

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSRS
May 06, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10197

Nuveen California Dividend Advantage Municipal Fund 2

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: August 31

Date of reporting period: February 28, 2005

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT February 28, 2005

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.
NPC

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

NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND
NCU

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NAC

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NVX

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZH

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NKL

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND
NKX

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

Photo of: A child.

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

Logo: NUVEEN Investments

Photo of: Woman

Photo of: Man and child

Photo of: Woman

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NUVEEN FUND REPORTS FASTER.

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WWW.INVESTORDELIVERY.COM
if you get your Nuveen Fund dividends
and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS
if you get your Nuveen Fund dividends
and statements directly from Nuveen.

(Be sure to have the address sheet that accompanied this report handy. You'll
need it to complete the enrollment process.)

Logo: Nuveen Investments

Timothy R. Schwertfeger
Chairman of the Board

Photo of: Timothy R. Schwertfeger

Chairman's
LETTER TO SHAREHOLDERS

For all American taxpayers, the date of this chairman's letter carries special
significance. Therefore, I am especially pleased on this day to report that over
the six-month period covered by this semiannual report your Fund continued to
provide you with monthly tax-free income and an attractive total return. For
more details about the management strategy and performance of your Fund, please
see the Portfolio Managers' Perspective and Performance Overview sections of
this report.

As I noted in my last letter to you, our conversations with financial advisers
and investors suggest that many of you may be wondering whether long-term
interest rates will soon begin to rise substantially, how high rates might
eventually go, and whether that makes this a good time to adjust your holdings
of fixed-income investments. We can't answer these questions for you - no one
knows what the future will bring.

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

From our experience, we do know that a well-balanced portfolio, structured and
carefully monitored with the help of a trusted investment professional, can be
an important component in helping you achieve your long-term financial goals. In
fact, a well-diversified portfolio may actually help to reduce your overall
investment risk. That is one reason why we believe that a municipal bond
investment like your Nuveen Fund can be an important building block in a

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comprehensive investment program designed to perform well in a variety of market conditions.

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

Some of you may have heard that in April, 2005, The St. Paul Travelers Companies, Inc., which had owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser) completed a public offering of a substantial portion of its equity stake in Nuveen. At the same time, St. Paul Travelers also entered into agreements to sell the balance of its shares in Nuveen to us or to others at a future date.

These transactions will have no impact on the investment objectives or management of your Fund. However, taken as a whole they are considered to be an "assignment" of your Fund's investment management agreement. This means that you and your fellow Fund shareholders soon will be asked to formally approve the continuation of your Fund's management contract with Nuveen. We will be sending you more information about this process in the coming weeks.

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

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

April 15, 2005

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

Portfolio Managers'
COMMENTS

Portfolio managers Dan Solender and Scott Romans review key investment strategies and the semiannual performance of these Funds. With thirteen years of investment experience, including nine at Nuveen, Dan assumed portfolio management responsibility for NPC and NCL in May 2004. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since January 2003.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE CALIFORNIA FUNDS DURING THE SIX MONTHS ENDED FEBRUARY 28, 2005?

Between September 2004 and February 2005, the Federal Reserve introduced four quarter-point increases in the fed funds rate, raising this short-term interest rate target from 1.5% to 2.5%. (On March 22, 2005, following the end of this reporting period, the Fed announced another 0.25% hike, taking the fed funds rate to 2.75%.) With the market anticipating increases in interest rates

throughout the period, our focus centered on finding bonds that we believed could add immediate value to the Funds' portfolios and also had the potential to perform well under a variety of future market scenarios.

Overall, our purchase activity for NCU, NAC, NVX, NZH, NKL and NKX emphasized finding premium bonds (those trading above their par value) in the intermediate and long-intermediate parts of the yield curve - that is, bonds that mature in 20 to 25 years. During the last two months of this period, we began to focus on bonds slightly further out on the yield curve. Generally speaking, our purchases of specific bonds during this period were influenced primarily by the bond's positioning on the yield curve, and secondarily on factors such as credit rating or industry sector, except when the need to maintain adequate diversification was an issue.

For NPC and NCL, the funds investing exclusively in insured or guaranteed bonds, we focused our purchase activity during this period on the 15 to 20 year part of the yield curve. In particular, we looked for credits, especially from smaller issuers, that had high quality characteristics separate and apart from their insurance enhancement. This led to the purchase of a number of local school district and essential services bonds, which helped to diversify the holdings of these two Funds.

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Some of these portfolio additions were financed with the proceeds from sales of pre-refunded bonds, bonds with short call dates, and bonds with shorter maturities. This was especially true in NPC, NCL and NCU. These holdings with short effective maturities tended to underperform in the interest rate environment of the past six months. Some of the proceeds from these sales were redeployed into bonds with maturities in targeted ranges of the yield curve, and that offered at least 10 years of call protection.

In NKL and NKX, we also worked to improve the Funds' risk profiles by taking advantage of opportunities to selectively trim some of our more concentrated BBB and nonrated positions. Because lower-rated bonds generally performed well over the past year, demand for these bonds was strong. As a result, we were able to obtain attractive prices for the bonds we sold. In addition to reducing some of our concentrated credit positions, this approach enabled us to enhance the Funds' diversification as we reinvested the proceeds in new lower-rated and nonrated names when the market provided suitable opportunities. Among the additions to NCU's and NVX's portfolios during this period was a BBB+ credit issued for Daughters of Charity Health.

Another strategy designed to help us reduce interest rate risk is hedging some of the Funds' interest rate exposure through the use of derivative financial instruments or in the form of interest rate swaps. During this period, we employed this strategy in NKL and NKX. It is important to note that we did not use the hedges in an attempt to profit from correctly predicting the timing and direction of interest rate movements. Instead, our sole objective was to reduce NKL's and NKX's durations (and therefore their price sensitivity to interest rate changes) without having a negative impact on their income streams or common share dividends over the short term. The cost of the hedge is reflected as an addition or subtraction to the Fund's net asset value (NAV) as the market value of the hedge fluctuates. The hedges did succeed in reducing the volatility of the Funds' NAVs over the course of this reporting period, and the hedges had positive market values as of February 28, 2005.

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HOW DID THE FUNDS PERFORM OVER THE SIX MONTH PERIOD?

Individual results for the Nuveen California Funds, as well as for comparative indexes, are presented in the accompanying table.

TOTAL RETURNS ON NET ASSET VALUE*
For periods ended 2/28/05
(Annualized)

| NONINSURED CA FUNDS | 6-MONTH | 1-YEAR | 5-YEAR | 10-YEAR |
|---|---------|--------|--------|---------|
| NCU | 5.14% | 5.89% | 9.99% | 8.18% |
| NAC | 4.74% | 5.27% | 11.85% | NA |
| NVX | 5.38% | 5.67% | NA | NA |
| NZH | 5.12% | 5.46% | NA | NA |
| Lehman Brothers CA Tax-Exempt Bond Index ¹ | 2.97% | 4.01% | 7.21% | 6.65% |
| Lipper CA Municipal Debt Funds Average ² | 2.76% | 5.56% | 6.53% | 5.81% |
| INSURED CA FUNDS | | | | |
| NPC | 2.82% | 2.99% | 9.26% | 7.38% |
| NCL | 3.45% | 3.05% | 9.20% | 7.64% |
| NKL | 4.79% | 4.60% | NA | NA |
| NKX | 5.15% | 4.86% | NA | NA |
| Lehman Brothers Insured CA Tax-Exempt Bond Index ¹ | 2.64% | 3.04% | 7.40% | 6.74% |
| Lipper Insured CA Municipal Debt Funds Average ² | 2.59% | 3.74% | 6.44% | 5.66% |

*Six-month returns are cumulative; returns for one year, five years, and ten years are annualized.

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.

1 The Lehman Brothers California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California

municipal bonds. The Lehman Brothers Insured California Tax-Exempt Bond Index is an unleveraged, unmanaged index containing a broad range of insured California municipal bonds. Results for the Lehman indexes do not reflect any expenses.

- 2 The Lipper California Municipal Debt Funds average is calculated using the returns of all leveraged and unleveraged closed-end exchange-traded funds in this category for each period as follows: 6 months, 30 funds; 1 year, 30 funds; 5 years, 19 funds; and 10 years, 17 funds. The Lipper Insured California Municipal Debt Funds average is calculated using the returns of all closed-end exchange-traded funds in its category for each period as follows: 6 months, 13 funds; 1 year, 13 funds; 5 years, 7 funds; and 10 years, 6 funds. Fund and Lipper returns assume reinvestment of dividends.

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For the six months ended February 28, 2005, the cumulative returns on NAV for the four noninsured California Funds outperformed the return on the Lehman Brothers California Tax-Exempt Bond Index, while the four insured Funds outperformed the Lehman Brothers Insured California Bond index. Each of the Funds also performed better than the average returns for their respective Lipper California Fund peer groups.

One of the primary factors benefiting the six-month performances of all these Funds relative to that of the unleveraged Lehman Brothers indexes was the Funds' use of financial leverage. While leveraging can add volatility to the Funds' NAVs and share prices, especially during periods when interest rates rise, this strategy can also provide opportunities for additional income and total returns for common shareholders when short-term interest rates remain relatively low and long-term rates fall or remain fairly constant, as they did during this reporting period.

Although short-term rates remained historically low over this period, they did rise in response to increases in the fed funds rate. At the same time, longer-term yields fell by 20 basis points between the end of August 2004 and the end of February 2005, as measured by the Bond Buyer 25, a widely followed municipal bond index. As a result, bonds with longer maturities generally tended to perform better than securities with shorter maturities. This benefited NVX and NZH, which were introduced in 2001, and NKL and NKX, which were introduced in 2002, since these Funds had less exposure to the shorter end of the yield curve than the four older Funds. This accounts for much of the relative performance differences between these Funds over the six-month reporting period.

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In addition, NCU, NAC, NVX and NZH (the noninsured Funds) as well as NKL and NKX (which predominantly hold insured bonds but can invest up to 20% of their portfolios in uninsured bonds) benefited from their allocations of lower quality issues during this period. BBB and nonrated bonds generally outperformed other credit quality sectors as the economy improved. In particular, the Funds' returns were helped by our selection of individual nonrated credits, which tended to outperform the nonrated segment of the market as a whole. Among the lower-rated credits producing the strongest total returns were bonds backed by the 1998 master tobacco settlement agreement, as the litigation environment improved and the supply/demand situation drove tobacco bond prices higher. As of February 28, 2005, all six of these Funds held positions in tobacco bonds, with

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NCU, NVX and NZH allocating approximately 4% of their portfolios to these bonds, while NAC allocated 2.8%, and NKL and NKX allocated about 1.5% and 1.3%, respectively.

