAM's assumptions and methodology of allocating expenses. In this regard, the methods of allocation used appeared reasonable but the Board noted the inherent limitations in allocating costs among various advisory products. The Trustees also recognized that individual fund or product line profitability of other advisers is generally not publicly available. Further, profitability may be affected by numerous factors including the types of funds managed, expense allocations, business mix, etc. and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Trustees considered NAM's profit margin compared to the profitability of various publicly-traded investment management companies and/or investment management companies that publicly disclose some or all of their financial results compiled by three independent third-party service providers. The Trustees also reviewed the revenues, expenses and profit margins of various unaffiliated advisory firms with similar amounts of assets under management for the last year prepared by NAM. Based on their review, the Trustees were satisfied that NAM's level of profitability from its relationship with each Fund was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Trustees also considered any other revenues paid to NAM as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates are expected to receive that are directly attributable to their management of the Funds, if any. See Section E below for additional information. Based on their review of the overall fee arrangements of the applicable Fund, the Trustees determined that the advisory fees and expenses of the respective Fund were reasonable.

D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE

In reviewing the compensation, the Trustees have long understood the benefits of economies of scale as the assets of a fund grow and have sought to ensure that shareholders share in these benefits. One method for shareholders to share in economies of scale is to include breakpoints in the advisory fee schedules that reduce fees as fund assets grow. Accordingly, the Trustees received and reviewed the schedules of advisory fees for each Fund, including fund-level breakpoints thereto. In addition, after lengthy negotiations with management, the Board in May 2004 approved a complex-wide fee arrangement pursuant to which fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement was introduced on August 1, 2004 and the Trustees reviewed data regarding the reductions of fees for the Funds for the period of August 1, 2004 to December 31, 2004. In evaluating the complex-wide fee arrangement, the Trustees considered, among other things, the historic and expected fee savings to shareholders as assets grow, the amount of fee reductions at various asset levels, and that the arrangement would extend to all Funds in the Nuveen complex. The Trustees also considered the impact, if any, the complex-wide fee arrangement may have on the level of services provided. Based on their review, the Trustees concluded that the breakpoint schedule and complex-wide fee arrangement currently was acceptable and desirable in providing benefits from economies of scale to shareholders.

E. INDIRECT BENEFITS

In evaluating fees, the Trustees also considered any indirect benefits or profits NAM or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Trustees considered any benefits from soft dollar arrangements. The Trustees noted that although NAM manages a large amount of assets, it has very little, if any, brokerage to allocate. This is due to the fact that NAM typically manages the portfolios of the municipal funds in the Nuveen complex and municipal bonds generally trade on a principal basis. Accordingly, NAM does not currently have any soft dollar arrangements and does not pay excess brokerage commissions (or spreads on principal transactions) in order to receive research services. In addition to soft dollar arrangements, the Trustees also considered any other revenues, if any, received by NAM or its affiliates. With respect to Funds with outstanding preferred shares and new Funds, the Trustees considered revenues received by Nuveen for serving as agent for broker-dealers at its preferred trading desk and for acting as co-manager in the initial public offering of new closed-end exchange-traded funds.

F. OTHER CONSIDERATIONS

Nuveen, until recently, was a majority-owned subsidiary of St. Paul Travelers Companies, Inc. ("St. Paul"). As noted, St. Paul earlier this year announced its intention to divest its equity stake in Nuveen. Nuveen is the parent of NAM. Pursuant to a series of transactions, St. Paul had begun to reduce its interest in Nuveen which would ultimately result in a change of control of Nuveen and therefore NAM. As mandated by the 1940 Act, such a change in control would result in an assignment of the advisory agreement with NAM and the automatic termination of such agreement. Accordingly, the Board also considered for each Fund the approval of a New Investment Management Agreement with each Fund in light of, and which would take effect upon, the anticipated change of control. More specifically, the Board considered for each Fund a New Investment Management Agreement on substantially identical terms to the existing Investment Management Agreement, to take effect after the change of control has occurred and the contract has been approved by Fund shareholders. In its review, the Board considered whether the various transactions necessary to divest St. Paul's interest will have an impact on the various factors they considered in approving NAM, such as the scope and quality of services to be provided following the change of control. In reviewing the St. Paul transactions, the Board considered, among other things, the impact, if any, on the operations and organizational structure of NAM; the possible benefits and costs of the transactions to the respective Fund; the potential implications of any arrangements used by Nuveen to finance certain of the transactions; the ability of NAM to perform its duties after the transactions; whether a Fund's fee structure or expense ratio would change; any changes to the current practices of the respective Fund; any changes to the terms of the advisory agreement; and any anticipated changes to the operations of NAM. Based on its review, the Board determined that St. Paul's divestiture would not affect the nature and quality of services provided by NAM, the terms of the Investment Management Agreement, including the fees thereunder, and would not materially affect the organization or operations of NAM. Accordingly, the Board determined that their analysis of the various factors regarding their approval of NAM would continue to apply after the change of control.

