

NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-CSRS  
November 07, 2011

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 811-21157

Nuveen Arizona Dividend Advantage Municipal Fund 3  
(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
(Name and address of agent for service)

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

Date of fiscal year end: February 28

Date of reporting period: August 31, 2011

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.

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Chairman's  
Letter to Shareholders

Dear Shareholders,

The global economy continues to be weighed down by an unusual combination of pressures facing the larger developed economies. Japanese leaders continue to work through the economic aftereffects of the March 2011 earthquake and tsunami. Political leaders in Europe and the U.S. have resolved some of the near term fiscal problems, but the financial markets are not convinced that these leaders are able to address more complex longer term fiscal issues. Despite improved earnings and capital increases, the largest banks in these countries continue to be vulnerable to deteriorating mortgage portfolios and sovereign credit exposure, adding another source of uncertainty to the global financial system.

In the U.S., recent economic statistics indicate that the economic recovery may be losing momentum. Consumption, which represents about 70% of the gross domestic product, faces an array of challenges from seemingly intractable declines in housing values, increased energy costs and limited growth in the job market. The failure of Congress and the administration to agree on the debt ceiling increase on a timely basis and the deep divisions between the political parties over fashioning a balanced program to address growing fiscal imbalances that led to the recent S&P ratings downgrade add considerable uncertainty to the domestic economic picture.

On a more positive note, corporate earnings continue to hold up well and the municipal bond market is recovering from recent weakness as states and municipalities implement various programs to reduce their budgetary deficits. In addition, the Federal Reserve System has made it clear that it stands ready to take additional steps should the economic recovery falter. However, there are concerns that the Fed is approaching the limits of its resources to intervene in the economy.

These perplexing times highlight the importance of professional investment management. Your Nuveen investment team is working hard to develop an appropriate response to increased risk, and they continue to seek out opportunities created by stressful markets using proven investment disciplines designed to help your Fund achieve its investment objectives. On your behalf, we monitor their activities to assure that they maintain their investment disciplines.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner  
Chairman of the Board  
October 21, 2011

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## Portfolio Managers' Comments

Nuveen Arizona Premium Income Municipal Fund, Inc. (NAZ)  
Nuveen Arizona Dividend Advantage Municipal Fund (NFZ)  
Nuveen Arizona Dividend Advantage Municipal Fund 2 (NKR)  
Nuveen Arizona Dividend Advantage Municipal Fund 3 (NXE)  
Nuveen Texas Quality Income Municipal Fund (NTX)

Portfolio managers Michael Hamilton and Daniel Close review key investment strategies and the six-month performance of these five Nuveen Funds. Michael, who has 22 years of investment experience, assumed portfolio management responsibility for the Arizona Funds in January 2011. An eleven-year veteran of Nuveen, Dan has managed NTX since 2007.

What key strategies were used to manage the Arizona and Texas Funds during the six-month reporting period ended August 31, 2011?

During this reporting period, municipal bond prices generally rallied as yields declined across the municipal curve. The relative decline in yields was attributable in part to the continued depressed level of municipal bond issuance. Tax-exempt volume, which had been limited in 2010 by issuers' extensive use of taxable Build America Bonds (BABs), continued to drift lower in 2011. Even though BABs were no longer an option for issuers (the BAB program expired at the end of 2010), some borrowers had accelerated issuance into 2010 in order to take advantage of the program's favorable terms before its termination, fulfilling their capital program borrowing needs well into 2012. This reduced the need for many borrowers to come to market with new issues during this period. For the six months ended August 31, 2011, national municipal issuance was down 34% compared with the same period in 2010, while municipal issuance in Arizona and Texas declined 60% and 27%, respectively.

Despite the constrained issuance on tax-exempt municipal bonds and relatively lower yields, we continued to take a bottom-up approach to discovering undervalued sectors and individual credits with the potential to perform well over the long term. During this period, NTX found value in water and sewer bonds, local general and limited tax obligation credits and Texas appropriations bonds. The Texas Fund also purchased gas prepayment bonds, which are used by municipal utilities to prepay for gas supplies to be delivered over a long period of time. In the Arizona Funds, our focus was on buying bonds with wider credit spreads where we believed we were being compensated for perceived risk. This included some AA rated, insured school district credits that offered higher yields due to the fact that this segment was out of favor with the market. For the most part, all of these Funds focused on purchasing longer bonds in order to take advantage of more attractive yields at the longer end of the municipal yield curve.

Cash for new purchases during this period was generated largely by the proceeds from bond calls and maturing bonds, which we worked to redeploy to keep the Funds fully invested. In addition, the Arizona Funds sold pre-refunded bonds and credits with shorter call dates to generate additional cash for funding new purchases. This was particularly true in NKR, where we worked to reduce the Fund's overweighting in bonds with shorter maturities.

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

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

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As of August 31, 2011, all five of these Funds continued to use inverse floating rate securities. We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform?

Individual results for these Nuveen Arizona and Texas Funds, as well as relevant index and peer group information, are presented in the accompanying table.

Average Annual Total Returns on Common Share Net Asset Value\*  
For periods ended 8/31/11

	6-Month	1-Year	5-Year	10-Year
<b>Arizona Funds</b>				
NAZ	8.30%	2.35%	4.47%	4.87%
NFZ	9.58%	2.61%	4.06%	5.41%
NKR	7.60%	3.18%	4.53%	N/A
NXE	8.27%	3.72%	4.69%	N/A
Standard & Poor's (S&P) Arizona Municipal Bond Index**	6.15%	2.52%	4.82%	4.96%
Standard & Poor's (S&P) National Municipal Bond Index**	6.56%	2.62%	4.60%	4.93%
Lipper Other States Municipal Debt Classification Average**	8.63%	1.97%	4.44%	5.43%
<b>Texas Fund</b>				
NTX	8.04%	2.48%	5.00%	5.48%
Standard & Poor's (S&P) Texas Municipal Bond Index**	6.40%	2.78%	4.95%	5.17%
Standard & Poor's (S&P) National Municipal Bond Index**	6.56%	2.62%	4.60%	4.93%
Lipper Other States Municipal Debt Classification Average**	8.63%	1.97%	4.44%	5.43%

For the six months ended August 31, 2011, the cumulative returns on common share net asset value (NAV) for all four Arizona Funds exceeded the return for the Standard & Poor's (S&P) Arizona Municipal Bond Index and NTX outperformed the Standard & Poor's (S&P) Texas Municipal Bond Index. All of the Funds also outperformed the Standard & Poor's (S&P) National Municipal Bond Index. For the six-month period, NFZ exceeded the return for the Lipper Other States Municipal Debt Classification Average, while the remaining four Funds trailed the Lipper classification. Shareholders should note that the performance of the Lipper Other States classification represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions, which may make direct comparisons less meaningful.

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

During this period, as yields across the municipal yield curve declined, municipal bonds with longer maturities generally outperformed the shorter maturity categories,

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.

\* 6-month returns are cumulative; all other returns are annualized.

\*\*Refer to the Glossary of Terms Used in this Report for definitions.

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with credits at the longest end of the yield curve posting the strongest returns. Overall, duration and yield curve positioning was a positive contributor to the performance of NAZ, NFZ, NKR, NXE and NTX. All five of these Funds were underweighted in the shorter parts of the yield curve that produced weaker returns and had correspondingly heavier exposures to the outperforming longer segments. Of the five, NFZ was the most advantageously positioned for the market environment of this period, with the longest duration.

Holdings that generally made positive contributions to the Funds' returns during this period included zero coupon bonds and health care, transportation and education credits. The special tax, water and sewer, and industrial development revenue sectors also outperformed the municipal market as a whole, while general obligation (GO) and other tax-supported bonds generally performed in line with the market during this period. Although NTX's transportation holdings were positive for performance, this was offset to some degree by negative performance from the Fund's local GO allocations. In the Arizona Funds, our holdings of limited tax obligation bonds issued for the Maricopa County Stadium District, which owns Chase Field in Phoenix, performed poorly. These bonds are backed by revenues from a car rental surcharge, which were negatively impacted by the decline in Arizona tourism and the drop in business and convention travel. Holdings of the stadium bonds detracted from the performance of NAZ and NKR, while NFZ and NXE did not own any of these bonds. Overall, the Arizona Funds' utilities holdings were helpful for performance, with NFZ, NAZ and NXE benefiting the most.

Pre-refunded bonds, which are often backed by U.S. Treasury securities, were among the poorest performing market segments during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. Among these five Funds, NFZ had the smallest allocation of pre-refunded bonds, which lessened the negative impact of these holdings, while an overweighting in pre-refunded bonds detracted from the performance of NTX.

Credit exposure played a smaller role in performance during these six months, as bonds rated BBB, A and AA typically outperformed those rated AAA. This outperformance was due in part to the higher yields they offered investors looking for income. In this environment, the Funds' performance generally benefited from their allocations to lower quality credits.

#### IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of all these Funds relative to the comparative indexes was the Funds' use of leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional

income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage made a positive contribution to the performance of these Funds over this reporting period.

#### RECENT DEVELOPMENTS REGARDING THE FUNDS' REDEMPTION OF AUCTION RATE PREFERRED SHARES

Shortly after their respective inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create structural leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely nonexistent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short term rates at multi-generational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods that can be used separately or in combination to refinance a portion of the Nuveen funds' outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as inverse floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund's portfolio. Some funds have a greater ability to use TOBs than others. Some funds have issued Variable Rate Demand Preferred (VRDP) Shares or Variable MuniFund Term Preferred (VMTP) Shares, which are floating rate forms of preferred stock with a mandatory term redemption. Some funds have issued MuniFund Term Preferred (MTP) Shares, a fixed rate form of preferred stock with a mandatory redemption period of three to five years.

During 2010 and 2011, certain Nuveen leveraged closed-end funds (including NXE) received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds' officers and Board of Directors/Trustees breached their fiduciary duties related to the redemption at par of the funds' ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee's recommendation.

Subsequently, 33 of the funds that received demand letters (including NXE) were named in a consolidated complaint as nominal defendants in a putative shareholder derivative action captioned Martin Safier, et al. v. Nuveen Asset Management, et al. that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on February 18, 2011 (the "Complaint"). The Complaint, filed on behalf of purported holders of each fund's common shares, also name Nuveen Fund Advisors, Inc. as a defendant, together with current and former Officers and interested Director/Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaint contains the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs' costs and disbursements in pursuing the action. The court has heard arguments on the funds' motion to dismiss the suit and has taken the matter under advisement. Nuveen Fund Advisors, Inc. believes that the Complaint is without merit, and is defending vigorously against these charges.

As of August 31, 2011, each of the Funds has redeemed all of their outstanding ARPS at liquidation value.

As of August 31, 2011, the Funds have issued and outstanding MTP Shares and VMTP Shares as shown in the accompanying tables.

#### MTP Shares

Fund	Series	MTP Shares Issued at Liquidation Value	Annual Interest Rate	NYSE Ticker
NFZ	2015	\$11,100,000	2.05%	NFZ PrC
NKR	2015	\$18,725,000	2.05%	NKR PrC
NXE	2016	\$20,846,000	2.90%	NXE PrC
NTX	2015	\$70,920,000	2.30%	NTX PrC

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VMTP Shares

Fund	VMTP Series	VMTP Shares Issued at Liquidation Value
NAZ	2014	\$28,000,000

(Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies and Footnote 4 – Fund Shares for further details on MTP and VMTP Shares.)

As of October 5, 2010, after the close of this reporting period, all 84 of the Nuveen closed-end municipal funds that had issued ARPS, approximately \$11.0 billion, have redeemed at liquidation value all of these shares.

For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: <http://www.nuveen.com/arps>.

Regulatory Matters

During May 2011, Nuveen Securities, LLC, known as Nuveen Investments, LLC, prior to April 30, 2011, entered into a settlement with the Financial Industry Regulatory Authority (FINRA) with respect to certain allegations regarding Nuveen-sponsored closed-end fund ARPS marketing brochures. As part of this settlement, Nuveen Securities, LLC neither admitted to nor denied FINRA’s allegations. Nuveen Securities, LLC is the broker-dealer subsidiary of Nuveen Investments.

The settlement with FINRA concludes an investigation that followed the widespread failure of auctions for ARPS and other auction rate securities, which generally began in mid-February 2008. In the settlement, FINRA alleged that certain marketing materials provided by Nuveen Securities, LLC were false and misleading. Nuveen Securities, LLC agreed to a censure and the payment of a \$3 million fine.

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

**Investment Risk.** The possible loss of the entire principal amount that you invest.

**Price Risk.** Shares of closed-end investment companies like these Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

**Leverage Risk.** Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful.

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

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

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

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

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

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## Common Share Dividend and Share Price Information

The monthly dividends of all five Funds in this report remained stable throughout the six-month reporting period ended August 31, 2011.

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, 2011, all of the Funds in this report had a positive UNII balance, based upon our best estimate, for tax purposes and a positive UNII balance for financial reporting purposes.

## COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

As of August 31, 2011, and since the inception of the Funds' repurchase programs, NFZ, NKR and NXE have cumulatively repurchased and retired their outstanding common shares as shown in the accompanying table. Since the inception of the Funds' repurchase program, NAZ and NTX have not repurchased any of their outstanding common shares.

Fund	Common Shares Repurchased and Retired	% of Outstanding Common Shares
NAZ	—	—
NFZ	2,500	0.2 %
NKR	800	0.0 %*
NXE	1,600	0.1 %
NTX	—	—

\* Rounds to less than 0.1%.