Our sector allocation decisions also made positive contributions to the Funds' cumulative six-month returns. In NCU, NAC, NVX, NZH, NKL and NKX especially, our holdings in healthcare were beneficial, as this sector ranked second in terms of performance among the Lehman municipal revenue sectors for the period.

One area of the municipal market that tended to underperform during this period was the pre-refunded sector, due primarily to these bonds' shorter effective maturities. As of February 28, 2005, NPC had a considerably larger exposure to pre-refunded bonds than any of the other Funds, and this served as a constraint on NPC's performance during this period.

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HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF FEBRUARY 28, 2005?

We continued to believe that, given the current geopolitical and economic climate, maintaining strong credit quality was an important requirement. As of February 28, 2005, the four noninsured Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 62% in NAC to 65% in NZH, 67% in NCU, and 70% in NVX. NPC and NCL continued to be 100% invested in insured and/or U.S. guaranteed securities, while NKL and NKX, which can invest up to 20% of their assets in uninsured investment-grade quality securities, had allocated 80% and 82% of their portfolios, respectively, to insured bonds as of February 28, 2005.

As of February 28, 2005, potential call exposure for the period March 2005 through the end of 2006 ranged from zero in NKL to 2% in NZH, 3% in NAC, 4% in NVX and NKX, 10% in NPC, 12% in NCU and 15% in NCL. The number of actual bond calls in all of these Funds depends largely on future market interest rates.

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Dividend and Share Price INFORMATION

As short-term interest rates remained relatively low throughout this reporting period, the leveraged structures of these eight Funds continued to support their dividend-paying capabilities. The extent of this benefit is tied in part to the short-term rates these Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. This strategy helped to maintain the dividends of NPC, NCL, NCU, NAC, NVX, NZH and NKL throughout the reporting period. However, the rise in short-term interest rates during this period, and the resulting increase in borrowing costs, was enough to offset some of the leverage advantage in NKX, which was initially invested during the low rate environment of 2002 and has not had the same opportunity as the other Funds to build reserves. As a result, NKX's dividend was reduced in December 2004.

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

| | LONG-TERM CAPITAL GAINS (PER SHARE) | ORDINARY INCOME (PER SHARE) |
|-----|---|--------------------------------|
| NPC | \$0.1157 | \$0.0557 |
| NAC | \$0.0464 | \$ -- |
| NKL | \$0.0426 | \$0.0072 |

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All of these Funds 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 February 28, 2005, all of the Funds in this report, with the exception of NKX, had positive UNII balances for both financial statement and tax purposes. As of February 28, 2005, NKX had a positive UNII balance for tax purposes and a negative UNII balance for financial statement purposes.

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

| | 2/28/05 PREMIUM/DISCOUNT | 6-MONTH AVERAGE PREMIUM/DISCOUNT |
|-----|-----------------------------|-------------------------------------|
| NPC | 2.55% | -2.44% |
| NCL | -1.25% | -0.41% |
| NCU | -4.12% | -6.87% |
| NAC | -4.88% | -4.90% |
| NVX | -7.97% | -8.36% |
| NZH | -8.76% | -9.76% |
| NKL | -6.17% | -5.82% |
| NKX | -1.21% | -2.71% |

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Nuveen Insured California Premium Income Municipal Fund, Inc.
NPC

Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 78% |
| U.S. Guaranteed | 22% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 16.23 |
| | 16.22 |
| | 16.35 |
| | 16.28 |
| | 16.41 |
| | 16.4 |
| | 16.46 |
| | 16.45 |
| | 16.43 |
| | 16.27 |
| | 16.24 |
| | 16.28 |
| | 16.37 |
| | 16.45 |
| | 16.34 |
| | 16.45 |
| | 16.44 |
| | 16.64 |
| | 16.83 |
| | 16.65 |
| | 16.65 |
| | 16.49 |
| | 16.51 |
| | 16.52 |
| | 16.43 |
| | 16.08 |
| | 16.05 |
| | 15.67 |

15.62
15.28
15
14.84
14.7
14.79
14.75
14.53
14.52
14.53
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14.21
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13.89
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13.83
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14.51

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15.81
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 16.47
 16.57
 16.58
 16.46

2/28/05

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$16.46 |
| Common Share Net Asset Value | \$16.05 |
| Premium/(Discount) to NAV | 2.55% |
| Market Yield | 5.61% |
| Taxable-Equivalent Yield ¹ | 8.56% |
| Net Assets Applicable to Common Shares (\$000) | \$103,478 |
| Average Effective Maturity on Securities (Years) | 17.32 |

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Leverage-Adjusted Duration 8.09

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 8.27% | 2.82% |
| 1-Year | 8.83% | 2.99% |
| 5-Year | 10.71% | 9.26% |
| 10-Year | 8.87% | 7.38% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 29.0% |
| U.S. Guaranteed | 21.6% |
| Water and Sewer | 16.1% |
| Tax Obligation/Limited | 15.7% |
| Education and Civic Organizations | 6.2% |
| Utilities | 5.5% |
| Other | 5.9% |

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

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

Performance
OVERVIEW As of February 28, 2005

Pie Chart:
CREDIT QUALITY
(as a % of total investments)
Insured 91%

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U.S. Guaranteed 9%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 15.67 |
| | 15.7 |
| | 15.63 |
| | 15.64 |
| | 15.73 |
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| | 15.85 |
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| | 15.87 |
| | 15.7 |
| | 15.31 |
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13.86
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14.79
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15.33
15.37
15.35
15.36
15.45
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15.29
15.26
15.35
15.38
15.42
15.28
15.27
15.27
15.3
15.26
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15.3
15.3
15.3
15.26
15.35
15.41
15.3
15.3
15.4
15.5
15.5
15.5
15.4
15.35
15.25
15.25
15.29
15.3
15.3
15.33
15.25
15.24
15.34
15.5
15.34
15.31
15.35
15.38
15.45
15.41
15.27
15.3
15.31
15.32
15.52
15.44
15.49
15.47
15.52
15.61
15.53
15.37
15.29
15.27
15.14
15.1
15
14.94
15.05
15.17
15.25
15.27
15.3
15.24
15.44
15.39
14.95
15.03
14.91
14.9
14.72
14.68

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| | |
|---------|-------|
| | 14.69 |
| | 14.74 |
| | 14.69 |
| | 14.57 |
| | 14.55 |
| | 14.62 |
| | 14.67 |
| | 14.77 |
| | 14.92 |
| | 14.93 |
| | 14.92 |
| | 14.97 |
| | 15.06 |
| | 15.09 |
| | 15 |
| | 15.02 |
| | 15.04 |
| | 14.97 |
| | 15.01 |
| | 14.98 |
| | 15.01 |
| | 14.97 |
| | 14.91 |
| | 14.7 |
| | 14.7 |
| | 14.84 |
| | 14.89 |
| 2/28/05 | 14.99 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.99 |
| Common Share Net Asset Value | \$15.18 |
| Premium/(Discount) to NAV | -1.25% |
| Market Yield | 6.08% |
| Taxable-Equivalent Yield ¹ | 9.28% |
| Net Assets Applicable to Common Shares (\$000) | \$192,936 |
| Average Effective Maturity on Securities (Years) | 18.07 |
| Leverage-Adjusted Duration | 7.70 |

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 1.75% | 3.45% |
| 1-Year | 2.52% | 3.05% |

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| | | |
|---------|-------|-------|
| 5-Year | 9.94% | 9.20% |
| ----- | | |
| 10-Year | 8.33% | 7.64% |
| ----- | | |

SECTORS

(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 31.9% |
| ----- | |
| Tax Obligation/General | 17.8% |
| ----- | |
| Water and Sewer | 17.3% |
| ----- | |
| U.S. Guaranteed | 9.1% |
| ----- | |
| Utilities | 8.2% |
| ----- | |
| Education and Civic Organizations | 7.8% |
| ----- | |
| Other | 7.9% |
| ----- | |

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

13

Nuveen California Premium Income Municipal Fund
NCU

Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 60% |
| AA | 7% |
| A | 14% |
| BBB | 13% |
| BB or Lower | 5% |
| NR | 1% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |
| Jun | 0.073 |
| Jul | 0.073 |
| Aug | 0.073 |
| Sep | 0.073 |
| Oct | 0.073 |

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| | |
|-----|-------|
| Nov | 0.073 |
| Dec | 0.073 |
| Jan | 0.073 |
| Feb | 0.073 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 13.89 |
| | 13.9 |
| | 13.93 |
| | 13.9 |
| | 14.03 |
| | 14.01 |
| | 14 |
| | 14.07 |
| | 14.04 |
| | 14.1 |
| | 14.12 |
| | 14.15 |
| | 14.11 |
| | 14.11 |
| | 14.11 |
| | 14.12 |
| | 14.1 |
| | 14.07 |
| | 14.08 |
| | 14.02 |
| | 14.01 |
| | 14.02 |
| | 14.02 |
| | 14.07 |
| | 14.07 |
| | 13.95 |
| | 13.71 |
| | 13.6 |
| | 13.6 |
| | 13.6 |
| | 13.13 |
| | 12.92 |
| | 12.87 |
| | 12.92 |
| | 13.05 |
| | 13.22 |
| | 13.19 |
| | 13.09 |
| | 12.87 |
| | 12.8 |
| | 12.74 |
| | 12.63 |
| | 12.74 |
| | 12.75 |
| | 12.97 |
| | 12.78 |
| | 12.78 |
| | 12.65 |
| | 12.37 |
| | 12.51 |
| | 12.4 |
| | 12.24 |
| | 11.95 |

12.17
12.01
12.05
11.98
12.19
12.18
12.24
12.45
12.79
12.93
12.99
12.99
12.65
12.62
12.84
12.65
12.66
12.85
12.6
12.51
12.32
12.45
12.46
12.34
12.6
12.54
12.5
12.5
12.54
12.52
12.54
12.56
12.62
12.59
12.8
12.8
12.75
12.8
12.81
12.87
12.75
12.77
12.71
12.8
12.8
12.79
12.79
12.79
12.84
12.89
12.9
12.95
13.02
13.14
13.14
13.26
13.25
13.25
13.13
13.18
13.15
13.14

13.19
13.18
13.23
13.25
13.34
13.33
13.28
13.36
13.27
13.5
13.28
13.48
13.67
13.85
13.67
13.7
13.67
13.55
13.6
13.7
13.53
13.62
13.7
13.81
13.73
13.88
13.93
13.85
13.94
13.95
13.95
13.9
13.95
14.22
14.1
14
13.82
13.75
13.88
13.85
13.8
13.85
13.99
14
14.02
13.92
14.05
14
13.94
13.94
14.01
14.1
13.95
13.85
13.9
13.91
13.9
13.9
13.9
13.92
13.91
13.84