G. APPROVAL

The Trustees did not identify any single factor discussed previously as all-important or controlling. The Trustees, including a majority of independent Trustees, concluded that the terms of the Investment Management Agreements were fair and reasonable, that the respective Fund Adviser's fees are reasonable in

light of the services provided to each Fund, that the renewal of the NAM Investment Management Agreements should be approved, and that the new, post-change of control NAM Investment Management Agreements be approved and recommended to shareholders.

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Reinvest Automatically
EASILY AND CONVENIENTLY

Sidebar text: NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS
DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares.

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account

shares, less brokerage commissions and a \$2.50 service fee.

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

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

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

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

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Other Useful INFORMATION

In April, 2005, The St. Paul Travelers Companies, Inc. ('St. Paul Travelers') sold the majority of its controlling equity interest in Nuveen Investments, Inc. ('Nuveen') to the general public. Nuveen is the parent of Nuveen Asset Management ("NAM"), which is each Fund's investment manager. This sale was deemed to be an "assignment" of the investment management agreement between each Fund and NAM and, if applicable, of the sub-advisory agreement between NAM and the Fund's sub-adviser. As required by law, the shareholders of each Fund were asked to approve a new investment management agreement and, if applicable, a new subadvisory agreement that reflected this change in ownership. The shareholders of each Fund voted this approval at a Shareholders' Meeting on July 26, 2005. There were no changes to the investment objectives or management of any Fund as a result of these actions.

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2005, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

Each Fund's Chief Executive Officer has submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE

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Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

GLOSSARY OF TERMS USED IN THIS REPORT

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

AVERAGE EFFECTIVE MATURITY: The average of all the maturities of the bonds in a Fund's portfolio, computed by weighting each maturity date (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions.

LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Eugene S. Sunshine

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND

SHAREHOLDER SERVICES
State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Nuveen Investments:
SERVING Investors
For GENERATIONS

Photo of: 2 women looking at a photo album.

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing more than \$120 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Be sure to obtain a prospectus, where applicable. Investors should consider the

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investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more
about Nuveen Funds at
WWW.NUVEEN.COM/ETF

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

Logo: NUVEEN Investments

EAN-B-0805D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/etf. (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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

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

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen California Dividend Advantage Municipal Fund 2

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For

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engagements with Ernst & Young LLP entered into on or after May 6, 2003, the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

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

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| FISCAL YEAR ENDED | AUDIT FEES BILLED TO FUND | AUDIT-RELATED FEES BILLED TO FUND |
|--|------------------------------|--------------------------------------|
| August 31, 2005 | \$ 13,481 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% |
| August 31, 2004 | \$ 12,752 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% |

The above "All Other Fees" are fees paid to audit firms to perform agreed upon procedures required by the rating agencies to rate fund preferred shares. The above "Tax Fees" were billed for professional services for tax advice, tax compliance, and tax planning.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest

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services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| FISCAL YEAR ENDED | AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | BI AND SE |
|--|---|---|-----------------|
| August 31, 2005 | \$ 0 | \$ 282,575 | |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |
| August 31, 2004 | \$ 0 | \$ 0 | |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |

The above "Tax Fees" are primarily fees billed to the Adviser for Fund tax return preparation.

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

| FISCAL YEAR ENDED | TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL | TOT BILL AFFIL PRO |
|-------------------|---|-----------------------------|
| | TOTAL NON-AUDIT FEES | |

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| | BILLED TO FUND | REPORTING OF THE FUND) |
|-----------------|----------------|------------------------|
| August 31, 2005 | \$ 3,476 | \$ 282,575 |
| August 31, 2004 | \$ 4,764 | \$ 0 |

The above "Non-Audit Fees billed to Adviser" for 2005 include "Tax-Fees" billed to Adviser in the amount of \$282,575 from previous table.

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

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans, William J. Schneider and Eugene S. Sunshine.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, the Adviser would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

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

Not applicable at this time.

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

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Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

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

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

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

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

SIGNATURES

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

(Registrant) Nuveen California Dividend Advantage Municipal Fund 2

By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: November 8, 2005

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

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: November 8, 2005

By (Signature and Title)* /s/ Stephen D. Foy

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: November 8, 2005

* Print the name and title of each signing officer under his or her signature.