During the six-month reporting period, NFZ, NKR and NXE did not repurchase any of their outstanding common shares.

As of August 31, 2011, the Funds' common share prices were trading at (+)premiums or (-)discounts to their common share NAVs as shown in the accompanying table.

Fund	8/31/11 (+)Premium/(-)Discount	Six-Month Average (+)Premium/(-)Discount
NAZ	(-)7.02%	(-) 8.17%
NFZ	(-)8.32%	(-)8.63%
NKR	(-)8.25%	(-)9.83%
NXE	(-)8.96%	(-)10.33%
NTX	(+)7.77%	(+)4.64%

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NAZ  
 Performance  
 OVERVIEW

Nuveen Arizona  
 Premium Income  
 Municipal Fund, Inc.

as of August 31, 2011

Credit Quality (as a % of total investments)<sup>2,3</sup>

Fund Snapshot

Common Share Price	\$12.98
Common Share Net Asset Value (NAV)	\$13.96
Premium/(Discount) to NAV	-7.02%
Market Yield	5.78%
Taxable-Equivalent Yield <sup>1</sup>	8.41%
Net Assets Applicable to Common Shares (\$000)	\$62,427

Leverage

Structural Leverage	30.96%
Effective Leverage	32.56%

Average Annual Total

Return

(Inception 11/19/92)

	On Share Price	On NAV
6-Month (Cumulative)	8.50%	8.30%
1-Year	0.38%	2.35%
5-Year	4.17%	4.47%
10-Year	2.97%	4.87%

Portfolio Composition<sup>3</sup>

(as a % of total investments)

Tax Obligation/Limited	25.7%
Utilities	17.4%
Health Care	15.9%
Water and Sewer	14.9%
Education and Civic Organizations	11.5%
Tax Obligation/General	8.3%

U.S. Guaranteed	5.5%
Other	0.8%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investor Services, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 Holdings are subject to change.

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NFZ Nuveen Arizona  
Dividend Advantage  
Municipal Fund

Performance  
OVERVIEW

as of August 31, 2011

Fund Snapshot

Common Share Price	\$13.01
Common Share Net Asset Value (NAV)	\$14.19
Premium/(Discount) to NAV	-8.32%
Market Yield	5.95%
Taxable-Equivalent Yield <sup>1</sup>	8.66%
Net Assets Applicable to Common Shares (\$000)	\$21,974

Leverage

Structural Leverage	33.56%
Effective Leverage	36.77%

Average Annual Total  
Return  
(Inception 1/30/01)

	On Share Price	On NAV
6-Month (Cumulative)	10.46%	9.58%
1-Year	-0.05%	2.61%
5-Year	1.28%	4.06%
10-Year	3.81%	5.41%

Portfolio Composition<sup>3</sup>

(as a % of total  
investments)

Tax Obligation/Limited	31.4%
Utilities	20.4%
Health Care	14.1%
Tax Obligation/General	12.9%
Water and Sewer	9.2%
Education and Civic Organizations	8.2%
Other	3.8%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

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- 3 Holdings are subject to change.

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NKR  
Performance  
OVERVIEW

Nuveen Arizona  
Dividend Advantage  
Municipal Fund 2

as of August 31, 2011

Fund Snapshot

Common Share Price	\$13.35
Common Share Net Asset Value (NAV)	\$14.55
Premium/(Discount) to NAV	-8.25%
Market Yield	6.02%
Taxable-Equivalent Yield <sup>1</sup>	8.76%
Net Assets Applicable to Common Shares (\$000)	\$35,500

Leverage

Structural Leverage	34.53%
Effective Leverage	36.12%

Average Annual Total  
Return  
(Inception 3/25/02)

	On Share Price	On NAV
6-Month (Cumulative)	8.75%	7.60%
1-Year	0.47%	3.18%
5-Year	2.48%	4.53%
Since Inception	4.62%	5.93%

Portfolio Composition<sup>3</sup>

(as a % of total  
investments)

Tax Obligation/Limited	32.4%
Health Care	21.0%
Tax Obligation/General	20.2%
Water and Sewer	9.0%
Education and Civic Organizations	6.9%
Utilities	5.6%
Other	4.9%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investor Services, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 Holdings are subject to change.

16 Nuveen Investments

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NXE Nuveen Arizona  
Dividend Advantage  
Municipal Fund 3

Performance  
OVERVIEW

as of August 31, 2011

Fund Snapshot

Common Share Price	\$12.91
Common Share Net Asset Value (NAV)	\$14.18
Premium/(Discount) to NAV	-8.96%
Market Yield	5.86%
Taxable-Equivalent Yield <sup>1</sup>	8.53%
Net Assets Applicable to Common Shares (\$000)	\$43,474

Leverage

Structural Leverage	32.41%
Effective Leverage	34.77%

Average Annual Total

Return

(Inception 9/25/02)

	On Share Price	On NAV
6-Month (Cumulative)	8.68%	8.27%
1-Year	1.10%	3.72%
5-Year	4.29%	4.69%
Since Inception	3.85%	5.21%

Portfolio Composition<sup>3</sup>

(as a % of total  
investments)

Tax Obligation/Limited	25.9%
Health Care	23.2%
Education and Civic Organizations	12.9%
Utilities	11.1%
Water and Sewer	10.9%
Tax Obligation/General	7.6%
Other	8.4%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investor Services, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 Holdings are subject to change.

Nuveen Investments 17

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NTX  
 Nuveen Texas  
 Quality Income  
 Municipal Fund  
 Performance  
 OVERVIEW  
 as of August 31,  
 2011

Fund Snapshot

Common Share Price	\$15.96
Common Share Net Asset Value (NAV)	\$14.81
Premium/(Discount) to NAV	7.77%
Market Yield	5.38%
Taxable-Equivalent Yield <sup>1</sup>	7.47%
Net Assets Applicable to Common Shares (\$000)	\$141,765

Leverage

Structural Leverage	33.35%
Effective Leverage	34.56%

Average Annual Total

Return

(Inception 10/17/91)

	On Share Price	On NAV
6-Month (Cumulative)	8.15%	8.04%
1-Year	1.11%	2.48%
5-Year	7.26%	5.00%
10-Year	6.71%	5.48%

Portfolio Composition<sup>4</sup>

(as a % of total investments)

Tax Obligation/General	28.5%
Utilities	11.1%
U.S. Guaranteed	10.9%
Water and Sewer	10.4%
Health Care	9.4%
Transportation	8.1%
Tax Obligation/Limited	7.6%
Education and Civic Organizations	6.7%
Other	7.3%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investor Services, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 The Fund paid shareholders capital gains and net ordinary income distributions in December 2010 of \$0.0067 per share.
- 4 Holdings are subject to change.

18 Nuveen Investments

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Nuveen Arizona Premium Income Municipal Fund, Inc.  
NAZ Portfolio of Investments

August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 1.1% (0.8% of Total Investments)			
\$ 750	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00	BBB	\$ 699,480
	Education and Civic Organizations – 16.1% (11.5% of Total Investments)			
2,500	Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.508%, 11/01/41 (Alternative Minimum Tax) (4)	3/12 at 100.00	A	1,924,925
1,000	Arizona State University, System Revenue Bonds, Series 2002, 5.000%, 7/01/25 – FGIC Insured	7/12 at 100.00	AA	1,030,590
1,455	Arizona State University, System Revenue Bonds, Series 2005: 5.000%, 7/01/20 – AMBAC Insured	7/15 at 100.00	Aa3	1,550,885
750	5.000%, 7/01/21 – AMBAC Insured	7/15 at 100.00	Aa3	793,583
755	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2007, 5.000%, 5/15/31	5/22 at 100.00	A–	760,549
1,600	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2010, 5.125%, 5/15/40	5/20 at 100.00	A–	1,563,424
200	Pima County Industrial Development Authority, Arizona, Education Revenue Bonds, Paradise Education Center Project, Series 2010, 6.100%, 6/01/45	6/19 at 100.00	BBB–	174,250
1,500	Tempe Industrial Development Authority, Arizona, Lease Revenue Bonds, Arizona State University Foundation Project, Series 2003, 5.000%, 7/01/34 – AMBAC Insured	7/13 at 100.00	N/R	1,404,885
825	Yavapai County Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2011, 7.875%, 3/01/42	3/21 at 100.00	BB+	852,143
10,585	Total Education and Civic Organizations			10,055,234
	Health Care – 22.3% (15.9% of Total Investments)			
1,430	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25	1/17 at 100.00	AA–	1,474,416
885			AA–	616,518

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	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.059%, 1/02/37	1/17 at 100.00		
3,470	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38	1/18 at 100.00	AA-	3,572,434
675	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37	12/15 at 100.00	BBB	579,926
1,110	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42	12/17 at 100.00	BBB	932,256
2,150	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23	7/14 at 100.00	A	2,216,693
2,900	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32	7/17 at 100.00	A	2,917,139
210	Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Mayo Clinic Hospital, Series 1998, 5.250%, 11/15/37	11/11 at 100.00	AA	210,097
515	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Hospital Revenue Bonds, Hospital de la Concepcion, Series 2000A, 6.375%, 11/15/15	11/11 at 100.00	AA+	520,114
	Show Low Industrial Development Authority, Arizona, Hospital Revenue Bonds, Navapache Regional Medical Center, Series 2005:			
525	5.000%, 12/01/25 – RAAI Insured	12/15 at 100.00	BBB+	497,963
435	5.000%, 12/01/30 – RAAI Insured	12/15 at 100.00	BBB+	398,221
14,305	Total Health Care			13,935,777

Nuveen Investments 19

Nuveen Arizona Premium Income Municipal Fund, Inc. (continued)  
NAZ Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General – 11.7% (8.3% of Total Investments)			
\$ 1,265	Gila County Unified School District 10 Payson, Arizona, School Improvement Bonds, Project 2006, Series 2008B, 5.750%, 7/01/28	7/18 at 100.00	Aa3	\$ 1,385,453
1,200	Maricopa County Unified School District 95 Queen Creek, Arizona, General Obligation Bonds, Series 2008, 5.000%, 7/01/27 – AGM Insured	7/18 at 100.00	Aa3	1,267,764
515	Pima County Continental Elementary School District 39, Arizona, General Obligation Bonds, Series 2011A, 2.000%, 7/01/30 – AGM Insured	7/21 at 100.00	AA+	559,388
3,530	Pinal County Unified School District 1, Florence, Arizona, General Obligation Bonds, Series 2008C, 5.250%, 7/01/28	7/18 at 100.00	A	3,762,027
330	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2002A, 5.375%, 7/01/28	11/11 at 100.00	Baa1	329,987
6,840	Total Tax Obligation/General			7,304,619
	Tax Obligation/Limited – 36.2% (25.7% of Total Investments)			
327	Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25	7/12 at 100.00	N/R	330,103
3,000	Glendale Western Loop 101 Public Facilities Corporation, Arizona, Third Lien Excise Tax Revenue Bonds, Series 2008B, 6.250%, 7/01/38	1/14 at 100.00	AA	3,105,090
1,280	Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006-1, 5.000%, 8/01/22 – NPFPG Insured	8/16 at 100.00	AA–	1,353,139
740	Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 – NPFPG Insured	8/16 at 100.00	AA–	776,682
1,125	Marana Municipal Property Corporation, Arizona, Municipal Facilities Revenue Bonds, Series 2008B, 5.125%, 7/01/28	1/12 at 100.00	AA	1,127,891
575	Marana Municipal Property Corporation, Arizona, Revenue Bonds, Series 2003, 5.000%, 7/01/28 – AMBAC Insured	7/13 at 100.00	AA	586,621
1,426	Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26	7/16 at 100.00	A2	1,443,297
3,400	Maricopa County Stadium District, Arizona, Revenue Refunding Bonds, Series 2002, 5.375%,	6/12 at 100.00	N/R	3,151,732

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	6/01/18 – AMBAC Insured				
3,400	Mesa, Arizona, Street and Highway User Tax Revenue Bonds, Series 2005, 5.000%, 7/01/24 –	7/15 at 100.00	AA+	3,575,066	
	AGM Insured				
1,140	Pinetop Fire District of Navajo County, Arizona, Certificates of Participation, Series 2008, 7.750%, 6/15/29	6/16 at 102.00	A3	1,170,689	
265	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24	7/12 at 100.00	Baa1	265,003	
1,610	San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY Insured	7/15 at 100.00	A+	1,665,448	
1,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Refunding Series 2006, 5.000%, 7/01/24	No Opt. Call	AAA	1,202,220	
2,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Water & Sewer Improvements Project, Series 2010, 5.000%, 7/01/36	No Opt. Call	AAA	2,129,860	
645	Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24	7/15 at 100.00	A1	681,294	
21,933	Total Tax Obligation/Limited			22,564,135	
	U.S. Guaranteed – 7.8% (5.5% of Total Investments) (5)				
1,250	Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Refunding Bonds, Samaritan Health Services, Series 1990A, 7.000%, 12/01/16 – NPFQ Insured (ETM)	No Opt. Call	N/R (5)	1,503,575	
385	Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15)	4/15 at 100.00	N/R (5)	444,590	
1,200	Prescott Valley Municipal Property Corporation, Arizona, Municipal Facilities Revenue Bonds, Series 2003, 5.000%, 1/01/27 (Pre-refunded 1/01/13) – FGIC Insured	1/13 at 100.00	AA– (5)	1,275,072	