13.55
13.34
13.36
13.3
13.38
13.42
13.5
13.6
13.65
13.6
13.55
13.6
13.5
13.6
13.65
13.65
13.7
13.59
13.51
13.52
13.61
13.56
13.5
13.63
13.73
13.58
13.5
13.54
13.42
13.31
13.3
13.279
13.32
13.31
13.27
13.1
13.18
13.14
13.18
13.22
13.33
13.38
13.44
13.42
13.49
13.5
13.4
13.43
13.54
13.53
13.53
13.48
13.71
14.25
14.13
14.18
13.9
14.03
14.02
13.83
13.78
13.75

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| | |
|---------|-------|
| | 13.83 |
| | 14.1 |
| | 14.05 |
| | 14.06 |
| | 14.03 |
| | 13.93 |
| | 14.3 |
| | 14.3 |
| | 14.17 |
| | 14 |
| | 13.96 |
| | 14 |
| | 14.35 |
| | 14.15 |
| | 14.21 |
| 2/28/05 | 14.2 |

FUND SNAPSHOT

| | |
|---|----------|
| Share Price | \$14.20 |
| Common Share Net Asset Value | \$14.81 |
| Premium/(Discount) to NAV | -4.12% |
| Market Yield | 6.17% |
| Taxable-Equivalent Yield ¹ | 9.42% |
| Net Assets Applicable to Common Shares (\$000) | \$85,499 |
| Average Effective Maturity on Securities (Years) | 17.15 |
| Leverage-Adjusted Duration | 9.69 |

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 7.20% | 5.14% |
| 1-Year | 9.19% | 5.89% |
| 5-Year | 9.11% | 9.99% |
| 10-Year | 8.56% | 8.18% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/Limited | 31.0% |
| Tax Obligation/General | 18.2% |

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| | |
|-----------------|-------|
| Healthcare | 14.7% |
| ----- | ----- |
| Water and Sewer | 11.5% |
| ----- | ----- |
| Utilities | 7.6% |
| ----- | ----- |
| Transportation | 5.6% |
| ----- | ----- |
| U.S. Guaranteed | 4.2% |
| ----- | ----- |
| Other | 7.2% |
| ----- | ----- |

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

14

Nuveen California Dividend Advantage Municipal Fund
NAC

Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 54% |
| AA | 8% |
| A | 15% |
| BBB | 14% |
| NR | 9% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 15.26 |
| | 15.32 |
| | 15.28 |

15.3
15.45
15.45
15.62
15.65
15.66
15.63
15.55
15.45
15.52
15.58
15.62
15.56
15.55
15.57
15.53
15.42
15.4
15.38
15.49
15.5
15.3
15.15
14.92
14.93
14.92
14.77
14.52
14.4
14.18
14.38
14.4
14.35
14.24
14.26
14.23
14.08
14
14
13.95
14.13
14
13.9
13.82
13.8
13.55
13.3
13.46
13.26
13.12
13.22
13.25
13.18
13.19
13.43
13.53
13.55
13.6
13.8
13.95
14.16
14.16

14.11
14.08
14.02
14.08
14.13
14.11
14.02
13.97
13.94
14
14.05
13.97
13.93
13.99
14.07
13.9
14
13.91
13.93
13.97
13.98
14.08
14.23
14.22
14.12
14.17
14.2
14.22
14.19
14.21
14.18
14.25
14.24
14.22
14.2
14.1
14.09
14.08
14.06
14.15
14.27
14.35
14.35
14.45
14.59
14.61
14.54
14.61
14.67
14.65
14.68
14.65
14.65
14.64
14.66
14.71
14.75
14.84
14.79
14.7
14.79
14.8

14.87
14.87
15
15.06
14.98
14.92
15.02
15.09
15
15.14
15.02
14.96
14.94
14.95
14.98
14.99
14.97
15.04
15.04
15.04
15
15
15.04
14.96
14.81
14.85
14.91
14.9
14.9
14.99
15.05
15.05
15
15.01
15.05
15.12
15.18
15.24
15.19
15.27
15.28
15.27
15.31
15.27
15.32
15.32
15.47
15.4
15.5
15.48
15.23
14.89
15.04
14.96
15.12
15.14
15.14
15.17
15.18
15.28
15.05
15.11

15.09
15
14.98
14.9
14.76
14.75
14.7
14.81
14.82
14.81
14.89
14.83
14.83
14.83
14.86
14.9
14.86
14.95
14.93
14.85
14.84
14.83
14.76
14.9
14.84
14.89
14.9
14.9
14.82
14.75
14.81
14.88
14.76
14.75
14.57
14.46
14.4
14.5
14.53
14.59
14.57
14.53
14.61
14.52
14.61
14.69
14.74
14.8
14.89
14.98
15.07
15.19
15.15
15.23
15.21
15.11
15.2
15.04
14.98
15
14.83
14.79

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| | |
|---------|-------|
| | 14.82 |
| | 14.9 |
| | 15.06 |
| 2/28/05 | 15.01 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.01 |
| Common Share Net Asset Value | \$15.78 |
| Premium/(Discount) to NAV | -4.88% |
| Market Yield | 6.56% |
| Taxable-Equivalent Yield1 | 10.02% |
| Net Assets Applicable to Common Shares (\$000) | \$369,416 |
| Average Effective Maturity on Securities (Years) | 18.78 |
| Leverage-Adjusted Duration | 7.87 |

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 3.71% | 4.74% |
| 1-Year | 5.52% | 5.27% |
| 5-Year | 10.18% | 11.85% |
| Since Inception | 6.46% | 8.06% |

SECTORS

(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 27.4% |
| Tax Obligation/General | 15.3% |
| Transportation | 13.6% |
| Utilities | 7.9% |
| Healthcare | 7.8% |
| Water and Sewer | 7.7% |
| Education and Civic Organizations | 7.1% |

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| | |
|---------------------|-------|
| Housing/Multifamily | 4.9% |
| ----- | ----- |
| Other | 8.3% |
| ----- | ----- |

- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. For investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0464 per share.

15

Nuveen California Dividend Advantage Municipal Fund 2
NVX

Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

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

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 14.29 |
| | 14.38 |
| | 14.27 |
| | 14.3 |
| | 14.35 |
| | 14.56 |
| | 14.57 |
| | 14.75 |

14.54
14.52
14.6
14.56
14.56
14.55
14.53
14.66
14.52
14.6
14.52
14.49
14.35
14.35
14.36
14.36
14.19
13.97
13.87
14
13.95
13.75
13.4
13.57
13.29
13.35
13.4
13.26
13.06
13.1
13.06
12.98
12.97
12.89
12.92
12.92
12.89
12.76
12.8
12.74
12.61
12.34
12.49
12.39
12.25
12.41
12.25
12.46
12.59
12.64
12.75
12.69
12.81
12.9
13.08
13.05
13.05
13.07
13.05
13.1
13.09
12.98

13.05
13.05
12.99
12.92
13.1
12.84
12.89
12.96
12.99
13.09
13
13.06
13.14
13.1
13.1
13.05
13.09
13.42
13.33
13.3
13.3
13.35
13.4
13.38
13.28
13.22
13.37
13.45
13.25
13.25
13.24
13.3
13.33
13.31
13.38
13.37
13.4
13.4
13.46
13.52
13.56
13.59
13.68
13.9
13.69
13.6
13.57
13.65
13.65
13.63
13.7
13.65
13.88
13.77
13.9
13.98
13.99
13.93
14.03
14.08
14.15
14.12

14
14
14.09
14.13
14.2
14.01
13.98
13.97
13.95
14.02
14
14.01
13.99
14.14
14.03
14.11
14.17
14.08
14.05
13.95
13.95
13.95
13.9
13.9
14.04
14.09
14.03
14.04
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14.04
14.12
14.11
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14.16
14.19
14.16
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14.11
14.18
14.25
14.22
14.04
13.65
13.7
13.65
13.74
13.76
14.03
14.06
14.1
14.04
13.96
14.08
13.94
13.96
13.99
13.87
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13.66
13.62
13.68
13.76
13.76
13.79
13.73
13.84
13.69
13.69
13.7
13.6
13.72
13.54
13.55
13.66
13.57
13.44
13.41
13.45
13.46
13.45
13.58
13.62
13.61
13.62
13.67
13.7
13.74
13.63
13.66
13.65
13.8
13.71
13.77
13.8
13.83
13.95
13.96
13.917
14.05
14.13
14.1
14.1
14.18
14.17
14.24
14.24
14.35
14.3
14.35
14.15
14.17
14.21
14.11
13.99
13.9
14.01
14
14.12
14.09

2/28/05

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FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.09 |
| Common Share Net Asset Value | \$15.31 |
| Premium/(Discount) to NAV | -7.97% |
| Market Yield | 6.47% |
| Taxable-Equivalent Yield ¹ | 9.88% |
| Net Assets Applicable to Common Shares (\$000) | \$226,385 |
| Average Effective Maturity on Securities (Years) | 17.81 |
| Leverage-Adjusted Duration | 8.93 |

AVERAGE ANNUAL TOTAL RETURN

(Inception 3/27/01)

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 3.38% | 5.38% |
| 1-Year | 5.13% | 5.67% |
| Since Inception | 4.74% | 7.92% |

SECTORS

(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 30.1% |
| Tax Obligation/General | 19.8% |
| Education and Civic Organizations | 10.2% |
| Water and Sewer | 9.3% |
| Transportation | 6.1% |
| Utilities | 6.0% |
| Healthcare | 5.8% |
| Housing/Multifamily | 5.0% |
| Other | 7.7% |

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

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rate of 34.5%. For investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 61% |
| AA | 4% |
| A | 15% |
| BBB | 13% |
| NR | 7% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 13.68 |
| | 13.69 |
| | 13.74 |
| | 13.71 |
| | 13.77 |
| | 13.84 |
| | 13.9 |
| | 13.95 |
| | 13.92 |
| | 13.9 |
| | 13.97 |
| | 13.95 |
| | 13.97 |
| | 13.88 |
| | 13.87 |
| | 13.95 |
| | 13.96 |
| | 14.01 |
| | 13.92 |

13.93
13.79
13.75
13.78
13.82
13.58
13.29
13.25
13.35
13.26
13.19
13
12.9
12.77
12.86
12.77
12.79
12.71
12.63
12.51
12.49
12.52
12.53
12.43
12.53
12.43
12.49
12.41
12.29
12.09
11.95
12.07
11.98
11.88
12.04
11.97
12.05
12.11
12.18
12.25
12.38
12.41
12.49
12.56
12.44
12.44
12.47
12.41
12.42
12.33
12.34
12.41
12.41
12.3
12.51
12.51
12.46
12.3
12.26
12.32
12.27
12.27

12.35
12.46
12.36
12.41
12.38
12.55
12.65
12.62
12.64
12.66
12.65
12.76
12.67
12.66
12.57
12.66
12.7
12.61
12.62
12.67
12.69
12.7
12.66
12.68
12.69
12.77
12.77
12.87
12.9
12.87
12.95
13.07
13.05
13.06
12.96
12.91
13.01
13.02
13.06
13.1
13.14
13.16
13.15
13.15
13.17
13.22
13.27
13.31
13.33
13.4
13.35
13.34
13.34
13.35
13.25
13.35
13.25
13.25
13.27
13.4
13.4
13.48

13.51
13.45
13.55
13.5
13.5
13.5
13.51
13.42
13.4
13.43
13.46
13.4
13.47
13.51
13.54
13.44
13.37
13.42
13.46
13.43
13.41
13.5
13.5
13.48
13.55
13.58
13.51
13.59
13.68
13.68
13.75
13.83
13.74
13.78
13.47
13.3
13.33
13.26
13.31
13.36
13.35
13.35
13.42
13.44
13.44
13.34
13.27
13.26
13.25
13.2
13.21
13.15
13.04
13.18
13.23
13.25
13.35
13.23
13.34
13.19
13.19
13.27

13.15
 13.17
 13.15
 13.12
 13.1
 13.09
 13.02
 13.05
 13.05
 13.14
 13.14
 13.18
 13.15
 13.17
 13.23
 13.32
 13.36
 13.42
 13.34
 13.35
 13.31
 13.37
 13.42
 13.4
 13.5
 13.5
 13.46
 13.62
 13.65
 13.7
 13.74
 13.78
 13.8
 13.8
 13.76
 13.89
 13.88
 13.84
 13.87
 13.79
 13.8
 13.79
 13.72
 13.67
 13.5
 13.45
 13.5
 13.53
 13.63
 13.65

2/28/05

FUND SNAPSHOT

| | |
|---------------------------------|---------|
| Share Price | \$13.65 |
| Common Share Net Asset Value | \$14.96 |
| Premium/(Discount) to NAV | -8.76% |
| Market Yield | 6.33% |

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 Taxable-Equivalent Yield¹ 9.66%

Net Assets Applicable to
 Common Shares (\$000) \$360,724

Average Effective
 Maturity on Securities (Years) 17.86

Leverage-Adjusted Duration 9.37

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 5.73% | 5.12% |
| 1-Year | 6.36% | 5.46% |
| Since Inception | 3.54% | 7.37% |

SECTORS
 (as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 29.7% |
| Tax Obligation/General | 20.6% |
| Water and Sewer | 9.2% |
| Utilities | 8.7% |
| Healthcare | 8.3% |
| Transportation | 6.2% |
| Housing/Multifamily | 5.8% |
| Education and Civic Organizations | 5.1% |
| Other | 6.4% |

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

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Performance

OVERVIEW As of February 28, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 80% |
| AAA (Uninsured) | 1% |
| AA (Uninsured) | 3% |
| A (Uninsured) | 10% |
| BBB (Uninsured) | 6% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 15.15 |
| | 15.16 |
| | 15.1 |
| | 15.3 |
| | 15.25 |
| | 15.3 |
| | 15.31 |
| | 15.25 |
| | 15.1 |
| | 15.1 |
| | 15.15 |
| | 15.25 |
| | 15.2 |
| | 15.2 |
| | 15.11 |
| | 15.18 |
| | 15.17 |
| | 15.19 |
| | 15.11 |
| | 15.25 |
| | 15.18 |
| | 15.3 |
| | 15.28 |
| | 15.19 |
| | 15 |
| | 14.72 |
| | 14.5 |
| | 14.41 |
| | 14.42 |
| | 14.52 |

14.05
13.97
13.66
13.85
13.9
13.8
13.52
13.53
13.48
13.34
13.43
13.32
13.25
13.38
13.56
13.6
13.46
13.46
13.29
12.93
13.15
13.07
13.04
13.23
13.1
13.14
13.06
13.18
13.21
13.35
13.29
13.4
13.4
13.59
13.59
13.51
13.39
13.41
13.4
13.58
13.6
13.4
13.4
13.21
13.16
13.26
13.16
13.17
13.13
13.12
13.09
13.2
13.25
13.12
13.15
13.25
13.33
13.5
13.64
13.63
13.89
13.8

13.98
13.87
13.84
13.83
13.93
14.15
13.98
13.75
13.73
13.85
13.81
13.81
13.84
13.84
13.95
13.95
14.04
14.04
14.2
14.1
14.2
14.04
14.1
14.06
14.14
14.21
14.25
14.15
14.26
14.26
14.2
14.38
14.4
14.48
14.45
14.62
14.69
14.67
14.69
14.67
14.47
14.47
14.51
14.6
14.8
14.65
14.65
14.66
14.71
14.69
14.92
14.76
14.92
14.86
14.75
14.86
14.9
14.85
14.8
14.68
14.77
14.74

14.71
14.65
14.69
14.85
14.95
14.86
14.68
14.66
14.61
14.65
14.77
14.76
14.75
14.85
14.89
14.85
14.73
14.71
14.71
14.75
14.9
14.77
14.78
14.4
14.25
14.42
14.38
14.29
14.38
14.38
14.5
14.54
14.75
14.47
14.55
14.84
14.75
14.75
14.58
14.28
14.55
14.24
14.34
14.5
14.48
14.71
14.7
14.75
14.26
14.24
14.3
14.29
14.17
14.17
14.26
14.37
14.27
14.37
14.29
14.39
14.4
14.32

14.4
 14.45
 14.54
 14.62
 14.84
 14.68
 14.7
 14.58
 14.51
 14.4
 14.75
 14.65
 14.7
 14.75
 14.84
 14.84
 14.83
 15
 14.83
 14.98
 14.88
 14.97
 14.69
 14.8
 14.7
 14.72
 14.8
 14.75
 14.64
 14.78
 14.77
 14.75
 14.76
 14.53
 14.45
 14.4
 14.5
 14.6
 14.61

2/28/05

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.61 |
| Common Share Net Asset Value | \$15.57 |
| Premium/(Discount) to NAV | -6.17% |
| Market Yield | 6.24% |
| Taxable-Equivalent Yield ¹ | 9.53% |
| Net Assets Applicable to Common Shares (\$000) | \$237,559 |
| Average Effective Maturity on Securities (Years) | 20.37 |
| Leverage-Adjusted Duration | 7.27 |

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 3.07% | 4.79% |
| 1-Year | 3.01% | 4.60% |
| Since Inception | 5.79% | 9.53% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/Limited | 28.2% |
| Tax Obligation/General | 23.9% |
| Utilities | 13.1% |
| Water and Sewer | 11.3% |
| Education and Civic Organizations | 6.1% |
| Healthcare | 5.4% |
| Transportation | 3.8% |
| Other | 8.2% |

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

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Nuveen Insured California Tax-Free Advantage Municipal Fund
NKX

Performance
OVERVIEW As of February 28, 2005

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

| | |
|-----------------|-----|
| Insured | 82% |
| A (Uninsured) | 12% |
| BBB (Uninsured) | 6% |

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Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 3/1/04 | 15.05 |
| | 15.04 |
| | 14.99 |
| | 14.93 |
| | 15.08 |
| | 15.12 |
| | 15.05 |
| | 15.05 |
| | 14.96 |
| | 15 |
| | 15 |
| | 14.9 |
| | 14.95 |
| | 15 |
| | 14.78 |
| | 14.84 |
| | 14.9 |
| | 14.91 |
| | 14.83 |
| | 14.96 |
| | 14.99 |
| | 14.94 |
| | 15 |
| | 15.02 |
| | 14.94 |
| | 14.7 |
| | 14.45 |
| | 14.49 |
| | 14.52 |
| | 14.24 |
| | 13.7 |
| | 13.6 |
| | 13.59 |
| | 13.55 |
| | 13.75 |
| | 13.75 |
| | 13.62 |
| | 13.51 |
| | 13.43 |
| | 13.42 |
| | 13.49 |
| | 13.45 |
| | 13.35 |

13.42
13.58
13.66
13.85
13.6
13.49
13.29
13.15
13.08
13.1
13.01
12.8
12.9
13.03
13
13.01
13.1
13.33
13.29
13.4
13.4
13.4
13.51
13.41
13.42
13.42
13.38
13.38
13.11
13.15
13.07
13.1
12.94
12.98
12.99
12.92
12.92
12.85
12.93
12.94
12.99
12.92
12.96
13.25
13.25
13.38
13.42
13.49
13.49
13.59
13.42
13.5
13.4
13.5
13.6
13.53
13.39
13.5
13.62
13.58
13.55
13.46

13.6
13.6
13.6
13.65
13.7
13.75
13.85
13.88
13.75
13.89
13.79
13.81
13.81
13.81
13.87
13.8
13.87
13.89
13.97
14.05
14.11
14.1
14.15
14.15
14.19
14.25
14.33
14.35
14.45
14.35
14.43
14.35
14.45
14.47
14.4
14.44
14.55
14.75
14.82
14.75
14.67
14.7
14.69
14.75
14.79
14.7
14.55
14.5
14.52
14.45
14.45
14.35
14.5
14.55
14.49
14.4
14.35
14.32
14.28
14.38
14.29
14.17

14.16
14.31
14.31
14.51
14.79
14.79
14.51
14.62
14.51
14.64
14.57
14.4
14.35
14.04
14.08
14.14
14.1
14.08
14.22
14.25
14.27
14.22
14.32
14.74
14.5
14.39
14.11
14.19
14.37
14.25
14.27
14.18
14.12
14.13
14.14
14.01
14.01
13.9
13.86
13.76
13.84
13.81
14.35
14.34
14.25
14.13
14
14.21
14.4
14.4
14.46
14.45
14.5
14.32
14.34
14.37
14.4
14.6
14.62
14.5
14.62
14.64

| | |
|---------|-------|
| | 14.63 |
| | 14.63 |
| | 14.59 |
| | 14.57 |
| | 14.52 |
| | 14.54 |
| | 14.61 |
| | 14.61 |
| | 14.67 |
| | 14.67 |
| | 14.61 |
| | 14.61 |
| | 14.77 |
| | 14.72 |
| | 14.72 |
| | 14.58 |
| | 14.53 |
| | 14.63 |
| | 14.79 |
| | 14.57 |
| | 14.59 |
| | 14.66 |
| | 14.65 |
| | 14.69 |
| | 14.77 |
| 2/28/05 | 14.74 |

FUND SNAPSHOT

| | |
|---|----------|
| Share Price | \$14.74 |
| Common Share Net Asset Value | \$14.92 |
| Premium/(Discount) to NAV | -1.21% |
| Market Yield | 5.90% |
| Taxable-Equivalent Yield ¹ | 9.01% |
| Net Assets Applicable to Common Shares (\$000) | \$87,764 |
| Average Effective Maturity on Securities (Years) | 20.72 |
| Leverage-Adjusted Duration | 7.50 |