20 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (5) (continued)			
\$ 735	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 (Pre-refunded 7/01/12)	7/12 at 100.00	Baa1 (5)	\$ 763,827
530	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/22 (Pre-refunded 1/01/13)	1/13 at 100.00	Aa1 (5)	563,523
310	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 2002A, 5.125%, 1/01/27 (Pre-refunded 1/01/12)	1/12 at 101.00	N/R (5)	318,252
4,410	Total U.S. Guaranteed			4,868,839
	Utilities – 24.4% (17.4% of Total Investments)			
1,000	Arizona Power Authority, Special Obligation Power Resource Revenue Refunding Crossover Bonds, Hoover Project, Series 2001, 5.250%, 10/01/15	No Opt. Call	AA	1,171,590
1,600	Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 2000A, 5.000%, 6/01/35	6/20 at 100.00	A1	1,648,464
1,340	Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Refunding Series 2008, 5.750%, 9/01/29	1/15 at 100.00	BBB–	1,357,849
2,170	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/27 – SYNCORA GTY Insured	7/15 at 100.00	A3	2,172,474
715	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.121%, 1/01/38 (IF) (6)	1/18 at 100.00	Aa1	840,096
660	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 2002A, 5.125%, 1/01/27	1/12 at 101.00	Aa1	675,048
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc Prepay Contract Obligations, Series 2007:			
4,500	5.500%, 12/01/29	No Opt. Call	A	4,331,066
3,500	5.000%, 12/01/37	No Opt. Call	A	3,024,560
15,485	Total Utilities			15,221,147
	Water and Sewer – 21.0% (14.9% of Total Investments)			

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1,005	Cottonwood, Arizona, Senior Lien Water System Revenue Bonds, Municipal Property Corporation, Series 2004, 5.000%, 7/01/24 – SYNCORA GTY Insured	7/14 at 100.00	A	1,016,829
3,500	Glendale, Arizona, Water and Sewer Revenue Bonds, Subordinate Lien, Series 2003, 5.000%, 7/01/28 – AMBAC Insured	7/13 at 100.00	AA	3,660,860
1,425	Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39	7/20 at 100.00	A+	1,456,208
600	Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 – NPFPG Insured	7/13 at 100.00	AA-	616,518
1,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Bonds, Series 2004, 5.000%, 7/01/24 – NPFPG Insured	7/14 at 100.00	AA+	1,079,390
1,500	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/26 – FGIC Insured	7/12 at 100.00	AAA	1,535,775
1,250	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Refunding Bonds, Series 2001, 5.500%, 7/01/21 – FGIC Insured	No Opt. Call	AAA	1,563,938

Nuveen Investments 21

Nuveen Arizona Premium Income Municipal Fund, Inc. (continued)  
 NAZ Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
	Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007:			
\$ 600	4.700%, 4/01/22	4/14 at 100.00	N/R	\$ 605,220
810	4.900%, 4/01/32	4/17 at 100.00	N/R	751,275
905	Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax)	12/17 at 100.00	N/R	809,007
12,595	Total Water and Sewer			13,095,020
\$ 86,903	Total Investments (cost \$83,837,864) – 140.6%			87,744,251
	Variable MuniFund Term Preferred shares, at Liquidation Value – (44.9)% (7)			(28,000,000)
	Other Assets Less Liabilities – 4.3%			2,682,407
	Net Assets Applicable to Common Shares – 100%			\$ 62,426,658

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: 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.
- (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Directors. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Investment Valuation for more information.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities.
- (6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (7) Variable MuniFund Term Preferred shares, at Liquidation Value as a percentage of Total Investments is 31.9%.

N/R Not rated.  
(ETM) Escrowed to maturity.  
(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

22 Nuveen Investments

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Nuveen Arizona Dividend Advantage Municipal Fund  
 NFZ Portfolio of Investments

August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 12.1% (8.2% of Total Investments)			
\$ 280	Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.508%, 11/01/41 (Alternative Minimum Tax) (4)	3/12 at 100.00	A	\$ 215,592
275	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2007, 5.000%, 5/15/31	5/22 at 100.00	A–	277,021
500	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2010, 5.125%, 5/15/40	5/20 at 100.00	A–	488,570
220	Pima County Industrial Development Authority, Arizona, Educational Revenue Bonds, Valley Academy Charter School Project, Series 2008, 6.500%, 7/01/38	7/18 at 100.00	Baa3	204,239
1,000	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999, 5.375%, 2/01/29	2/12 at 100.00	BBB–	920,810
300	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, University of the Sacred Heart, Series 2001, 5.250%, 9/01/21	3/12 at 100.00	BBB	300,159
305	Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34	9/14 at 100.00	BB+	257,902
2,880	Total Education and Civic Organizations			2,664,293
	Health Care – 21.0% (14.1% of Total Investments)			
565	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25	1/17 at 100.00	AA–	582,549
325	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.059%, 1/02/37	1/17 at 100.00	AA–	226,405
720	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series	1/18 at 100.00	AA–	741,254

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	2008D, 5.500%, 1/01/38			
10	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist	3/13 at 100.00	A	10,004
	Health System/West, Series 2003A, 5.000%, 3/01/28			
250	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health	12/15 at 100.00	BBB	214,788
	Network, Series 2005B, 5.000%, 12/01/37			
415	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health	12/17 at 100.00	BBB	348,546
	Network, Series 2007, 5.000%, 12/01/42			
750	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds,	7/14 at 100.00	A	773,265
	Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23			
1,025	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds,	7/17 at 100.00	A	1,031,058
	Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32			
	Show Low Industrial Development Authority, Arizona, Hospital Revenue Bonds, Navapache Regional Medical Center, Series 2005:			
200	5.000%, 12/01/25 – RAAI Insured	12/15 at 100.00	BBB+	189,700
150	5.000%, 12/01/30 – RAAI Insured	12/15 at 100.00	BBB+	137,318
350	University Medical Center Corporation, Tucson, Arizona, Hospital Revenue Bonds, Series 2011,	7/21 at 100.00	BBB+	351,253
4,760	6.000%, 7/01/39 Total Health Care			4,606,140
	Housing/Multifamily – 3.6% (2.4% of Total Investments)			
1,000	Maricopa County Industrial Development Authority, Arizona, Multifamily Housing Revenue Bonds,	10/11 at 100.00	Baa1	785,510
	Whispering Palms Apartments, Series 1999A, 5.900%, 7/01/29 – NPFPG Insured			

Nuveen Investments 23

Nuveen Arizona Dividend Advantage Municipal Fund (continued)  
 NFZ Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General – 19.1% (12.9% of Total Investments)			
\$ 1,000	Maricopa County Unified School District 11, Peoria, Arizona, General Obligation Bonds, Second Series 2005, 5.000%, 7/01/20 – FGIC Insured	7/15 at 100.00	Aa2	\$ 1,115,630
180	Pima County Continental Elementary School District 39, Arizona, General Obligation Bonds, Series 2011A, 2.000%, 7/01/30 – AGM Insured	7/21 at 100.00	AA+	195,514
1,310	Scottsdale, Arizona, General Obligation Bonds, Preserve Acquisition Series 1999, 5.000%, 7/01/32	7/21 at 100.00	AAA	1,441,865
1,340	Yuma & La Paz Counties Community College District, Arizona, General Obligation Bonds, Series 2006, 5.000%, 7/01/21 – NPFG Insured	7/16 at 100.00	Aa2	1,447,790
3,830	Total Tax Obligation/General			4,200,799
	Tax Obligation/Limited – 46.5% (31.4% of Total Investments)			
1,220	Arizona Tourism and Sports Authority, Tax Revenue Bonds, Multipurpose Stadium Facility Project, Series 2003A, 5.000%, 7/01/31 – NPFG Insured	7/13 at 100.00	A1	1,131,526
85	Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29	7/15 at 100.00	N/R	69,706
205	Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007, 5.700%, 7/01/27	1/17 at 100.00	N/R	177,421
127	Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25	7/12 at 100.00	N/R	128,205
1,000	Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006-1, 5.000%, 8/01/22 – NPFG Insured	8/16 at 100.00	AA–	1,057,140
275	Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 – NPFG Insured	8/16 at 100.00	AA–	288,632
1,180	Marana Municipal Property Corporation, Arizona, Revenue Bonds, Series 2003, 5.000%, 7/01/23 – AMBAC Insured	7/13 at 100.00	AA	1,247,661
498	Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26	7/16 at 100.00	A2	504,041

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150	Marley Park Community Facilities District, City of Surprise, Arizona, Limited Tax General Obligation Bonds, Series 2008 (Bank Qualified), 6.100%, 7/15/32	7/17 at 100.00	N/R	129,986
255	Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33	7/18 at 100.00	N/R	254,312
330	Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31	7/16 at 100.00	N/R	261,307
225	Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32	7/17 at 100.00	N/R	187,837
100	Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31	7/16 at 100.00	N/R	79,704
900	Phoenix Industrial Development Authority, Arizona, Government Bonds, Capitol Mall LLC II, Series 2001, 5.250%, 9/15/16 – AMBAC Insured	3/12 at 100.00	A1	918,396
680	Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 – ACA Insured	No Opt. Call	BBB–	681,108
600	San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY Insured	7/15 at 100.00	A+	620,664
1,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Refunding Series 2006, 5.000%, 7/01/24	No Opt. Call	AAA	1,202,220

24 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 350	Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32	7/17 at 100.00	N/R	\$ 295,894
500	Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24	7/15 at 100.00	A1	528,135
340	Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30	7/16 at 100.00	N/R	279,776
225	Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31	7/16 at 100.00	N/R	176,994
10,245	Total Tax Obligation/Limited			10,220,665
	U.S. Guaranteed – 2.0% (1.4% of Total Investments) (5)			
240	Maricopa County Union High School District 210 Phoenix, Arizona, General Obligation Bonds, Series 2006C, 5.000%, 7/01/24 (Pre-refunded 7/01/16) – NPMFG Insured	7/16 at 100.00	AA (5)	287,254
140	Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15)	4/15 at 100.00	N/R (5)	161,669
380	Total U.S. Guaranteed			448,923
	Utilities – 30.2% (20.4% of Total Investments)			
1,500	Arizona Power Authority, Special Obligation Power Resource Revenue Refunding Crossover Bonds, Hoover Project, Series 2001, 5.250%, 10/01/17	No Opt. Call	AA	1,807,931
600	Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 2000A, 5.000%, 6/01/35	6/20 at 100.00	A1	618,174
1,000	Mesa, Arizona, Utility System Revenue Refunding Bonds, Series 2002, 5.250%, 7/01/17 – FGIC Insured	No Opt. Call	Aa2	1,187,770
665	Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Refunding Series 2008, 5.750%, 9/01/29	1/15 at 100.00	BBB–	673,858
1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 – SYNCORA GTY Insured	7/15 at 100.00	A3	1,003,910
560	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System	1/18 at 100.00	Aa1	657,978

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	Revenue Bonds, Tender Option Bond Trust 09-9W, 17.121%, 1/01/38 (IF) (6)			
660	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System	1/12 at 101.00	Aa1	676,104
	Revenue Refunding Bonds, Series 2002A, 5.250%, 1/01/18			
5,985	Total Utilities			6,625,725
	Water and Sewer – 13.7% (9.2% of Total Investments)			
475	Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39	7/20 at 100.00	A+	485,403
225	Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series	7/13 at 100.00	AA–	231,194
	2003, 5.000%, 7/01/23 – NPFQ Insured			
1,500	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series	7/12 at 100.00	AAA	1,535,775
	2002, 5.000%, 7/01/26 – FGIC Insured			

Nuveen Investments 25

Nuveen Arizona Dividend Advantage Municipal Fund (continued)  
 NFZ Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
	Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007:			
\$ 225	4.700%, 4/01/22	4/14 at 100.00	N/R	\$ 226,958
260	4.900%, 4/01/32	4/17 at 100.00	N/R	241,150
325	Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax)	12/17 at 100.00	N/R	290,527
3,010	Total Water and Sewer			3,011,007
\$ 32,090	Total Investments (cost \$31,983,575) – 148.2%			32,563,062
	MuniFund Term Preferred Shares, at Liquidation Value – (50.5)% (7)			(11,100,000)
	Other Assets Less Liabilities – 2.3%			511,206
	Net Assets Applicable to Common Shares – 100%			\$ 21,974,268

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Optional Call Provisions: 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.
  - (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
  - (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Investment Valuation for more information.
  - (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities.
  - (6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (7) MuniFund Term Preferred shares, at Liquidation Value as a percentage of Total Investments is 34.1%.
- N/R Not rated.  
 (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

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Nuveen Arizona Dividend Advantage Municipal Fund 2  
 NKR Portfolio of Investments

August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 10.4% (6.9% of Total Investments)			
\$ 1,130	Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction	3/12 at 100.00	A	\$ 870,066
	Rate Securities, 0.508%, 11/01/41 (Alternative Minimum Tax) (4)			
450	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2007, 5.000%, 5/15/31	5/22 at 100.00	A–	453,308
775	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2010, 5.125%, 5/15/40	5/20 at 100.00	A–	757,284
485	Pima County Industrial Development Authority, Arizona, Charter School Revenue Bonds, Noah Webster Basic Schools Inc., Series 2004, 6.000%, 12/15/24	12/14 at 100.00	BBB–	469,858
365	Pima County Industrial Development Authority, Arizona, Educational Revenue Bonds, Valley Academy Charter School Project, Series 2008, 6.500%, 7/01/38	7/18 at 100.00	Baa3	338,851
290	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999, 5.375%, 2/01/19	2/12 at 100.00	BBB–	290,073
480	Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34	9/14 at 100.00	BB+	405,878
	University of Arizona, Certificates of Participation, Series 2002A:			
65	5.500%, 6/01/18 – AMBAC Insured	6/12 at 100.00	AA–	67,047
40	5.125%, 6/01/22 – AMBAC Insured	6/12 at 100.00	AA–	40,951
4,080	Total Education and Civic Organizations			3,693,316
	Health Care – 31.6% (21.0% of Total Investments)			
845	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25	1/17 at 100.00	AA–	871,246
520			AA–	362,248