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

| | ON SHARE PRICE | ON NAV |
|-------------------------|----------------|--------|
| 6-Month (Cumulative) | 7.09% | 5.15% |
| 1-Year | 4.40% | 4.86% |
| Since Inception | 5.33% | 7.98% |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/General | 31.6% |
| ----- | |
| Tax Obligation/Limited | 30.2% |
| ----- | |
| Healthcare | 12.5% |
| ----- | |
| Transportation | 9.3% |
| ----- | |
| Water and Sewer | 7.6% |
| ----- | |
| Other | 8.8% |
| ----- | |

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

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Shareholder
MEETING REPORT

The Shareholder Meeting was held in San Francisco, California, on November 17, 2004.

| | NPC | | NCL | |
|--|--|--|--|--|
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 5,850,554 | -- | 11,783,304 | -- |
| Withhold | 16,436 | -- | 28,627 | -- |
| ----- | | | | |
| Total | 5,866,990 | -- | 11,811,931 | -- |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 5,848,737 | -- | 11,777,804 | -- |
| Withhold | 18,253 | -- | 34,127 | -- |
| ----- | | | | |
| Total | 5,866,990 | -- | 11,811,931 | -- |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 5,850,554 | -- | 11,783,971 | -- |
| Withhold | 16,436 | -- | 27,960 | -- |

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| | | | | |
|-------------------------|-----------|-------|------------|-------|
| Total | 5,866,990 | -- | 11,811,931 | -- |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 5,850,554 | -- | 11,778,471 | -- |
| Withhold | 16,436 | -- | 33,460 | -- |
| ----- | | | | |
| Total | 5,866,990 | -- | 11,811,931 | -- |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 1,415 | -- | 3,446 |
| Withhold | -- | -- | -- | -- |
| ----- | | | | |
| Total | -- | 1,415 | -- | 3,446 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 1,415 | -- | 3,446 |
| Withhold | -- | -- | -- | -- |
| ----- | | | | |
| Total | -- | 1,415 | -- | 3,446 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 5,849,337 | -- | 11,778,471 | -- |
| Withhold | 17,653 | -- | 33,460 | -- |
| ----- | | | | |
| Total | 5,866,990 | -- | 11,811,931 | -- |
| ===== | | | | |

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| | NAC | | NVX | |
|--|--|--|--|--|
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 22,378,628 | -- | 14,272,591 | -- |
| Withhold | 74,231 | -- | 31,559 | -- |
| ----- | | | | |
| Total | 22,452,859 | -- | 14,304,150 | -- |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 22,372,628 | -- | 14,272,166 | -- |
| Withhold | 80,231 | -- | 31,984 | -- |
| ----- | | | | |
| Total | 22,452,859 | -- | 14,304,150 | -- |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 22,378,628 | -- | 14,270,017 | -- |
| Withhold | 74,231 | -- | 34,133 | -- |
| ----- | | | | |

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| | | | | |
|-------------------------|------------|-------|------------|-------|
| Total | 22,452,859 | -- | 14,304,150 | -- |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 22,372,628 | -- | 14,271,517 | -- |
| Withhold | 80,231 | -- | 32,633 | -- |
| ----- | | | | |
| Total | 22,452,859 | -- | 14,304,150 | -- |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 6,750 | -- | 4,175 |
| Withhold | -- | -- | -- | -- |
| ----- | | | | |
| Total | -- | 6,750 | -- | 4,175 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 6,750 | -- | 4,175 |
| Withhold | -- | -- | -- | -- |
| ----- | | | | |
| Total | -- | 6,750 | -- | 4,175 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 22,372,628 | -- | 14,271,517 | -- |
| Withhold | 80,231 | -- | 32,633 | -- |
| ----- | | | | |
| Total | 22,452,859 | -- | 14,304,150 | -- |
| ===== | | | | |

21

Shareholder
MEETING REPORT (continued)

NKL

APPROVAL OF THE BOARD MEMBERS
WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
|-------------------|--|--|
| ===== | | |
| Robert P. Bremner | | |
| For | 14,999,395 | -- |
| Withhold | 63,592 | -- |
| ----- | | |
| Total | 15,062,987 | -- |
| ===== | | |
| Lawrence H. Brown | | |
| For | 14,999,395 | -- |
| Withhold | 63,592 | -- |
| ----- | | |
| Total | 15,062,987 | -- |
| ===== | | |
| Jack B. Evans | | |
| For | 14,999,395 | -- |
| Withhold | 63,592 | -- |
| ----- | | |

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| | | |
|-------------------------|------------|-------|
| Total | 15,062,987 | -- |
| ===== | | |
| William C. Hunter | | |
| For | 14,999,395 | -- |
| Withhold | 63,592 | -- |
| ----- | | |
| Total | 15,062,987 | -- |
| ===== | | |
| William J. Schneider | | |
| For | -- | 4,489 |
| Withhold | -- | 12 |
| ----- | | |
| Total | -- | 4,501 |
| ===== | | |
| Timothy R. Schwertfeger | | |
| For | -- | 4,489 |
| Withhold | -- | 12 |
| ----- | | |
| Total | -- | 4,501 |
| ===== | | |
| Judith M. Stockdale | | |
| For | 14,999,395 | -- |
| Withhold | 63,592 | -- |
| ----- | | |
| Total | 15,062,987 | -- |
| ===== | | |

22

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)
 Portfolio of
 INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 8.8% (6.2% OF TOTAL INVESTMENTS) | |
| \$ 2,000 | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996, 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 2,500 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/18 - FSA Insured | 5/14 at 100 |
| 2,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.125%, 9/01/31 - FGIC Insured | 9/10 at 101 |
| ----- | | |
| | HEALTHCARE - 4.7% (3.3% OF TOTAL INVESTMENTS) | |

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| | | |
|-------|--|-------------|
| 3,000 | California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured | 8/08 at 101 |
| 1,500 | California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured | 8/09 at 101 |

HOUSING/SINGLE FAMILY - 0.3% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-----|--|-------------|
| 305 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
|-----|--|-------------|

TAX OBLIGATION/GENERAL - 41.3% (29.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A: | |
| 1,890 | 5.250%, 8/01/23 - MBIA Insured | 8/14 at 100 |
| 1,250 | 5.250%, 8/01/25 - MBIA Insured | 8/14 at 100 |
| | California, Various Purpose General Obligation Bonds, Series 2000: | |
| 7,995 | 5.750%, 3/01/22 - MBIA Insured | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 - MBIA Insured | 3/10 at 101 |
| 2,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| | El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004: | |
| 2,580 | 5.250%, 9/01/21 - FGIC Insured | 9/14 at 100 |
| 1,775 | 5.250%, 9/01/22 - FGIC Insured | 9/14 at 100 |
| 1,225 | Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 - MBIA Insured | 2/13 at 103 |
| 1,180 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |
| 2,000 | Los Angeles Unified School District, California, General Obligation Bonds, Series 1997A, 5.000%, 7/01/21 - FGIC Insured | 7/08 at 102 |
| 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 - MBIA Insured | 8/11 at 103 |
| | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C: | |
| 1,335 | 5.000%, 7/01/21 - FSA Insured | 7/11 at 102 |
| 3,500 | 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 4,895 | 5.000%, 7/01/23 - FSA Insured | 7/11 at 102 |
| 2,525 | San Joaquin Delta Community College District, California, | 8/15 at 100 |

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General Obligation Bonds, Series 2005A, 5.000%, 8/01/29 -
FSA Insured

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) (cont)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| TAX OBLIGATION/LIMITED - 22.3% (15.7% OF TOTAL INVESTMENTS) | | |
| \$ 1,000 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |
| 1,215 | 5.000%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 1,615 | 5.000%, 12/01/21 - AMBAC Insured | 12/13 at 100 |
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 1,900 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured | 9/12 at 100 |
| 5,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured | 1/11 at 100 |
| 1,400 | Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 - AMBAC Insured | 9/13 at 100 |
| 895 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 1,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 3,000 | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1994A, 5.000%, 11/15/22 - AMBAC Insured | 11/07 at 102 |
| 2,805 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured | 10/11 at 100 |

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| | | |
|---|--|-------------|
| TRANSPORTATION - 3.4% (2.4% OF TOTAL INVESTMENTS) | | |
| 3,400 | San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured | 9/14 at 100 |

| | | |
|--|---|-------------|
| U.S. GUARANTEED *** - 30.8% (21.6% OF TOTAL INVESTMENTS) | | |
| 2,500 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001A, 5.125%, 8/01/26 - FSA Insured | 8/09 at 102 |
| 6,000 | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 | No Opt. C |
| 5,135 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 6,220 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) | No Opt. C |
| 1,485 | San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 | No Opt. C |
| 1,800 | University of California, Hospital Revenue Bonds, Davis Medical Center, Series 1996, 5.750%, 7/01/24 (Pre-refunded to 7/01/06) - AMBAC Insured | 7/06 at 101 |

| | | |
|--|--|-------------|
| UTILITIES - 6.7% (4.7% OF TOTAL INVESTMENTS) | | |
| 4,000 | California Pollution Control Financing Authority, Revenue Bonds, Southern California Edison Company, Series 1992B, 6.400%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/05 at 100 |
| 2,600 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2003S, 5.000%, 11/15/13 - MBIA Insured | No Opt. C |

| | | |
|--|--|-------------|
| WATER AND SEWER - 22.9% (16.1% OF TOTAL INVESTMENTS) | | |
| 5,255 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2003A, 5.000%, 3/01/20 - FGIC Insured | 3/13 at 100 |
| 1,230 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 2,000 | Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured | 5/05 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | WATER AND SEWER (continued) | |
| \$ 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 - AMBAC Insured | 12/14 at 100 |
| 3,400 | San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Series 1997A, 5.250%, 5/15/22 - FGIC Insured | 5/07 at 101 |
| 2,150 | Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 - FGIC Insured | 6/10 at 100 |
| 1,310 | Santa Fe Springs Public Financing Authority, California, Water Revenue Bonds, Series 2003A, 5.000%, 5/01/33 - MBIA Insured | 5/13 at 100 |
| 1,345 | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured | 8/13 at 100 |
| 5,000 | Wheeler Ridge-Maricopa Water District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured | 11/06 at 102 |
| ----- | | |
| \$ 129,990 | Total Long-Term Investments (cost \$133,830,669) - 141.2% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 1.2% (0.8% OF TOTAL INVESTMENTS) | |
| 1,200 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2002C-7, 1.840%, 5/01/22 - FSA Insured+ | |
| ----- | | |
| \$ 1,200 | Total Short-Term Investments (cost \$1,200,000) | |
| ===== | | |
| | Total Investments (cost \$135,030,669) - 142.4% | |
| | ----- | |
| | Other Assets Less Liabilities - 1.1% | |
| | ----- | |
| | Preferred Shares, at Liquidation Value - (43.5)% | |
| | ----- | |
| | Net Assets Applicable to Common Shares - 100% | |
| | ===== | |

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

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

otherwise noted.

- * Optional Call Provisions: 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
Portfolio of
INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 11.6% (7.8% OF TOTAL INVESTMENTS) | | |
| | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996: | |
| \$ 2,400 | 5.750%, 9/01/21 - MBIA Insured | 9/06 at 102 |
| 3,000 | 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,000 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured | 11/10 at 100 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series , 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 5,380 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/16 - FSA Insured | 5/14 at 100 |
| 6,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| HEALTHCARE - 4.6% (3.1% OF TOTAL INVESTMENTS) | | |
| 1,450 | California Health Facilities Financing Authority, Insured | 7/06 at 102 |

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| | | |
|-------|--|--------------|
| | Health Facility Revenue Refunding Bonds, Mark Twain St. Joseph's Healthcare Corporation, Series 1996A, 6.000%, 7/01/19 - MBIA Insured | |
| 5,000 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 1996A, 6.000%, 7/01/25 - MBIA Insured | 7/06 at 102 |
| 1,755 | University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured | 5/12 at 101 |
| ----- | | |
| | HOUSING/SINGLE FAMILY - 0.6% (0.3% OF TOTAL INVESTMENTS) | |
| 1,105 | California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 8/07 at 101 |
| ----- | | |
| | TAX OBLIGATION/GENERAL - 26.5% (17.8% OF TOTAL INVESTMENTS) | |
| 1,460 | ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000B, 5.750%, 8/01/16 - FGIC Insured | 8/10 at 101 |
| 485 | California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative Minimum Tax) - FSA Insured | 6/05 at 101 |
| 2,500 | California, Various Purpose General Obligation Bonds, Series 1999, 5.500%, 9/01/24 - FSA Insured | 9/09 at 101 |
| | California, Various Purpose General Obligation Bonds, Series 2000: | |
| 7,995 | 5.750%, 3/01/22 - MBIA Insured | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 - MBIA Insured | 3/10 at 101 |
| 4,400 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| 3,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| | California, General Obligation Bonds, Series 2004: | |
| 2,500 | 5.000%, 2/01/18 - AMBAC Insured | 2/14 at 100 |
| 2,250 | 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
| 1,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000A, 5.250%, 8/01/25 - MBIA Insured | 8/10 at 101 |
| | Kern Community College District, California, General Obligation Bonds, Series 2003A: | |
| 3,655 | 5.000%, 11/01/20 - FGIC Insured | 11/13 at 100 |
| 2,665 | 5.000%, 11/01/21 - FGIC Insured | 11/13 at 100 |
| 1,750 | Lake Tahoe Unified School District, El Dorado County, | 8/09 at 100 |

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California, General Obligation Bonds, Series 1999A,
5.250%, 8/01/24 - FGIC Insured

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 2,200 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003F, 5.000%, 7/01/17 - FSA Insured | 7/13 at 100 |
| 1,000 | Manteca Unified School District, San Joaquin County, California, General Obligation Bonds, Series 2004: 5.250%, 8/01/21 - FSA Insured | 8/14 at 100 |
| 1,000 | 5.250%, 8/01/22 - FSA Insured | 8/14 at 100 |
| 1,270 | Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured | 8/13 at 100 |
| 1,125 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured | No Opt. C |
| 2,000 | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured | 6/10 at 102 |
| 1,000 | San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 - FSA Insured | 8/14 at 100 |
| 2,445 | Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 47.0% (31.7% OF TOTAL INVESTMENTS) | |
| 5,130 | Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C: 0.000%, 9/01/18 - FSA Insured | No Opt. C |
| 8,000 | 0.000%, 9/01/21 - FSA Insured | No Opt. C |
| 1,535 | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: 5.000%, 12/01/20 - AMBAC Insured | 12/13 at 100 |
| 1,780 | 5.000%, 12/01/23 - AMBAC Insured | 12/13 at 100 |
| 3,500 | California Department of Transportation, Federal Highway Grant Anticipation Bonds, Series 2004A, 5.000%, 2/01/15 - FGIC Insured | No Opt. C |

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| | | |
|-------|---|--------------|
| 3,450 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 5,000 | Compton Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Projects, Series 1995A, 6.500%, 8/01/13 - FSA Insured | 8/05 at 102 |
| 4,000 | Contra Costa County, California, Certificates of Participation Refunding, Merrithew Memorial Hospital Replacement Project, Series 1997, 5.500%, 11/01/22 - MBIA Insured | 11/07 at 102 |
| 6,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured | 11/07 at 102 |
| 5,000 | Kern County Board of Education, California, Refunding Certificates of Participation, Series 1998A, 5.200%, 5/01/28 - MBIA Insured | 5/08 at 102 |
| 5,000 | La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured | 9/07 at 102 |
| 2,300 | Long Beach Bond Finance Authority, Multiple Project Tax Allocation Bonds, Housing and Gas Utility Financing Project Areas, Series 2005A-1, 5.000%, 8/01/25 (WI, settling 3/02/05) - AMBAC Insured | 8/15 at 100 |
| 4,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 1,000 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 3,865 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Bonds, Series 2000A, 5.250%, 7/01/30 - FGIC Insured | 7/10 at 101 |
| 1,250 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) (co
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

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

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TAX OBLIGATION/LIMITED (continued)

| | | | |
|----|-------|--|--------------|
| \$ | 2,690 | Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Revenue Refunding Bonds, Series 1995A, 6.000%, 9/01/15 - FSA Insured | 9/05 at 102 |
| | 2,780 | Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/12 - MBIA Insured | No Opt. C |
| | 4,140 | Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured | 6/13 at 101 |
| | 2,000 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured | 12/10 at 102 |
| | 1,000 | Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured | 9/13 at 100 |
| | 5,000 | San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured | 9/09 at 102 |
| | 3,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 - FGIC Insured | 7/09 at 101 |
| | 1,930 | Santa Margarita/Dana Point Authority, Orange County, California, Revenue Refinancing Bonds, Improvement Districts 1, 2, 2A and 8, Series 1994A, 7.250%, 8/01/05 - MBIA Insured | No Opt. C |
| | 5,450 | Visalia, California, Certificates of Participation Refunding, Motor Vehicle License Fee Enhancement, Series 1996A, 5.375%, 12/01/26 - MBIA Insured | 12/06 at 102 |

TRANSPORTATION - 6.7% (4.5% OF TOTAL INVESTMENTS)

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

U.S. GUARANTEED *** - 13.4% (9.1% OF TOTAL INVESTMENTS)

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| | | | |
|-------|---|--|--------------|
| | California Infrastructure Economic Development Bank, Revenue Bonds, Asian Art Museum of San Francisco, Series 2000: | | |
| 1,295 | 5.500%, 6/01/19 (Pre-refunded to 6/01/10) - MBIA Insured | | 6/10 at 101 |
| 1,000 | 5.500%, 6/01/20 (Pre-refunded to 6/01/10) - MBIA Insured | | 6/10 at 101 |
| 2,575 | Calipatria Unified School District, Imperial County, California, General Obligation Bonds, Series 1996A, 5.625%, 8/01/13 (Pre-refunded to 8/01/06) - AMBAC Insured | | 8/06 at 102 |
| 2,725 | Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 - AMBAC Insured | | 3/05 at 100 |
| 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 - MBIA Insured | | 11/06 at 102 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001F: | | |
| 1,065 | 5.125%, 8/01/21 - FSA Insured | | 8/09 at 102 |
| 1,160 | 5.125%, 8/01/22 - FSA Insured | | 8/09 at 102 |
| 1,220 | 5.125%, 8/01/23 - FSA Insured | | 8/09 at 102 |
| 1,890 | Menifee Union School District, Riverside County, California, Certificates of Participation, School Projects, Series 1996, 6.125%, 9/01/24 (Pre-refunded to 9/01/06) - FSA Insured | | 9/06 at 102 |
| 2,500 | Oakland, California, Insured Revenue Bonds, 1800 Harrison Foundation - Kaiser Permanente, Series 1999A, 6.000%, 1/01/29 (Pre-refunded to 1/01/10) - AMBAC Insured | | 1/10 at 100 |
| 4,320 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax) | | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | UTILITIES - 12.2% (8.2% OF TOTAL INVESTMENTS) | |
| \$ 3,740 | California Pollution Control Financing Authority, Revenue Refunding Bonds, Southern California Edison Company, Series 1999B, 5.450%, 9/01/29 - MBIA Insured | 9/09 at 101 |
| 3,215 | Modesto Irrigation District, California, Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/15 - MBIA Insured | 10/06 at 102 |
| 3,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.125%, 7/01/26 - FSA Insured | 7/12 at 101 |
| 1,790 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - | 12/09 at 102 |

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AMBAC Insured

| | | |
|-------|---|-------------|
| 1,950 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 (Alternative Minimum Tax) - AMBAC Insured | 8/12 at 100 |
| | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A: | |
| 2,800 | 5.000%, 7/01/24 - MBIA Insured | 7/13 at 100 |
| 5,000 | 5.000%, 7/01/28 - MBIA Insured | 7/13 at 100 |

WATER AND SEWER - 25.6% (17.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 1,700 | Castaic Lake Water Agency, California, Revenue Certificates of Participation, Series 2004A, 5.000%, 8/01/20 - AMBAC Insured | 8/14 at 100 |
| 2,975 | Chino Basin Regional Finance Authority, California, Sewerage System Revenue Bonds, Inland Empire Utilities Agency, Series 1994, 6.000%, 8/01/16 - AMBAC Insured | 8/05 at 101 |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 2,700 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/21 - FSA Insured | 10/13 at 100 |
| 12,000 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| 2,775 | Pomona Public Financing Authority, California, Revenue Bonds, Water Facilities Project, Series 1999AC, 5.500%, 5/01/29 - FGIC Insured | 5/09 at 101 |
| 1,000 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 - AMBAC Insured | 12/10 at 101 |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 - AMBAC Insured | 12/14 at 100 |
| 1,520 | San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 - AMBAC Insured | 10/14 at 100 |
| 3,675 | San Dieguito Water District, California, Water Revenue Bonds, Series 2004, 5.000%, 10/01/23 - FGIC Insured | 10/14 at 100 |
| | Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A: | |
| 1,400 | 5.000%, 2/01/19 - FGIC Insured | 2/14 at 100 |
| 445 | 5.000%, 2/01/20 - FGIC Insured | 2/14 at 100 |
| 465 | 5.000%, 2/01/21 - FGIC Insured | 2/14 at 100 |
| 2,130 | Santa Rosa, Sonoma County, California, Wastewater Revenue Bonds, Series 2004B, 5.000%, 9/01/18 - FGIC Insured | 9/14 at 100 |

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

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL PROVISIONS |
|--|---|------------------------|
| <p style="margin: 0;">WATER AND SEWER (continued)</p> | | |
| | Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003: | |
| \$ | 2,010 5.000%, 10/01/28 - FGIC Insured | 10/13 at 100 |
| | 2,530 5.000%, 10/01/33 - FGIC Insured | 10/13 at 100 |
| <p style="margin: 0;">\$ 278,035 Total Long-Term Investments (cost \$268,891,940) - 148.2%</p> | | |
| <p style="margin: 0;">SHORT-TERM INVESTMENTS - 0.3% (0.2% OF TOTAL INVESTMENTS)</p> | | |
| | 600 California, Economic Recovery Revenue Bonds, Variable Rate Demand Obligations, Series 2004C-6, 1.800%, 7/01/23+ | |
| \$ | 600 Total Short-Term Investments (cost \$600,000) | |
| <p style="margin: 0;">Total Investments (cost \$269,491,940) - 148.5%</p> | | |
| <p style="margin: 0;">Other Assets Less Liabilities - 0.7%</p> | | |
| <p style="margin: 0;">Preferred Shares, at Liquidation Value - (49.2)%</p> | | |
| <p style="margin: 0;">Net Assets Applicable to Common Shares - 100%</p> | | |

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

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

* Optional Call Provisions: 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.