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	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.059%, 1/02/37	1/17 at 100.00		
1,150	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38	1/18 at 100.00	AA-	1,183,948
600	Arizona Health Facilities Authority, Revenue Bonds, Blood Systems Inc., Series 2004, 5.000%, 4/01/20	4/14 at 100.00	A	620,904
400	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37	12/15 at 100.00	BBB	343,660
655	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42	12/17 at 100.00	BBB	550,115
1,375	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23	7/14 at 100.00	A	1,417,652
1,650	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32	7/17 at 100.00	A	1,659,751
500	Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Mayo Clinic Hospital, Series 1998, 5.250%, 11/15/37	11/11 at 100.00	AA	500,230
1,120	Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2006C. Re-offering, 5.000%, 9/01/35 – AGC Insured	9/20 at 100.00	AA+	1,116,125
	Show Low Industrial Development Authority, Arizona, Hospital Revenue Bonds, Navapache Regional Medical Center, Series 2005: 5.000%, 12/01/25 – RAAI Insured	12/15 at 100.00	BBB+	298,778
260	5.000%, 12/01/30 – RAAI Insured	12/15 at 100.00	BBB+	238,017
1,050	University Medical Center Corporation, Tucson, Arizona, Hospital Revenue Bonds, Series 2011, 6.000%, 7/01/39	7/21 at 100.00	BBB+	1,053,759
1,000	Yavapai County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Yavapai Regional Medical Center, Series 2003A, 6.000%, 8/01/33	8/13 at 100.00	Baa2	1,001,730
11,440	Total Health Care			11,218,163

Nuveen Investments 27

Nuveen Arizona Dividend Advantage Municipal Fund 2 (continued)  
 NKR Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Housing/Multifamily – 0.7% (0.5% of Total Investments)			
\$ 245	Maricopa County Industrial Development Authority, Arizona, GNMA Collateralized Multifamily Housing Revenue Refunding Bonds, Pine Ridge, Cambridge Court, Cove on 44th and Fountain Place Apartments, Series 2001A-1, 6.000%, 10/20/31	10/11 at 105.00	AAA	\$ 257,512
	Tax Obligation/General – 30.5% (20.2% of Total Investments)			
1,000	Maricopa County Elementary School District 83 Cartwright, Arizona, General Obligation Bonds, School Improvement, Project 2010, Series 2011A, 5.375%, 7/01/30 – AGM Insured	7/21 at 100.00	AA+	1,058,650
1,000	Maricopa County School District 6, Arizona, General Obligation Refunding Bonds, Washington Elementary School, Series 2002A, 5.375%, 7/01/16 – AGM Insured	No Opt. Call	AA+	1,191,060
775	Maricopa County School District 79 Litchfield Elementary, Arizona, General Obligation Bonds, Series 2011, 5.000%, 7/01/23	7/21 at 100.00	Aa2	898,954
1,165	Maricopa County Unified School District 69, Paradise Valley, Arizona, General Obligation Refunding Bonds, Series 2002A, 5.250%, 7/01/14 – FGIC Insured	No Opt. Call	Aa2	1,302,435
1,405	Mesa, Arizona, General Obligation Bonds, Series 2002, 5.375%, 7/01/15 – FGIC Insured	No Opt. Call	AA	1,641,657
	Phoenix, Arizona, Various Purpose General Obligation Bonds, Series 2002B:			
985	5.000%, 7/01/22	7/12 at 100.00	AAA	1,015,299
290	5.000%, 7/01/27	7/12 at 100.00	AAA	299,413
310	Pima County Continental Elementary School District 39, Arizona, General Obligation Bonds, Series 2011A, 2.000%, 7/01/30 – AGM Insured	7/21 at 100.00	AA+	336,719
500	Pima County Unified School District 08 Flowing Wells, Arizona, General Obligation Bonds, Series 2011B, 5.375%, 7/01/29	7/21 at 100.00	A+	530,140
1,000	Pima County Unified School District 6, Marana, Arizona, General Obligation Bonds, School Improvement Project 2010 Series 2011A, 5.000%, 7/01/25	7/21 at 100.00	A+	1,052,720
1,360			AAA	1,489,879

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	Scottsdale, Arizona, General Obligation Bonds, Preserve Acquisition Series 1999, 5.000%, 7/01/33	7/21 at 100.00		
9,790	Total Tax Obligation/General Tax Obligation/Limited – 48.9% (32.4% of Total Investments) Arizona State, Certificates of Participation, Series 2002A:			10,816,926
750	5.000%, 11/01/17 – NPFPG Insured	5/12 at 100.00	A+	760,298
1,000	5.000%, 11/01/18 – NPFPG Insured	5/12 at 100.00	A+	1,012,470
500	5.000%, 11/01/20 – NPFPG Insured	5/12 at 100.00	A+	504,935
120	Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29	7/15 at 100.00	N/R	98,408
337	Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007, 5.800%, 7/01/32	1/17 at 100.00	N/R	281,378
200	Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25	7/12 at 100.00	N/R	201,898
990	Marana Municipal Property Corporation, Arizona, Municipal Facilities Revenue Bonds, Series 2008B, 5.125%, 7/01/28	1/12 at 100.00	AA	992,544
834	Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26	7/16 at 100.00	A2	844,116
840	Maricopa County Stadium District, Arizona, Revenue Refunding Bonds, Series 2002: 5.375%, 6/01/18 – AMBAC Insured	6/12 at 100.00	BBB–	778,663
2,645	5.375%, 6/01/19 – AMBAC Insured	6/12 at 100.00	BBB–	2,494,498
240	Marley Park Community Facilities District, City of Surprise, Arizona, Limited Tax General Obligation Bonds, Series 2008 (Bank Qualified), 6.100%, 7/15/32	7/17 at 100.00	N/R	207,977
415	Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33	7/18 at 100.00	N/R	413,880
530	Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31	7/16 at 100.00	N/R	419,675
350	Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32	7/17 at 100.00	N/R	292,191



Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 140	Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31	7/16 at 100.00	N/R	\$ 111,586
1,000	Phoenix Industrial Development Authority, Arizona, Government Bonds, Capitol Mall LLC II, Series 2001, 5.250%, 9/15/16 – AMBAC Insured	3/12 at 100.00	A1	1,020,440
1,070	Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 – ACA Insured	No Opt. Call	BBB–	1,071,744
270	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24	7/12 at 100.00	Baa1	270,003
250	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.375%, 8/01/39	2/20 at 100.00	A+	252,178
960	San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY Insured	7/15 at 100.00	A+	993,062
1,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Refunding Series 2006, 5.000%, 7/01/24	No Opt. Call	AAA	1,202,220
1,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Water & Sewer Improvements Project, Series 2010, 5.000%, 7/01/36	No Opt. Call	AAA	1,064,930
555	Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32	7/17 at 100.00	N/R	469,203
750	Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24	7/15 at 100.00	A1	792,203
637	Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30	7/16 at 100.00	N/R	524,168
350	Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31	7/16 at 100.00	N/R	275,324
17,733	Total Tax Obligation/Limited Transportation – 2.8% (1.9% of Total Investments)			17,349,992
1,000	Phoenix Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/27 – FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA–	1,005,350

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U.S. Guaranteed – 3.7% (2.5% of Total Investments) (5)				
100	Maricopa County Unified School District 89, Dysart, Arizona, General Obligation Bonds, Series 2004B, 5.250%, 7/01/20 (Pre-refunded 7/01/14) – AGM Insured	7/14 at 100.00	AA+ (5)	113,452
375	Maricopa County Union High School District 210 Phoenix, Arizona, General Obligation Bonds, Series 2006C, 5.000%, 7/01/24 (Pre-refunded 7/01/16) – NPFG Insured	7/16 at 100.00	AA (5)	448,834
730	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 (Pre-refunded 7/01/12)	7/12 at 100.00	Baa1 (5)	758,631
1,205	Total U.S. Guaranteed			1,320,917
Utilities – 8.5% (5.6% of Total Investments)				
900	Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 2000A, 5.000%, 6/01/35	6/20 at 100.00	A1	927,261
665	Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Refunding Series 2008, 5.750%, 9/01/29	1/15 at 100.00	BBB–	673,858
450	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.121%, 1/01/38 (IF) (6)	1/18 at 100.00	Aa1	528,732
1,000	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37	No Opt. Call	A	864,160
3,015	Total Utilities			2,994,011

Nuveen Investments 29

Nuveen Arizona Dividend Advantage Municipal Fund 2 (continued)  
 NKR Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer – 13.5% (9.0% of Total Investments)			
\$ 500	City of Goodyear, Arizona Subordinate Lien Water and Sewer Revenue Obligations, Series 2011, 5.500%, 7/01/41	7/21 at 100.00	AA+	\$ 524,145
500	Maricopa County Industrial Development Authority, Arizona, Water System Improvement Revenue Bonds, Chaparral City Water Company, Series 1997A, 5.400%, 12/01/22 – AMBAC Insured (Alternative Minimum Tax)	12/11 at 100.00	N/R	500,110
260	Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 – NPFQ Insured	7/13 at 100.00	AA–	267,158
1,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Refunding Bonds, Series 2001, 5.500%, 7/01/22 – FGIC Insured	No Opt. Call	AAA	1,251,820
350	Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007: 4.700%, 4/01/22	4/14 at 100.00	N/R	353,045
410	Tucson, Arizona, Water System Revenue Refunding Bonds, Series 2002, 5.500%, 7/01/18 – FGIC Insured	4/17 at 100.00	N/R	380,275
1,000	Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax)	7/12 at 102.00	Aa2	1,056,550
525	Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax)	12/17 at 100.00	N/R	469,313
4,545	Total Water and Sewer			4,802,416
\$ 53,053	Total Investments (cost \$52,462,074) – 150.6%			53,458,603
	MuniFund Term Preferred Shares, at Liquidation Value – (52.7)% (7)			(18,725,000)
	Other Assets Less Liabilities – 2.1%			766,674
	Net Assets Applicable to Common Shares – 100%			\$ 35,500,277

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

- (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
  - (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Investment Valuation for more information.
  - (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities.
  - (6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (7) MuniFund Term Preferred shares, at Liquidation Value as a percentage of Total Investments is 35.0%.
- N/R Not rated.  
(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

30 Nuveen Investments

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Nuveen Arizona Dividend Advantage Municipal Fund 3  
 NXE Portfolio of Investments

August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 1.0% (0.7% of Total Investments)			
\$ 470	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00	BBB	\$ 438,341
	Education and Civic Organizations – 18.1% (12.9% of Total Investments)			
690	Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction	3/12 at 100.00	A	531,279
	Rate Securities, 0.508%, 11/01/41 (Alternative Minimum Tax) (4)			
1,250	Arizona State University, System Revenue Bonds, Series 2005, 5.000%, 7/01/20 – AMBAC Insured	7/15 at 100.00	Aa3	1,332,375
1,130	Energy Management Services LLC, Arizona State University, Energy Conservation Revenue Bonds, Main Campus Project, Series 2002, 5.250%, 7/01/18 – NPMG Insured	7/12 at 100.00	AA–	1,164,555
520	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2007, 5.000%, 5/15/31	5/22 at 100.00	A–	523,822
900	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Refunding Series 2010, 5.125%, 5/15/40	5/20 at 100.00	A–	879,426
560	Pima County Industrial Development Authority, Arizona, Charter School Revenue Bonds, Noah Webster Basic Schools Inc., Series 2004, 6.000%, 12/15/24	12/14 at 100.00	BBB–	542,517
415	Pima County Industrial Development Authority, Arizona, Educational Revenue Bonds, Valley Academy Charter School Project, Series 2008, 6.500%, 7/01/38	7/18 at 100.00	Baa3	385,269
565	Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34	9/14 at 100.00	BB+	477,753
2,000	University of Arizona, Certificates of Participation, Series 2002B, 5.125%, 6/01/20 – AMBAC Insured	6/12 at 100.00	AA–	2,057,400
8,030	Total Education and Civic Organizations			7,894,396
1,015	Health Care – 32.6% (23.2% of Total Investments)		AA–	1,046,526

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	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25	1/17 at 100.00		
620	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.059%, 1/02/37	1/17 at 100.00	AA-	431,911
2,390	Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38	1/18 at 100.00	AA-	2,460,550
625	Arizona Health Facilities Authority, Revenue Bonds, Blood Systems Inc., Series 2004, 5.000%, 4/01/20	4/14 at 100.00	A	646,775
475	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37	12/15 at 100.00	BBB	408,096
785	Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42	12/17 at 100.00	BBB	659,298
1,825	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23	7/14 at 100.00	A	1,881,612
1,985	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32	7/17 at 100.00	A	1,996,731
2,000	Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Mayo Clinic Hospital, Series 1998, 5.250%, 11/15/37	11/11 at 100.00	AA	2,000,920
	Show Low Industrial Development Authority, Arizona, Hospital Revenue Bonds, Navapache Regional Medical Center, Series 2005: 5.000%, 12/01/25 – RAAI Insured	12/15 at 100.00	BBB+	355,688
315	5.000%, 12/01/30 – RAAI Insured	12/15 at 100.00	BBB+	288,367
1,000	University Medical Center Corporation, Tucson, Arizona, Hospital Revenue Bonds, Series 2011, 6.000%, 7/01/39	7/21 at 100.00	BBB+	1,003,580
1,000	Yavapai County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Yavapai Regional Medical Center, Series 2003A, 6.000%, 8/01/33	8/13 at 100.00	Baa2	1,001,730
14,410	Total Health Care			14,181,784

Nuveen Investments 31

Nuveen Arizona Dividend Advantage Municipal Fund 3 (continued)  
 NXE Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General – 10.7% (7.6% of Total Investments)			
\$ 365	Pima County Continental Elementary School District 39, Arizona, General Obligation Bonds, Series 2011A, 2.000%, 7/01/30 – AGM Insured	7/21 at 100.00	AA+	\$ 396,459
500	Pima County Unified School District 08 Flowing Wells, Arizona, General Obligation Bonds, Series 2011B, 5.375%, 7/01/29	7/21 at 100.00	A+	530,140
750	Pima County Unified School District 6, Marana, Arizona, General Obligation Bonds, School Improvement Project 2010 Series 2011A, 5.000%, 7/01/25	7/21 at 100.00	A+	789,540
1,000	Pinal County Unified School District 1, Florence, Arizona, General Obligation Bonds, Series 2008C, 5.250%, 7/01/28	7/18 at 100.00	A	1,065,730
1,705	Scottsdale, Arizona, General Obligation Bonds, Preserve Acquisition Series 1999, 5.000%, 7/01/34	7/21 at 100.00	AAA	1,859,064
4,320	Total Tax Obligation/General			4,640,933
	Tax Obligation/Limited – 36.5% (25.9% of Total Investments)			
138	Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29	7/15 at 100.00	N/R	113,170
2,000	DC Ranch Community Facilities District, Scottsdale, Arizona, General Obligation Bonds, Series 2002, 5.000%, 7/15/27 – AMBAC Insured	7/13 at 100.00	A1	2,019,080
248	Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007: 5.700%, 7/01/27	1/17 at 100.00	N/R	214,637
154	5.800%, 7/01/32	1/17 at 100.00	N/R	128,582
236	Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25	7/12 at 100.00	N/R	238,240
525	Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 – NPFPG Insured	8/16 at 100.00	AA–	551,024
975	Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006,	7/16 at 100.00	A2	986,827

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	4.600%, 1/01/26			
290	Marley Park Community Facilities District, City of Surprise, Arizona, Limited Tax General Obligation Bonds, Series 2008 (Bank Qualified), 6.100%, 7/15/32	7/17 at 100.00	N/R	251,305
490	Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33	7/18 at 100.00	N/R	488,677
2,175	Mohave County, Arizona, Certificates of Participation, Series 2004, 5.250%, 7/01/19 – AMBAC Insured	7/14 at 100.00	N/R	2,321,551
640	Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31	7/16 at 100.00	N/R	506,778
425	Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32	7/17 at 100.00	N/R	354,803
160	Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31	7/16 at 100.00	N/R	127,526
1,250	Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 – ACA Insured	No Opt. Call	BBB–	1,252,038
250	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.375%, 8/01/39	2/20 at 100.00	A+	252,178
1,130	San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY Insured	7/15 at 100.00	A+	1,168,917
2,000	Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Water & Sewer Improvements Project, Series 2010, 5.000%, 7/01/36	No Opt. Call	AAA	2,129,859
665	Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32	7/17 at 100.00	N/R	562,198

32 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 1,250	Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24	7/15 at 100.00	A1	\$ 1,320,338
638	Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30	7/16 at 100.00	N/R	524,991
425	Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31	7/16 at 100.00	N/R	334,322
16,064	Total Tax Obligation/Limited			15,847,041
	Transportation – 6.1% (4.3% of Total Investments)			
	Phoenix Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 2002B:			
300	5.750%, 7/01/16 – FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA–	309,456
2,300	5.250%, 7/01/21 – FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA–	2,329,255
2,600	Total Transportation			2,638,711
	U.S. Guaranteed – 4.8% (3.4% of Total Investments) (5)			
1,575	Maricopa County Union High School District 210, Phoenix, Arizona, General Obligation Bonds, Series 2004A, 5.000%, 7/01/20 (Pre-refunded 7/01/14) – AGM Insured	7/14 at 100.00	AA+ (5)	1,770,568
270	Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15)	4/15 at 100.00	N/R (5)	311,791
1,845	Total U.S. Guaranteed			2,082,359
	Utilities – 15.5% (11.1% of Total Investments)			
1,200	Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 2000A, 5.000%, 6/01/35	6/20 at 100.00	A1	1,236,348
1,250	Maricopa County Pollution Control Corporation, Arizona, Revenue Bonds, Arizona Public Service Company – Palo Verde Project, Series 2002A, 5.050%, 5/01/29 – AMBAC Insured	11/12 at 100.00	BBB	1,253,563
665	Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Refunding Series 2008, 5.750%, 9/01/29	1/15 at 100.00	BBB–	673,858
1,660	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 –	7/15 at 100.00	A3	1,666,491

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	SYNCORA GTY Insured			
775	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System	1/18 at 100.00	Aa1	910,594
	Revenue Bonds, Tender Option Bond Trust 09-9W, 17.121%, 1/01/38 (IF) (6)			
1,165	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc	No Opt. Call	A	1,006,746
	Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37			
6,715	Total Utilities			6,747,600
	Water and Sewer – 15.3% (10.9% of Total Investments)			
955	Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39	7/20 at 100.00	A+	975,915
405	Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 – NPMG Insured	7/13 at 100.00	AA-	416,150
1,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Refunding Bonds, Series 2001, 5.125%, 7/01/21 – FGIC Insured	11/11 at 100.00	AA+	1,002,820
2,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/18 – FGIC Insured	7/12 at 100.00	AAA	2,070,459
750	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/38	7/18 at 100.00	Baa2	752,843

Nuveen Investments 33

Nuveen Arizona Dividend Advantage Municipal Fund 3 (continued)  
 NXE Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
	Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007:			
\$ 425	4.700%, 4/01/22	4/14 at 100.00	N/R	\$ 428,698
490	4.900%, 4/01/32	4/17 at 100.00	N/R	454,475
615	Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax)	12/17 at 100.00	N/R	549,767
6,640	Total Water and Sewer			6,651,127
\$ 61,094	Total Investments (cost \$60,309,923) – 140.6%			61,122,292
	MuniFund Term Preferred Shares, at Liquidation Value – (47.9)% (7)			(20,846,000)
	Other Assets Less Liabilities – 7.3%			3,198,173
	Net Assets Applicable to Common Shares – 100%			\$ 43,474,465

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Optional Call Provisions: 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.
  - (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
  - (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Investment Valuation for more information.
  - (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities.
  - (6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (7) MuniFund Term Preferred shares, at Liquidation Value as a percentage of Total Investments is 34.1%.
- N/R Not rated.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

34 Nuveen Investments

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Nuveen Texas Quality Income Municipal Fund  
 NTX Portfolio of Investments

August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 1.5% (1.0% of Total Investments)			
\$ 2,235	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00	BBB	\$ 2,084,450
	Education and Civic Organizations – 10.0% (6.7% of Total Investments)			
1,000	Hale Center Education Facilities Corporation, Texas, Revenue Bonds, Wayland Baptist University Project, Improvement and Refunding Series 2010, 5.000%, 3/01/35	3/21 at 100.00	A–	973,050
2,000	Laredo Community College District, Wells County, Texas, Combined Fee Revenue Bonds, Series 2010, 5.250%, 8/01/35 – AGM Insured	8/20 at 100.00	AA+	2,088,920
1,170	Red River Education Finance Corporation, Texas, Revenue Bonds, Hockaday School, Series 2005: 5.000%, 5/15/27	5/15 at 100.00	AA	1,210,061
1,230	5.000%, 5/15/28	5/15 at 100.00	AA	1,268,265
1,290	5.000%, 5/15/29	5/15 at 100.00	AA	1,325,217
1,710	Texas Public Finance Authority, Revenue Bonds, Texas Southern University Financing System, Series 2003: 5.000%, 5/01/18 – FGIC Insured	5/13 at 100.00	Baa3	1,715,301
1,795	5.000%, 5/01/19 – FGIC Insured	5/13 at 100.00	Baa3	1,796,005
1,885	5.000%, 5/01/20 – FGIC Insured	5/13 at 100.00	Baa3	1,862,700
1,665	Texas State University System, Financing Revenue Bonds, Series 2004, 5.000%, 3/15/24 – AGM Insured	9/14 at 100.00	AA+	1,808,623
70	Texas State University System, Financing Revenue Refunding Bonds, Series 2002, 5.000%, 3/15/20 – AGM Insured	3/12 at 100.00	AA+	71,536
13,815	Total Education and Civic Organizations			14,119,678
3,000	Energy – 2.0% (1.3% of Total Investments)		BBB	2,838,750

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	Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation Project, Series 1998, 5.600%, 4/01/32 (Alternative Minimum Tax)	10/11 at 100.00		
	Health Care – 14.0% (9.4% of Total Investments)			
	Brazoria County Health Facilities Development Corporation, Texas, Revenue Bonds, Brazosport Memorial Hospital, Series 2004:			
1,745	5.250%, 7/01/20 – RAAI Insured	7/14 at 100.00	BBB–	1,730,290
1,835	5.250%, 7/01/21 – RAAI Insured	7/14 at 100.00	BBB–	1,788,152
1,350	Harrison County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Good Shepherd Health System, Refunding Series 2010, 5.250%, 7/01/28	7/20 at 100.00	BBB+	1,247,549
2,000	North Central Texas Health Facilities Development Corporation, Texas, Revenue Bonds, Children’s Medical Center Dallas Project, Series 2009, 5.750%, 8/15/39	8/19 at 100.00	Aa3	2,102,760
	Richardson Hospital Authority, Texas, Revenue Bonds, Richardson Regional Medical Center, Series 2004:			
2,000	5.875%, 12/01/24	12/13 at 100.00	A	2,041,880
1,000	6.000%, 12/01/34	12/13 at 100.00	A	1,008,870
2,500	Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Texas Health Resources, Series 2007B, 5.000%, 11/15/42	11/17 at 100.00	AA–	2,453,300
1,250	Tarrant County Cultural Education Facilities Finance Corporation, Texas, Hospital Revenue Bonds, Scott & White HealthCare Project, Series 2010, 5.250%, 8/15/40	8/20 at 100.00	A1	1,250,850
2,000	Tarrant County Cultural Education Facilities Finance Corporation, Texas, Revenue Refunding Bonds, Christus Health, Series 2008, 6.500%, 7/01/37 – AGC Insured	1/19 at 100.00	AA+	2,151,000
1,720	Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, East Texas Medical Center Regional Healthcare System, Series 2007A, 5.375%, 11/01/37	11/17 at 100.00	Baa2	1,472,234
700	Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2007B, 5.000%, 7/01/37	7/17 at 100.00	Baa1	610,260
2,250	Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2007, 5.000%, 7/01/33	7/17 at 100.00	Baa1	2,020,838
20,350	Total Health Care			19,877,983



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Nuveen Texas Quality Income Municipal Fund (continued)  
 NTX Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	<b>Housing/Multifamily – 1.7% (1.2% of Total Investments)</b>			
	Bexar County Housing Finance Corporation, Texas, Insured Multifamily Housing Revenue Bonds,			
	Waters at Northern Hills Apartments Project, Series 2001A:			
\$ 2,000	6.000%, 8/01/31 – NPFG Insured	2/12 at 102.00	Baa1	\$ 1,780,840
750	6.050%, 8/01/36 – NPFG Insured	2/12 at 102.00	Baa1	655,388
2,750	Total Housing/Multifamily			2,436,228
	<b>Housing/Single Family – 2.6% (1.7% of Total Investments)</b>			
	El Paso Housing Finance Corporation, Texas, GNMA			
1,247	Collateralized Single Family Mortgage Revenue Bonds, Series 2001A-3, 6.180%, 4/01/33	10/11 at 106.75	AA+	1,313,471
	Texas Department of Housing and Community Affairs, Single Family Mortgage Bonds, Series 2002B,			
2,325	5.550%, 9/01/33 – NPFG Insured (Alternative Minimum Tax)	3/12 at 100.00	AA+	2,331,371
3,572	Total Housing/Single Family			3,644,842
	<b>Long-Term Care – 1.1% (0.7% of Total Investments)</b>			
	Bexar County, Texas, Health Facilities Development Corporation Revenue Bonds, Army Retirement Residence, Series 2007:			
1,000	5.000%, 7/01/27	7/17 at 100.00	BBB	959,770
600	5.000%, 7/01/37	7/17 at 100.00	BBB	536,088
1,600	Total Long-Term Care			1,495,858
	<b>Materials – 2.1% (1.4% of Total Investments)</b>			
	Cass County Industrial Development Corporation, Texas,			
3,000	Environmental Improvement Revenue Bonds, International Paper Company, Series 2000A, 6.600%, 3/15/24 (Alternative Minimum Tax)	9/11 at 100.50	BBB	3,021,210
	<b>Tax Obligation/General – 42.4% (28.5% of Total Investments)</b>			
	Bexar County, Texas, Combined Tax and Revenue Certificates of Obligation, Series 2004,			
1,260	5.000%, 6/15/19	6/14 at 100.00	Aaa	1,367,755
	Borger Independent School District, Hutchison County, Texas,			
2,000	General Obligation Bonds, Series 2006, 5.000%, 2/15/36	2/16 at 100.00	AAA	2,078,780
	Calallen Independent School District, Nueces County, Texas,			
400	General Obligation Bonds, School Building Series 2008, 5.000%, 2/15/38	2/18 at 100.00	AAA	416,432