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** Ratings: Using the higher of Standard & Poor's or Moody's rating.

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

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

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen California Premium Income Municipal Fund (NCU)
Portfolio of
INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| CONSUMER STAPLES - 6.0% (4.0% OF TOTAL INVESTMENTS) | | |
| \$ 1,500 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 6/12 at 100 |
| 3,670 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29 | 5/12 at 100 |
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 1.9% (1.3% OF TOTAL INVESTMENTS) | | |
| 1,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| HEALTHCARE - 21.9% (14.7% OF TOTAL INVESTMENTS) | | |
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 | 12/09 at 101 |
| 5,150 | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15 | 5/05 at 100 |
| 1,500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, | 8/11 at 102 |

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Series 2001A, 5.550%, 8/01/31

| | | |
|-------|---|-------------|
| 260 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/35 (WI, settling 3/18/05) | 7/15 at 100 |
| 8,100 | California Statewide Community Development Authority, Revenue Refunding Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 1,370 | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 1993A, 6.000%, 12/01/06 | 6/05 at 101 |

HOUSING/MULTIFAMILY - 1.9% (1.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,600 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13) | 7/08 at 101 |
|-------|---|-------------|

HOUSING/SINGLE FAMILY - 0.8% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-----|---|-------------|
| 570 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
| 60 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1996C, 7.500%, 8/01/27 (Alternative Minimum Tax) | No Opt. C |

TAX OBLIGATION/GENERAL - 27.1% (18.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 4,000 | California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax) | 6/05 at 100 |
| | California, General Obligation Bonds, Series 2003: | |
| 1,000 | 5.250%, 11/01/19 - RAAI Insured | 11/13 at 100 |
| 1,055 | 5.250%, 2/01/21 | 8/13 at 100 |
| 1,500 | 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| | California, General Obligation Bonds, Series 2004: | |
| 1,750 | 5.000%, 4/01/22 | 4/14 at 100 |
| 1,750 | 5.000%, 2/01/23 | 2/14 at 100 |
| 1,400 | 5.200%, 4/01/26 | 4/14 at 100 |
| 1,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured | 8/12 at 101 |
| 2,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 6,000 | North Orange County Community College District, California, General Obligation Bonds, Series 2003B, 0.000%, 8/01/27 - | No Opt. C |

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FGIC Insured

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Nuveen California Premium Income Municipal Fund (NCU) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured | 8/11 at 103 |
| 1,200 | Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - MBIA Insured | 8/14 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 45.0% (30.2% OF TOTAL INVESTMENTS) | |
| 1,000 | Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 - RAAI Insured | 10/13 at 100 |
| 985 | Beverly Hills Public Financing Authority, California, Lease Revenue Refunding Bonds, Series 2003A, 5.250%, 6/01/15 - MBIA Insured | 6/13 at 100 |
| 1,695 | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: 5.000%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 1,865 | 5.000%, 12/01/24 - AMBAC Insured | 12/13 at 100 |
| 1,720 | California, Economic Recovery Revenue Bonds, Series 2004A: 5.000%, 7/01/15 | 7/14 at 100 |
| 1,000 | 5.000%, 7/01/16 | 7/11 at 100 |
| 5,920 | California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home - Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 - AMBAC Insured | 11/09 at 101 |
| 1,000 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B: 5.500%, 6/01/33 | 6/13 at 100 |
| 1,000 | 5.625%, 6/01/33 | 6/13 at 100 |
| 3,500 | Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 - MBIA Insured | 8/11 at 100 |
| 1,745 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Multifamily Housing Bonds, Grand Central | 6/05 at 100 |

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| | | |
|-------|---|--------------|
| | Square/Bunker Hill Project, Series 1993A, 5.750%, 12/01/13 (Alternative Minimum Tax) | |
| 2,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 2,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/15 - FGIC Insured | 3/13 at 100 |
| 1,000 | Poway, California, Community Facilities District 88-1, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09 | 8/08 at 102 |
| 3,000 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20 | No Opt. C |
| 1,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - MBIA Insured | No Opt. C |
| | San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998: | |
| 1,500 | 5.800%, 9/01/18 | 9/08 at 101 |
| 1,000 | 5.800%, 9/01/27 | 9/08 at 101 |
| 2,050 | Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured | 12/11 at 102 |

TRANSPORTATION - 8.3% (5.6% OF TOTAL INVESTMENTS)

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

U.S. GUARANTEED *** - 6.2% (4.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,750 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/21 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 100 |
| 2,000 | Vista, California, Mobile Home Park Revenue Bonds, Vista Manor Mobile Home Park Project, Series 1999A, 5.750%, 3/15/29 (Pre-refunded to 3/15/24) | 3/24 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | UTILITIES - 11.4% (7.6% OF TOTAL INVESTMENTS) | |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| \$ 400 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 2,250 | 5.125%, 5/01/18 | 5/12 at 101 |
| 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,500 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.500%, 9/01/22 | 9/05 at 102 |
| 4,580 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 - FSA Insured | 8/12 at 100 |
| ----- | | |
| | WATER AND SEWER - 17.1% (11.5% OF TOTAL INVESTMENTS) | |
| 1,125 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 - AMBAC Insured | 6/14 at 100 |
| 1,095 | California Statewide Community Development Authority, Water and Wastewater Revenue Bonds, Pooled Financing Program, Series 2003A, 5.250%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 5,000 | Culver City, California, Wastewater Facilities Revenue Refunding Bonds, Series 1999A, 5.700%, 9/01/29 - FGIC Insured | 9/09 at 102 |
| 3,495 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 - FGIC Insured | 8/13 at 100 |
| 1,000 | Sacramento County Water Financing Authority, California, Revenue Bonds, Agency Zones 40-41 System Projects, Series 2003, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 100 |
| 1,795 | Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33 | 7/13 at 100 |
| ----- | | |
| \$ 122,430 | Total Long-Term Investments (cost \$119,082,726) - 147.6% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 1.2% (0.8% OF TOTAL INVESTMENTS) | |
| 1,000 | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Variable Rate Demand Obligations, Series 2004A, 1.760%, 9/01/35 - AMBAC Insured+ | |
| ----- | | |
| \$ 1,000 | Total Short-Term Investments (cost \$1,000,000) | |
| ===== | | |
| | Total Investments (cost \$120,082,726) - 148.8% | |
| ----- | | |

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Other Assets Less Liabilities - 1.5%

 Preferred Shares, at Liquidation Value - (50.3)%

 Net Assets Applicable to Common Shares - 100%
 =====

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

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund (NAC)
 Portfolio of
 INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | CONSUMER STAPLES - 5.6% (3.8% OF TOTAL INVESTMENTS) | |
| \$ 5,000 | California Statewide Community Development Authority, Certificates of Participation, Pride Industries and Pride One Inc., Series 1999, 7.250%, 11/01/29 | 11/09 at 102 |
| 5,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| | Northern California Tobacco Securitization Authority, Tobacco | |

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| | | |
|-------|---|-------------|
| | Settlement Asset-Backed Bonds, Series 2001A: | |
| 2,500 | 5.250%, 6/01/31 | 6/11 at 100 |
| 4,500 | 5.375%, 6/01/41 | 6/11 at 100 |
| 3,635 | Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, 5.250%, 6/01/27 | 6/12 at 100 |

EDUCATION AND CIVIC ORGANIZATIONS - 10.4% (7.1% OF TOTAL INVESTMENTS)

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

HEALTHCARE - 11.4% (7.8% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 15,000 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 | 12/09 at 101 |
| 2,160 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/15 | 3/13 at 100 |
| 8,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 10,500 | Duarte, California, Certificates of Participation, City of Hope National Medical Center, Series 1999A, 5.250%, 4/01/31 | 4/09 at 101 |
| 2,155 | Upland, California, Certificates of Participation, San Antonio Community Hospital, Series 1993, 5.250%, 1/01/08 | 7/05 at 101 |
| 2,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |

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HOUSING/MULTIFAMILY - 7.2% (4.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 7,250 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08) | 7/08 at 101 |
| 5,235 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |

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

HOUSING/MULTIFAMILY (continued)

| | | |
|----------|--|-------------|
| \$ 5,000 | Contra Costa County, California, Multifamily Housing Revenue Bonds, Delta View Apartments Project, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax) | 6/09 at 102 |
| 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |

LONG-TERM CARE - 2.4% (1.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 8,500 | Riverside County Public Financing Authority, California, Certificates of Participation, Air Force Village West, Series 1999, 5.800%, 5/15/29 | 5/09 at 101 |
|-------|--|-------------|

TAX OBLIGATION/GENERAL - 22.2% (15.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 8,000 | California, General Obligation Refunding Bonds, Series 2002: 5.000%, 2/01/12 | No Opt. C |
| 4,435 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 2,000 | California, General Obligation Bonds, Series 2003: 5.250%, 11/01/19 - RAAI Insured | 11/13 at 100 |
| 5,200 | 5.250%, 2/01/20 | 8/13 at 100 |
| 5,000 | California, General Obligation Bonds, Series 2004: 5.125%, 4/01/23 | 4/14 at 100 |
| 4,150 | 5.125%, 4/01/25 | 4/14 at 100 |
| 18,500 | Los Angeles Unified School District, California, General Obligation Bonds, Series 1999C, 5.250%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 10,845 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 - | 7/12 at 100 |