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1,190	Canutillo Independent School District, El Paso County, Texas, General Obligation Bonds, Series 2006A, 5.000%, 8/15/22	8/15 at 100.00	AAA	1,329,290
325	Copperas Cove, Texas, Certificates of Obligation, Series 2003, 5.000%, 8/15/23 – NPFG Insured	8/12 at 100.00	AA–	335,949
2,305	Corpus Christi, Texas, Combination Tax and Municipal Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2002, 5.500%, 9/01/21 – AGM Insured	9/12 at 100.00	AA+	2,396,716
1,750	El Paso County, Texas, Certificates of Obligation, Series 2001, 5.000%, 2/15/21 – AGM Insured	No Opt. Call	AA+	2,090,988
	Fort Bend County Municipal Utility District 25, Texas, General Obligation Bonds, Series 2005:			
1,330	5.000%, 10/01/26 – FGIC Insured	10/12 at 100.00	A–	1,340,401
1,320	5.000%, 10/01/27 – FGIC Insured	10/12 at 100.00	A–	1,328,659
3,615	Frisco, Texas, General Obligation Bonds, Series 2006, 5.000%, 2/15/26 – FGIC Insured	2/16 at 100.00	Aa1	3,871,520
8,500	Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Capital Appreciation Refunding Series 2009, 0.000%, 8/15/39	8/18 at 22.64	AA	1,344,700
	Houston Community College System, Texas, Limited Tax General Obligation Bonds, Series 2003:			
2,500	5.000%, 2/15/20 – AMBAC Insured	2/13 at 100.00	AA+	2,631,250
2,235	5.000%, 2/15/21 – AMBAC Insured	2/13 at 100.00	AA+	2,349,678
5,000	Houston, Texas, General Obligation Bonds, Series 2005E, 5.000%, 3/01/23 – AMBAC Insured	3/15 at 100.00	AA	5,371,900
100	Judson Independent School District, Bexar County, Texas, General Obligation Refunding Bonds, Series 2002, 5.250%, 2/01/21	11/11 at 100.00	Aa2	100,375
4,900	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/45	8/14 at 17.78	AAA	745,094
1,000	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2008, 0.000%, 8/15/36	8/17 at 33.01	AAA	244,250

36 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$ 365	Lone Star College System, Harris and Montgomery Counties, Texas, General Obligation Bonds, Series 2009, 5.000%, 8/15/34	8/19 at 100.00	AAA	\$ 396,518
1,750	Martin County Hospital District, Texas, Combination Limited Tax and Revenue Bonds, Series 2011A, 7.250%, 4/01/36	4/21 at 100.00	N/R	1,815,870
1,010	Mercedes Independent School District, Hidalgo County, Texas, General Obligation Bonds, Series 2005, 5.000%, 8/15/23	8/15 at 100.00	AAA	1,128,221
5,515	Midlothian Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2005, 5.000%, 2/15/34	2/15 at 100.00	Aaa	5,693,962
1,500	Montgomery County, Texas, General Obligation Bonds, Refunding Series 2008B, 5.250%, 3/01/32	3/19 at 100.00	AA	1,646,430
2,000	Plano Independent School District, Collin County, Texas, General Obligation Bonds, Series 2008A, 5.250%, 2/15/34	2/18 at 100.00	Aaa	2,150,980
1,425	Port of Houston Authority, Harris County, Texas, General Obligation Bonds, Series 2010E, 0.000%, 10/01/35	No Opt. Call	AAA	433,799
	Roma Independent School District, Texas, General Obligation Bonds, Series 2005:			
1,110	5.000%, 8/15/22	8/15 at 100.00	AAA	1,239,926
1,165	5.000%, 8/15/23 – AGM Insured	8/15 at 100.00	AAA	1,301,363
1,250	Southside Independent School District, Bexar County, Texas, General Obligation Bonds, Series 2004A, 5.000%, 8/15/22	8/14 at 100.00	Aaa	1,367,075
1,140	Sunnyvale School District, Texas, General Obligation Bonds, Series 2004, 5.250%, 2/15/25	2/14 at 100.00	AAA	1,235,623
5,000	Texas State, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2006A, 5.000%, 4/01/33 (UB)	4/17 at 100.00	Aaa	5,269,550
1,000	Texas State, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2008, 5.000%, 4/01/30 (UB)	4/18 at 100.00	Aaa	1,076,830
1,110	Texas State, General Obligation Bonds, Water Utility, Series 2001, 5.250%, 8/01/23	11/11 at 100.00	Aaa	1,114,029
3,025	Victoria Independent School District, Victoria County, Texas, General Obligation Bonds, Series 2007, 5.000%, 2/15/32	2/17 at 100.00	AAA	3,207,650

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West Texas Independent School District, McLennan and Hill  
Counties, General Obligation  
Refunding Bonds, Series 1998:

1,000	0.000%, 8/15/22	8/13 at 61.20	AAA	571,530
1,000	0.000%, 8/15/24	8/13 at 54.88	AAA	508,810
White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006:				
1,500	0.000%, 8/15/43	8/15 at 23.12	AAA	283,035
1,500	0.000%, 8/15/44	8/15 at 21.88	AAA	267,660
425	0.000%, 8/15/45	8/15 at 20.76	AAA	71,910
73,520	Total Tax Obligation/General Tax Obligation/Limited – 11.3% (7.6% of Total Investments)			60,124,508
1,000	Bexar County, Texas, Venue Project Revenue Bonds, Refunding Series 2010, 5.250%, 8/15/38 – AGM Insured	8/19 at 100.00	AA+	1,033,380
7,940	Dallas Area Rapid Transit, Texas, Sales Tax Revenue Bonds, Senior Lien Refunding Series 2007, 5.000%, 12/01/36 – AMBAC Insured	12/16 at 100.00	AA+	8,226,555
Harris County-Houston Sports Authority, Texas, Revenue Bonds, Junior Lien Series 2001H:				
1,720	0.000%, 11/15/34 – NPMFG Insured	11/31 at 83.17	Baa1	301,258
930	0.000%, 11/15/36 – NPMFG Insured	11/31 at 73.51	Baa1	139,500
3,265	0.000%, 11/15/38 – NPMFG Insured	11/31 at 64.91	Baa1	421,316
Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Bonds, Series 2001G:				
2,250	5.250%, 11/15/22 – NPMFG Insured	11/11 at 100.00	Baa1	2,087,528
2,475	0.000%, 11/15/41 – NPMFG Insured	11/31 at 53.78	Baa1	287,966
1,470	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/32 – AMBAC Insured	No Opt. Call	A2	402,030

Nuveen Investments 37

Nuveen Texas Quality Income Municipal Fund (continued)  
 NTX Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 2,000	North Texas Tollway Authority, Special Projects System Revenue Bonds, Series 2011A, 5.500%, 9/01/41	9/21 at 100.00	AA	\$ 2,155,460
1,000	Uptown Development Authority, Houston, Texas, Tax Increment Revenue Bonds, Infrastructure Improvement Facilities, Series 2009, 5.500%, 9/01/29	9/19 at 100.00	BBB	1,022,060
24,050	Total Tax Obligation/Limited Transportation – 12.1% (8.1% of Total Investments)			16,077,053
1,000	Austin, Texas, Airport System Prior Lien Revenue Bonds, Series 2003, 5.250%, 11/15/16 – NPMG Insured	11/13 at 100.00	A	1,080,690
2,945	Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds, Series 2010: 0.000%, 1/01/36	No Opt. Call	BBB–	588,264
2,205	0.000%, 1/01/37	No Opt. Call	BBB–	409,226
2,000	0.000%, 1/01/38	No Opt. Call	BBB–	346,420
3,260	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/22 – FGIC Insured	1/15 at 100.00	BBB	3,257,164
2,600	Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax)	11/11 at 100.00	CCC+	1,929,668
1,000	Dallas-Ft. Worth International Airport, Texas, Joint Revenue Bonds, Refunding Series 2010A, 5.000%, 11/01/42	11/20 at 100.00	A+	1,013,510
500	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000A, 5.625%, 7/01/30 – AGM Insured (Alternative Minimum Tax)	1/12 at 100.00	AA+	500,250
3,000	Love Field Airport Modernization Corporation, Texas, Special Facilities Revenue Bonds, Southwest Airlines Company, Series 2010, 5.250%, 11/01/40	11/20 at 100.00	BBB–	2,829,180
395	North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Series 2008A, 5.750%, 1/01/40	1/18 at 100.00	A2	405,385
	North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Series 2008B:			

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325	5.750%, 1/01/40	1/18 at 100.00	A2	333,544
225	5.750%, 1/01/40 – NPFG Insured	1/18 at 100.00	A2	230,915
2,500	North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Series 2008D, 0.000%, 1/01/36 – AGC Insured	No Opt. Call	AA+	571,200
950	North Texas Tollway Authority, Second Tier System Revenue Refunding Bonds, Series 2008F, 5.750%, 1/01/38	1/18 at 100.00	A3	950,162
	North Texas Tollway Authority, System Revenue Bonds, First Tier Series 2009A:			
100	6.100%, 1/01/28	1/19 at 100.00	A2	109,013
2,000	6.250%, 1/01/39	1/19 at 100.00	A2	2,139,720
1,250	Texas Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier Series 2002A, 0.000%, 8/15/29 – AMBAC Insured	8/12 at 37.09	BBB+	422,738
26,255	Total Transportation			17,117,049
	U.S. Guaranteed – 16.2% (10.9% of Total Investments) (4)			
295	Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1992, 0.000%, 8/15/14 – NPFG Insured (ETM)	No Opt. Call	AAA	288,843
950	Copperas Cove, Texas, Certificates of Obligation, Series 2003, 5.000%, 8/15/23 (Pre-refunded 8/15/12) – NPFG Insured	8/12 at 100.00	BBB (4)	993,368
2,595	Denton County, Texas, Permanent Improvement General Obligation Bonds, Series 2005, 5.000%, 7/15/25 (Pre-refunded 7/15/12)	7/12 at 100.00	AAA	2,700,253
1,000	Mansfield Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2004, 5.000%, 2/15/20 (Pre-refunded 2/15/14)	2/14 at 100.00	AAA	1,105,540
1,000	North Central Texas Health Facilities Development Corporation, Hospital Revenue Bonds, Presbyterian Healthcare System, Series 1996B, 5.750%, 6/01/26 – NPFG Insured (ETM)	No Opt. Call	Aaa	1,247,320
2,500	Retama Development Corporation, Texas, Special Facilities Revenue Bonds, Retama Park Racetrack, Series 1993, 8.750%, 12/15/18 (Pre-refunded 12/15/17)	12/17 at 100.00	Aaa	3,597,925

38 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (4) (continued)			
\$ 1,750	San Antonio, Texas, Electric and Gas System Revenue Refunding Bonds, Series 2002, 5.375%, 2/01/20 (Pre-refunded 2/01/12)	2/12 at 100.00	AA+ (4)	\$ 1,787,433
1,440	South Texas Community College District, Hidalgo and Starr Counties, Texas, General Obligation Bonds, Series 2002, 5.500%, 8/15/17 (Pre-refunded 8/15/12) – AMBAC Insured	8/12 at 100.00	Aa2 (4)	1,510,747
1,930	Texas State University System, Financing Revenue Refunding Bonds, Series 2002, 5.000%, 3/15/20 (Pre-refunded 3/15/12) – AGM Insured	3/12 at 100.00	AA+ (4)	1,977,690
1,500	Texas, General Obligation Refunding Bonds, Public Finance Authority, Series 2002, 5.000%, 10/01/18 (Pre-refunded 10/01/12)	10/12 at 100.00	Aaa	1,577,790
1,000	Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2001, 6.000%, 7/01/31 (Pre-refunded 7/01/12)	7/12 at 100.00	Baa1 (4)	1,047,530
5,000	University of North Texas, Financing System Revenue Bonds, Series 2001, 5.000%, 4/15/24 (Pre-refunded 4/15/12) – AGM Insured	4/12 at 100.00	AA+ (4)	5,151,000
20,960	Total U.S. Guaranteed			22,985,439
	Utilities – 16.5% (11.1% of Total Investments)			
2,560	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax)	4/13 at 101.00	Ca	769,920
2,400	Brazos River Authority, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999A, 5.375%, 4/01/19	10/11 at 100.00	BBB–	2,402,304
5,000	Brownsville, Texas, Utility System Priority Revenue Bonds, Series 2005A, 5.000%, 9/01/27 – AMBAC Insured	9/15 at 100.00	A+	5,159,800
2,000	Bryan, Brazos County, Texas, Electric System Revenue Bonds, Series 2009, 5.000%, 7/01/34	7/17 at 100.00	A+	2,055,340
3,000	Lower Colorado River Authority, Texas, Refunding Revenue Bonds, Series 2010A, 5.000%, 5/15/40	5/20 at 100.00	A1	3,058,110
2,000	Lower Colorado River Authority, Texas, Revenue Bonds, Series 2008, 5.750%, 5/15/37	5/15 at 100.00	A1	2,077,040
1,000	Matagorda County Navigation District 1, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax)	11/11 at 100.00	BBB–	999,990
1,500	Matagorda County Navigation District Number One, Texas, Pollution Control Revenue Refunding	7/19 at 102.00	BBB	1,612,485

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Bonds, Central Power and Light Company Project, Series  
2009A, 6.300%, 11/01/29

Texas Municipal Gas Acquisition and Supply Corporation I, Gas  
Supply Revenue Bonds, Senior  
Lien Series 2008D:

1,500	5.625%, 12/15/17	No Opt. Call	A	1,597,530
2,000	6.250%, 12/15/26	No Opt. Call	A	2,042,300
Texas Municipal Power Agency, Revenue Bonds, Transmission Refunding Series 2010:				
640	5.000%, 9/01/34	9/20 at 100.00	A+	663,706
1,000	5.000%, 9/01/40	9/20 at 100.00	A+	1,028,840
24,600	Total Utilities			23,467,365
Water and Sewer – 15.5% (10.4% of Total Investments)				
2,500	Bexar Metropolitan Water District, Texas, Waterworks System Revenue Bonds, Refunding Series 2010, 5.875%, 5/01/40	5/20 at 100.00	A1	2,651,225
Coastal Water Authority, Texas, Contract Revenue Bonds, Houston Water Projects, Series 2004:				
1,005	5.000%, 12/15/20 – FGIC Insured	12/14 at 100.00	BBB	1,058,265
1,030	5.000%, 12/15/21 – FGIC Insured	12/14 at 100.00	BBB	1,078,698
1,000	El Paso, Texas, Water and Sewer Revenue Bonds, Refunding Series 2008C, 5.375%, 3/01/29	3/18 at 100.00	AA	1,085,460
3,000	Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/23 – FGIC Insured	5/14 at 100.00	AA	3,269,970
3,500	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001A, 5.500%, 12/01/17 – AGM Insured	12/11 at 100.00	AA+	3,542,839
1,680	Irving, Texas, Subordinate Lien Waterworks and Sewerage Revenue Bonds, Series 2004:	8/14 at 100.00	Aa1	1,829,233
1,760	5.000%, 8/15/22 – AMBAC Insured	8/14 at 100.00	Aa1	1,916,340

Nuveen Investments 39

Nuveen Texas Quality Income Municipal Fund (continued)  
 NTX Portfolio of Investments August 31, 2011 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	<b>Water and Sewer (continued)</b>			
\$ 4,000	Laredo, Webb County, Texas, Waterworks and Sewer System Revenue Bonds, Series 2010, 5.250%, 3/01/40	3/20 at 100.00	AA-	\$ 4,185,519
1,260	Rowlett, Rockwall and Dallas Counties, Texas, Waterworks and Sewerage System Revenue Bonds, Series 2004A, 5.000%, 3/01/22 – NPFQ Insured	3/14 at 100.00	AA-	1,318,400
20,735	Total Water and Sewer			21,935,949
\$ 240,442	Total Investments (cost \$205,862,861) – 149.0%			211,226,362
	Floating Rate Obligations – (2.8)%			(3,960,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (50.0)% (5)			(70,920,000)
	Other Assets Less Liabilities – 3.8%			5,419,074
	Net Assets Applicable to Common Shares – 100%			\$ 141,765,436

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: 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.
- (3) Ratings: Using the highest of Standard & Poor’s Group (“Standard & Poor’s”), Moody’s Investor Service, Inc. (“Moody’s”) or Fitch, Inc. (“Fitch”) rating. Ratings below BBB by Standard & Poor’s, Baa by Moody’s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred shares, at Liquidation Value as a percentage of Total Investments is 33.6%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.



Statement of  
Assets & LiabilitiesAugust 31, 2011  
(Unaudited)

	Arizona Premium Income (NAZ)	Arizona Dividend Advantage (NFZ)	Arizona Dividend Advantage 2 (NKR)	Arizona Dividend Advantage 3 (NXE)	Texas Quality Income (NTX)
<b>Assets</b>					
Investments, at value (cost \$83,837,864, \$31,983,575, \$52,462,074, \$60,309,923 and \$205,862,861, respectively)	\$87,744,251	\$32,563,062	\$53,458,603	\$61,122,292	\$211,226,362
Cash	2,129,512	84,504	44,311	—	2,394,495
<b>Receivables:</b>					
Interest	928,004	349,040	636,585	633,291	2,777,598
Investments sold	—	—	—	2,490,493	115,407
Deferred offering costs	96,821	406,603	505,357	604,649	1,199,726
Other assets	12,833	3,965	11,169	11,162	30,682
Total assets	90,911,421	33,407,174	54,656,025	64,861,887	217,744,270
<b>Liabilities</b>					
Cash overdraft	—	—	—	8,603	—
Floating rate obligations	—	—	—	—	3,960,000
<b>Payables:</b>					
Common share dividends	264,007	97,726	159,482	192,619	611,415
Interest	32,756	18,962	31,988	50,378	135,930
Offering costs	98,359	175,952	182,521	223,158	170,448
<b>MuniFund Term Preferred (MTP)</b>					
<b>Shares, at</b>					
liquidation value	—	11,100,000	18,725,000	20,846,000	70,920,000
<b>Variable MuniFund Term Preferred (VMTP) Shares, at</b>					
liquidation value	28,000,000	—	—	—	—
<b>Accrued expenses:</b>					
Management fees	49,344	17,617	27,282	35,548	114,556
Other	40,297	22,649	29,475	31,116	66,485
Total liabilities	28,484,763	11,432,906	19,155,748	21,387,422	75,978,834
<b>Net assets applicable to Common</b>					
shares	\$62,426,658	\$21,974,268	\$35,500,277	\$43,474,465	\$141,765,436
Common shares outstanding	4,470,695	1,548,312	2,439,551	3,066,030	9,569,068
<b>Net asset value per Common share</b>					
outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$13.96	\$14.19	\$14.55	\$14.18	\$14.81

Net assets applicable to Common shares consist of:					
Common shares, \$.01 par value per share	\$44,707	\$15,483	\$24,396	\$30,660	\$95,691
Paid-in surplus	61,888,522	21,878,468	34,533,508	43,232,739	135,608,172
Undistributed (Over-distribution of) net investment income	1,259,202	175,299	294,446	367,184	1,427,575
Accumulated net realized gain (loss)	(4,672,160 )	(674,469 )	(348,602 )	(968,487 )	(729,503 )
Net unrealized appreciation (depreciation)	3,906,387	579,487	996,529	812,369	5,363,501
Net assets applicable to Common shares	\$62,426,658	\$21,974,268	\$35,500,277	\$43,474,465	\$141,765,436
Authorized shares:					
Common	200,000,000	Unlimited	Unlimited	Unlimited	Unlimited
Auction Rate Preferred Shares (ARPS)	1,000,000	Unlimited	Unlimited	Unlimited	Unlimited
MTP	—	Unlimited	Unlimited	Unlimited	Unlimited
VMTP	Unlimited	—	—	—	—

See accompanying notes to financial statements.

Nuveen Investments 41

Statement of  
OperationsSix Months ended August 31, 2011  
(Unaudited)

	Arizona Premium Income (NAZ)	Arizona Dividend Advantage (NFZ)	Arizona Dividend Advantage 2 (NKR)	Arizona Dividend Advantage 3 (NXE)	Texas Quality Income (NTX)
Investment Income	\$2,248,132	\$818,857	\$1,360,721	\$1,623,896	\$5,370,869
Expenses					
Management fees	286,416	101,983	172,614	206,502	666,657
Auction fees	12,656	—	—	—	—
Dividend disbursing agent fees	5,041	—	—	6,712	—
Shareholders' servicing agent fees and expenses	1,630	11,074	8,325	9,753	14,231
Interest expense and amortization of offering costs	35,935	161,884	252,343	371,010	959,991
Custodian's fees and expenses	10,036	5,628	8,514	8,287	22,577
Directors'/Trustees' fees and expenses	1,026	405	672	778	2,630
Professional fees	18,780	19,122	18,703	7,361	15,128
Shareholders' reports – printing and mailing expenses	5,221	4,538	11,188	5,200	9,547
Stock exchange listing fees	4,461	98	12,172	7,875	16,055
Investor relations expense	3,514	1,502	2,391	2,771	8,627
Other expenses	10,795	20,630	10,233	10,867	17,869
Total expenses before custodian fee credit and expense reimbursement	395,511	326,864	497,155	637,116	1,733,312
Custodian fee credit	(424 )	(143 )	(209 )	(365 )	(670 )
Expense reimbursement	—	—	(16,009 )	—	—
Net expenses	395,087	326,721	480,937	636,751	1,732,642
Net investment income (loss)	1,853,045	492,136	879,784	987,145	3,638,227
Realized and Unrealized Gain (Loss)					
Net realized gain (loss) from investments	87,348	29,781	252,615	110,226	8,657
Change in net unrealized appreciation (depreciation) of investments	2,945,968	1,421,729	1,496,822	2,285,007	7,104,666
Net realized and unrealized gain (loss)	3,033,316	1,451,510	1,749,437	2,395,233	7,113,323
Distributions to Auction Rate Preferred Shareholders					
From net investment income	(39,286 )	—	—	(5,491 )	—
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(39,286 )	—	—	(5,491 )	—
Net increase (decrease) in net assets applicable to Common shares from operations	\$4,847,075	\$1,943,646	\$2,629,221	\$3,376,887	\$10,751,550

See accompanying notes to financial statements.

42 Nuveen Investments

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Statement of  
Changes in Net Assets(Unaudited)

	Six Months Ended 8/31/11	Arizona Premium Income (NAZ) Seven Months Ended 2/28/11	Year Ended 7/31/10	Six Months Ended 8/31/11	Arizona Dividend Advantage (NFZ) Seven Months Ended 2/28/11	Year Ended 7/31/10
<b>Operations</b>						
Net investment income (loss)	\$1,853,045	\$2,184,168	\$3,766,020	\$492,136	\$679,295	\$1,318,611
Net realized gain (loss) from investments	87,348	70,746	211,410	29,781	70,054	3,081
Change in net unrealized appreciation (depreciation) of investments	2,945,968	(3,534,279)	4,067,325	1,421,729	(1,397,076)	2,172,884
<b>Distributions to Auction Rate Preferred Shareholders:</b>						
From net investment income	(39,286 )	(67,929 )	(115,298 )	—	(12,050 )	(44,516 )
From accumulated net realized gains	—	—	—	—	—	—
<b>Net increase (decrease) in net assets applicable to Common shares</b>						
from operations	4,847,075	(1,347,294)	7,929,457	1,943,646	(659,777 )	3,450,060
<b>Distributions to Common Shareholders</b>						
From net investment income	(1,676,511 )	(1,955,790)	(3,146,573 )	(599,196 )	(699,030 )	(1,070,455 )
From accumulated net realized gains	—	—	—	—	—	—
<b>Decrease in net assets applicable to Common shares from distributions to Common shareholders</b>						
shareholders	(1,676,511 )	(1,955,790)	(3,146,573 )	(599,196 )	(699,030 )	(1,070,455 )
<b>Capital Share Transactions</b>						
Net proceeds from Common shares						

issued to shareholders due to reinvestment of distributions	—	10,632	10,931	—	4,230	—
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	—	10,632	10,931	—	4,230	—
Net increase (decrease) in net assets applicable to Common shares	3,170,564	(3,292,452 )	4,793,815	1,344,450	(1,354,577 )	2,379,605
Net assets applicable to Common shares at the beginning of period	59,256,094	62,548,546	57,754,731	20,629,818	21,984,395	19,604,790
Net assets applicable to Common shares at the end of period	\$62,426,658	\$59,256,094	\$62,548,546	\$21,974,268	\$20,629,818	\$21,984,395
Undistributed (Over-distribution of) net investment income at the end of period	\$1,259,202	\$1,121,954	\$961,516	\$175,299	\$282,359	\$278,947

See accompanying notes to financial statements.

## Statement of

## Changes in Net Assets (Unaudited) (continued)

	Arizona Dividend Advantage 2 (NKR)			Arizona Dividend Advantage 3 (NXE)		
	Six Months Ended 8/31/11	Seven Months Ended 2/28/11	Year Ended 7/31/10	Six Months Ended 8/31/11	Seven Months Ended 2/28/11	Year Ended 7/31/10
<b>Operations</b>						
Net investment income (loss)	\$ 879,784	\$ 1,087,152	\$ 2,199,716	\$ 987,145	\$ 1,453,852	\$ 2,646,131
Net realized gain (loss)						
from investments	252,615	55,036	15,295	110,226	190,001	103,076
Change in net unrealized appreciation (depreciation) of investments	1,496,822	(1,860,579 )	2,615,288	2,285,007	(2,270,250 )	3,715,857
<b>Distributions to Auction Rate Preferred Shareholders:</b>						
From net investment income	—	(18,967 )	(69,894 )	(5,491 )	(45,179 )	(76,983 )
From accumulated net realized gains	—	—	—	—	—	—
Net increase (decrease) in net assets applicable to Common shares from operations	2,629,221	(737,358 )	4,760,405	3,376,887	(671,576 )	6,388,081
<b>Distributions to Common Shareholders</b>						
From net investment income	(980,699 )	(1,144,149 )	(1,856,497 )	(1,158,959 )	(1,352,119 )	(2,236,669 )
From accumulated net realized gains	—	—	—	—	—	—
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(980,699 )	(1,144,149 )	(1,856,497 )	(1,158,959 )	(1,352,119 )	(2,236,669 )
<b>Capital Share Transactions</b>						

Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	—	—	—	—	—	—
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	—	—	—	—	—	—
Net increase (decrease) in net assets applicable to Common shares	1,648,522	(1,881,507 )	2,903,908	2,217,928	(2,023,695 )	4,151,412
Net assets applicable to Common shares at the beginning of period	33,851,755	35,733,262	32,829,354	41,256,537	43,280,232	39,128,820
Net assets applicable to Common shares at the end of period	\$ 35,500,277	\$ 33,851,755	\$ 35,733,262	\$ 43,474,465	\$ 41,256,537	\$ 43,280,232
Undistributed (Over-distribution of) net investment income at the end of period	\$ 294,446	\$ 395,361	\$ 427,638	\$ 367,184	\$ 544,489	\$ 487,582

See accompanying notes to financial statements.

	Texas		
	Quality Income (NTX)		
	Six Months Ended 8/31/11	Seven Months Ended 2/28/11	Year Ended 7/31/10
<b>Operations</b>			
Net investment income (loss)	\$3,638,227	\$4,618,090	\$8,942,581
Net realized gain (loss) from investments	8,657	213,495	197,927
Change in net unrealized appreciation (depreciation) of investments	7,104,666	(8,455,145 )	10,122,568
<b>Distributions to Auction Rate Preferred Shareholders:</b>			
From net investment income	—	(85,730 )	(257,907 )
From accumulated net realized gains	—	—	(19,921 )
Net increase (decrease) in net assets applicable to Common shares from operations	10,751,550	(3,709,290 )	18,985,248
<b>Distributions to Common Shareholders</b>			
From net investment income	(4,101,871 )	(4,775,546 )	(7,745,753 )
From accumulated net realized gains	—	(63,947 )	(114,136 )
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(4,101,871 )	(4,839,493 )	(7,859,889 )
<b>Capital Share Transactions</b>			
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	265,849	318,797	441,175
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	265,849	318,797	441,175
Net increase (decrease) in net assets applicable to Common shares	6,915,528	(8,229,986 )	11,566,534
Net assets applicable to Common shares at the beginning of period	134,849,908	143,079,894	131,513,360
Net assets applicable to Common shares at the end of period	\$141,765,436	\$134,849,908	\$143,079,894
Undistributed (Over-distribution of) net investment income at the end of period	\$1,427,575	\$1,891,219	\$2,042,050

See accompanying notes to financial statements.



Statement of  
Cash FlowsSix Months ended August 31, 2011  
(Unaudited)

	Arizona Premium Income (NAZ)	Arizona Dividend Advantage (NFZ)	Arizona Dividend Advantage 2 (NKR)
<b>Cash Flows from Operating Activities:</b>			
Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations	\$4,847,075	\$1,943,646	\$2,629,221
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:			
Purchases of investments	(3,368,523 )	(1,406,867 )	(5,899,537 )
Proceeds from sales and maturities of investments	4,260,582	1,180,025	5,940,108
Amortization (Accretion) of premiums and discounts, net	37,371	35,456	22,928
(Increase) Decrease in:			
Receivable for interest	(25,831 )	(9,267 )	(43,204 )
Receivable for investments sold	30,000	—	2,520,336
Other assets	(2,625 )	173	(4,800 )
Increase (Decrease) in:			
Payable for Auction Rate Preferred Share dividends	(966 )	—	—
Payable for interest	32,756	—	—
Payable for investments purchased	—	—	(3,027,216)
Accrued management fees	6,588	2,447	5,480
Accrued other expenses	4,203	11,591	12,040
Net realized (gain) loss from investments	(87,348 )	(29,781 )	(252,615 )
Change in net unrealized (appreciation) depreciation of investments	(2,945,968 )	(1,421,729)	(1,496,822)
Taxes paid on undistributed capital gains	—	—	—
Net cash provided by (used in) operating activities	2,787,314	305,694	405,919
<b>Cash Flows from Financing Activities:</b>			
(Increase) Decrease in:			
Cash equivalents	—	—	—
Deferred offering costs	(96,821 )	48,111	60,415
Increase (Decrease) in:			
Cash overdraft balance	—	—	—
Payable for offering costs	98,359	(2,081 )	(27,703 )
ARPS noticed for redemption, at liquidation value	—	—	—
MTP Shares, at liquidation value	—	—	—
VMTP Shares, at liquidation value	28,000,000	—	—
ARPS, at liquidation value	(27,875,000)	—	—
Cash distributions paid to Common shareholders	(1,674,565 )	(598,560 )	(980,527 )
Net cash provided by (used in) financing activities	(1,548,027 )	(552,530 )	(947,815 )
Net Increase (Decrease) in Cash	1,239,287	(246,836 )	(541,896 )

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Cash at the beginning of period	890,225	331,340	586,207
Cash at the End of Period	\$2,129,512	\$84,504	\$44,311

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

	Arizona Premium Income (NAZ)	Arizona Dividend Advantage (NFZ)	Arizona Dividend Advantage 2 (NKR)
	\$—	\$—	\$—

Cash paid for interest (excluding amortization of offering costs) was as follows:

	Arizona Premium Income (NAZ)	Arizona Dividend Advantage (NFZ)	Arizona Dividend Advantage 2 (NKR)
	\$—	\$113,773	\$191,928

See accompanying notes to financial statements.

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	Arizona Dividend Advantage 3 (NXE)	Texas Quality Income (NTX)
<b>Cash Flows from Operating Activities:</b>		
Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations	\$3,376,887	\$10,751,550
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(5,275,313 )	(4,579,425 )
Proceeds from sales and maturities of investments	5,315,701	5,480,841
Amortization (Accretion) of premiums and discounts, net	36,964	(35,191 )
(Increase) Decrease in:		
Receivable for interest	3,065	(102,348 )
Receivable for investments sold	(2,490,493 )	2,307,144
Other assets	9,293	(7,555 )
Increase (Decrease) in:		
Payable for Auction Rate Preferred Share dividends	(1,682 )	—
Payable for interest	48,844	—
Payable for investments purchased	—	(1,725,080 )
Accrued management fees	5,876	14,840
Accrued other expenses	(2,637 )	9,008
Net realized (gain) loss from investments	(110,226 )	(8,657 )
Change in net unrealized (appreciation) depreciation of investments	(2,285,007 )	(7,104,666 )
Taxes paid on undistributed capital gains	—	(19,001 )
Net cash provided by (used in) operating activities	(1,368,728 )	4,981,460
<b>Cash Flows from Financing Activities:</b>		
(Increase) Decrease in:		
Cash equivalents	18,409,700	—
Deferred offering costs	40,775	135,990
Increase (Decrease) in:		
Cash overdraft balance	8,603	—
Payable for offering costs	(136,842 )	(33,007 )
ARPS noticed for redemption, at liquidation value	(18,400,000)	—
MTP Shares, at liquidation value	1,800,000	—
VMTP Shares, at liquidation value	—	—
ARPS, at liquidation value	—	—
Cash distributions paid to Common shareholders	(1,158,376 )	(3,832,252 )
Net cash provided by (used in) financing activities	563,860	(3,729,269 )
Net Increase (Decrease) in Cash	(804,868 )	1,252,191
Cash at the beginning of period	804,868	1,142,304
Cash at the End of Period	\$—	\$2,394,495

**Supplemental Disclosure of Cash Flow Information**

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

Arizona	Texas
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	Dividend Advantage 3 (NXE)	Quality Income (NTX)
	\$—	\$265,849

Cash paid for interest (excluding amortization of offering costs) was as follows:

	Arizona Dividend Advantage 3 (NXE)	Texas Quality Income (NTX)
	\$255,624	\$824,000

See accompanying notes to financial statements.

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Financial Highlights(Unaudited)  
 Selected data for a Common share outstanding throughout each period:

	Investment Operations					Less Distributions					Ending Common Share Net	Ending Market Value
	Beginning Common Share Net	Investment Income (Loss)	Realized Gain (Loss)	Distributions from Net Investment Income to Shareholders(a)	Distributions from Capital Gains to Preferred Shareholders(b)	Net Investment Income to Common	Capital Gains to Common	Discount from Common Shares Repurchased and Retired	Ending Common Share Net			
<b>Arizona Premium Income (NAZ)</b>												
<b>Year Ended 2/28-2/29:</b>												
2012(f)	\$ 13.25	\$.41	\$.69	\$(.01)	\$ —	\$ 1.09	\$(.38)	\$ —	\$(.38)	\$ —	\$ 13.96	\$ 12.98
2011(g)	13.99	.49	(.77 )	(.02)	—	(.30)	(.44)	—	(.44)	—	13.25	12.32
<b>Year Ended 7/31:</b>												
2010	12.92	.84	.96	(.03)	—	1.77	(.70)	—	(.70)	—	13.99	13.34
2009	13.00	.85	(.16 )	(.13)	—	.56	(.64)	—	(.64)	—	12.92	12.29
2008	14.00	.88	(1.05)	(.22)	—	(.39)	(.61)	—	(.61)	—	13.00	13.35
2007	14.10	.83	(.10 )	(.22)	—	.51	(.61)	—	(.61)	—	14.00	13.07
2006	14.53	.83	(.39 )	(.18)	—	.26	(.69)	—	(.69)	—	14.10	13.69
<b>Arizona Dividend Advantage (NFZ)</b>												
<b>Year Ended 2/28-2/29:</b>												
2011(f)	13.32	.32	.94	—	—	1.26	(.39)	—	(.39)	—	14.19	13.01
2011(g)	14.20	.44	(.86 )	(.01)	—	(.43)	(.45)	—	(.45)	—	13.32	12.14
<b>Year Ended 7/31:</b>												
2010	12.66	.85	1.41	(.03)	—	2.23	(.69)	—	(.69)	—	14.20	14.19
2009	13.26	.84	(.67 )	(.14)	—	.03	(.63)	—	(.63)	—*	12.66	12.14
2008	14.48	.91	(1.23)	(.25)	— *	(.57)	(.64)	(.01)	(.65)	—	13.26	13.70
2007	14.77	.91	(.17 )	(.24)	(.02)	.48	(.71)	(.06)	(.77)	—	14.48	13.35
2006	15.37	.93	(.40 )	(.20)	(.01)	.32	(.84)	(.08)	(.92)	—	14.77	15.90

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.
- Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Returns		Ratios/Supplemental Data Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c)					Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d)				
Based on Market Value(b)	Based on Common Share Net Asset Value(b)	Ending Net Assets Applicable to Common Shares (000)	Expenses(e)	Net Investment Income (Loss)	Expenses(e)	Net Investment Income (Loss)	Portfolio Turnover Rate				
8.50 %	8.30 %	\$62,427	1.30 %**	6.08 %**	N/A	N/A	4 %				
(4.55 )	(2.23 )	59,256	1.19 **	6.11 **	N/A	N/A	5				
14.47	13.94	62,549	1.21	6.13	N/A	N/A	8				
(2.61 )	4.73	57,755	1.33	7.01	N/A	N/A	25				
7.10	(2.87 )	58,097	1.40	6.42	N/A	N/A	21				
(.22 )	3.62	62,534	1.32	5.81	N/A	N/A	13				
(5.62 )	1.84	63,024	1.21	5.83	N/A	N/A	22				
10.46	9.58	21,974	3.07 **	4.62 **	3.07 %**	4.62 %**	4				
(11.47 )	(3.10 )	20,630	2.29 **	5.37 **	2.23 **	5.43 **	5				
23.34	17.93	21,984	1.35	6.12	1.23	6.23	3				
(6.12 )	.58	19,605	1.51	6.70	1.30	6.91	6				
7.72	(4.09 )	20,552	1.58	6.14	1.31	6.42	10				
(11.63 )	3.24	22,439	1.48	5.74	1.14	6.08	19				
4.54	2.14	22,862	1.36	5.79	.94	6.21	24				

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS, MTP Shares and/or VMTP Shares, where applicable.
- (d) Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of January 31, 2011, the Adviser is no longer reimbursing Arizona Dividend Advantage (NFZ) for any fees and expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP and VMTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares, Variable MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Arizona Premium Income (NAZ)

Year Ended 2/28–2/29:

2012(f) .12 %\*\*

2011(g) —

Year Ended 7/31:

2010	—
2009	—
2008	.14
2007	.08
2006	—

Arizona Dividend Advantage (NFZ)

Year Ended 2/28–2/29:		
2012(f)	1.52	%**
2011(g)	.96	**
Year Ended 7/31:		
2010	—	
2009	—	
2008	.14	
2007	.10	
2006	—	

(f) For the six months ended August 31, 2011.

(g) For the seven months ended February 28, 2011.

\* Rounds to less than \$.01 per share.

\*\* Annualized.

N/A The Fund does not have a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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Financial  
Highlights (Unaudited)  
(continued)

Selected data for a Common share outstanding throughout each period:

	Investment Operations				Less Distributions			
	Distribution		Distributions		Net		Discount	
	from		from		Investment		from	
	Net		Capital		Income		Common	
	Investment		Gains		to		Ending	
Beginning	Income		to		Common		Share	
Common	to		to		Share		Common	
Share	Net	Auction	Auction	Auction	Income	Capital	Repur-	Share
Investment	Net	Rate	Rate	Rate	to	to	chased	Net
Assd	Income	Preferred	Preferred	Preferred	Common	Common		Ending
		Share-	Share-	Share-	Share-			
		Share-	Share-	Share-	Share-			