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MBIA Insured

| | | |
|-------|---|-------------|
| 3,335 | Moreno Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 - FSA Insured | 8/14 at 100 |
| 1,750 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2001, 5.125%, 8/01/21 - FSA Insured | 8/08 at 101 |
| 5,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 - FSA Insured | 7/13 at 101 |
| 2,560 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/23 - FGIC Insured | 8/14 at 100 |
| 1,300 | Ventura County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/15 - MBIA Insured | 8/12 at 101 |
| 3,605 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/21 - FSA Insured | 8/11 at 101 |

TAX OBLIGATION/LIMITED - 39.6% (27.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | |
| 1,000 | 5.500%, 9/01/24 | 9/14 at 102 |
| 615 | 5.800%, 9/01/35 | 9/14 at 102 |
| | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001: | |
| 1,110 | 5.375%, 11/01/18 - FSA Insured | 11/11 at 100 |
| 1,165 | 5.375%, 11/01/19 - FSA Insured | 11/11 at 100 |
| 1,990 | Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured | 9/12 at 100 |
| 7,400 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 2,000 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2, Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 3,490 | Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2, Series 1998A, 5.250%, 9/01/17 - MBIA Insured | 9/08 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|---|------------------------|
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 3,980 | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured | 3/12 at 101 |
| 4,500 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 2,200 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,500 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 10,000 | Los Angeles County Public Works Financing Authority, California, Revenue Bonds, Regional Park and Open Space District, Series 1997A, 5.000%, 10/01/16 | 10/07 at 101 |
| 1,530 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/24 - FSA Insured | 3/14 at 100 |
| 9,200 | Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 - MBIA Insured | 3/11 at 102 |
| 5,545 | Oakland Joint Power Financing Authority, California, Lease Revenue Refunding Bonds, Oakland Convention Centers, Series 2001, 5.500%, 10/01/14 - AMBAC Insured | No Opt. C |
| 3,290 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |
| 4,000 | Orange County Local Transportation Authority, California, Limited Sales Tax Revenue Refunding Bonds, Measure M, Series 1997A, 5.700%, 2/15/08 - AMBAC Insured | No Opt. C |
| 5,600 | Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001A, 5.000%, 11/01/22 - MBIA Insured | 11/11 at 101 |

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| | | |
|--------|--|--------------|
| 1,000 | Palmdale Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project Areas, Series 2004, 5.000%, 12/01/24 - AMBAC Insured | 12/14 at 100 |
| 8,100 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured | 12/10 at 102 |
| 1,055 | Poway Redevelopment Agency, California, Tax Allocation Bonds, Paguay Redevelopment Project, Series 2001, 5.375%, 12/15/16 - AMBAC Insured | 12/11 at 101 |
| 1,860 | Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 - MBIA Insured | 8/13 at 100 |
| 5,795 | Riverside County Public Financing Authority, California, Junior Lien Reassessment Revenue Bonds, Rancho Villages Project, Series 1999B, 6.000%, 9/02/07 | No Opt. C |
| 1,725 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 1,120 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 2,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured | No Opt. C |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 24,060 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 1998, 5.250%, 8/01/29 | 8/08 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 2,695 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 - AMBAC Insured | 6/12 at 100 |
| 1,595 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |

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| | | |
|---|---|--------------|
| 1,350 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| ----- | | |
| TRANSPORTATION - 19.8% (13.6% OF TOTAL INVESTMENTS) | | |
| 8,150 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.750%, 1/15/40 | 1/10 at 101 |
| 8,515 | Los Angeles Harbors Department, California, Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18 (Alternative Minimum Tax) - AMBAC Insured | 8/11 at 100 |
| 23,000 | Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 (Alternative Minimum Tax) - FGIC Insured | 5/10 at 100 |
| 5,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 13B, 5.625%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |
| 23,275 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 24A, 5.750%, 5/01/30 (Alternative Minimum Tax) - FSA Insured | 5/10 at 101 |
| ----- | | |
| U.S. GUARANTEED *** - 4.3% (2.9% OF TOTAL INVESTMENTS) | | |
| 8,400 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 1998B, 5.250%, 10/01/14 (Optional put 10/01/08) | 10/08 at 101 |
| 1,000 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2001A, 5.000%, 6/01/26 (Pre-refunded to 8/01/11) - MBIA Insured | 8/11 at 100 |
| 5,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/16 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 100 |
| ----- | | |
| UTILITIES - 11.5% (7.9% OF TOTAL INVESTMENTS) | | |
| California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | | |
| 2,500 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 9,750 | 5.125%, 5/01/18 | 5/12 at 101 |
| 3,630 | Imperial Irrigation District, California, Certificates of Participation, Electric System Revenue Bonds, Series 2003, 5.250%, 11/01/23 - FSA Insured | 11/13 at 100 |

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| | | |
|-------|---|-------------|
| 7,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
| 8,370 | Los Angeles Department of Water and Power, California, Power System Revenue Refunding Bonds, Series 2001A-2, 5.375%, 7/01/19 - MBIA Insured | 7/11 at 100 |
| 1,200 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 7,000 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.750%, 9/01/31 | 9/05 at 102 |

WATER AND SEWER - 11.2% (7.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 11,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 - FSA Insured | 12/11 at 100 |
| 14,000 | Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 | 8/09 at 101 |

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| <hr/> | | |
| WATER AND SEWER (continued) | | |
| \$ 8,250 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 5,115 | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured | 11/12 at 100 |
| <hr/> | | |
| \$ 503,415 | Total Long-Term Investments (cost \$504,946,087) - 145.6% | |
| <hr/> | | |
| SHORT-TERM INVESTMENTS - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,000 | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Variable Rate Demand Obligations, Series 2004A, 1.760%, 9/01/35 - AMBAC Insured+ | |
| <hr/> | | |
| \$ 1,000 | Total Short-Term Investments (cost \$1,000,000) | |
| <hr/> | | |
| Total Investments (cost \$505,946,087) - 145.9% | | |
| <hr/> | | |
| Other Assets Less Liabilities - 1.5% | | |

 Preferred Shares, at Liquidation Value - (47.4)%

Net Assets Applicable to Common Shares - 100%
 =====

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * Optional Call Provisions: 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.
- N/R Investment is not rated.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
 Portfolio of
 INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 5.8% (3.9% OF TOTAL INVESTMENTS) | |
| \$ 4,625 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 | 6/12 at 100 |
| 3,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 3,000 | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 | 6/11 at 100 |
| 2,800 | Southern California Tobacco Securitization Authority, Tobacco | 6/12 at 100 |

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Settlement Asset-Backed Bonds, Senior Series 2001A,
5.500%, 6/01/36

| EDUCATION AND CIVIC ORGANIZATIONS - 15.0% (10.2% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 2,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 6,375 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 8,880 | California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A: 5.375%, 10/01/16 - FSA Insured | 10/12 at 100 |
| 10,570 | 5.375%, 10/01/18 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 3,000 | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured | 11/11 at 101 |

| HEALTHCARE - 8.6% (5.8% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 2,000 | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22 | 4/12 at 100 |
| 500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 955 | California State Public Works Board, Revenue Bonds, University of California - Davis Medical Center, Series 2004II-A, 5.000%, 11/01/22 - MBIA Insured | 11/14 at 100 |
| 190 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/35 (WI, settling 3/18/05) | 7/15 at 100 |
| 5,355 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 5/31/09) | No Opt. C |
| 2,185 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11 | No Opt. C |
| 2,500 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured | 6/13 at 100 |
| 3,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, | 2/10 at 101 |

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6.000%, 2/01/30

1,500 Whittier, California, Health Facility Revenue Bonds, 6/12 at 101
 Presbyterian Intercommunity Hospital, Series 2002,
 5.600%, 6/01/22

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)
 Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| HOUSING/MULTIFAMILY - 7.4% (5.0% OF TOTAL INVESTMENTS) | | |
| \$ 2,450 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 3,750 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08) | 7/08 at 101 |
| 5,962 | California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Alternative Minimum Tax) (Mandatory put 6/01/16) | 6/11 at 102 |
| 3,490 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 1,920 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 102 |
| ----- | | |
| LONG-TERM CARE - 0.7% (0.6% OF TOTAL INVESTMENTS) | | |
| 1,550 | California Health Facilities Financing Authority, Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 29.1% (19.8% OF TOTAL INVESTMENTS) | | |
| 5,000 | California, General Obligation Refunding Bonds, | No Opt. C |

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| | | |
|--------|--|-------------|
| | Series 2002, 5.000%, 2/01/12 | |
| 7,225 | California, General Obligation Veterans Welfare Bonds, Series 2001BV, 5.600%, 12/01/32 - FSA Insured | 6/06 at 100 |
| | California, General Obligation Bonds, Series 2003: | |
| 3,000 | 5.250%, 2/01/20 | 8/13 at 100 |
| 1,400 | 5.250%, 2/01/21 | 8/13 at 100 |
| 1,350 | California, General Obligation Bonds, Series 2004, 5.125%, 4/01/25 | 4/14 at 100 |
| 3,615 | Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 - FGIC Insured | 8/12 at 100 |
| | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002: | |
| 3,005 | 5.000%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 3,300 | 5.000%, 8/01/22 - FGIC Insured | 8/12 at 100 |
| 1,325 | Golden West Schools Financing Authority, California, Revenue Bonds, School District General Obligation Refunding Program, Series 1998A, 6.650%, 8/01/13 - MBIA Insured | No Opt. C |
| 8,330 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 - FGIC Insured | 7/10 at 100 |
| 10,840 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 - MBIA Insured | 7/12 at 100 |
| 1,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 - FSA Insured | 7/13 at 100 |
| 1,375 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 - FGIC Insured | 8/14 at 100 |
| 2,000 | Puerto Rico, General Obligation and Public Improvement Refunding Bonds, Series 2001A, 5.500%, 7/01/20 - MBIA Insured | No Opt. C |
| 4,050 | Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 - FGIC Insured | 5/11 at 100 |
| 1,160 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 2,710 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured | 8/14 at 100 |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISION |
|--------------|---|--------------|
| | TAX OBLIGATION/LIMITED - 44.1% (30.1% OF TOTAL INVESTMENTS) | |
| \$ 9,000 | Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 - MBIA Insured | 8/11 at 100 |
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | |
| 650 | 5.500%, 9/01/24 | 9/14 at 102 |
| 385 | 5.800%, 9/01/35 | 9/14 at 102 |
| 4,500 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 4,900 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 1,200 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2, Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 4,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32 | 12/13 at 102 |
| 4,845 | Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 - MBIA Insured | 4/08 at 102 |
| 750 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 4,000 | Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 - MBIA Insured | 5/07 at 101 |
| 2,000 | Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 1,265 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 1,320 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,000 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 8,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, | No Opt. C |

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| | | |
|--------|--|--------------|
| | California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 - MBIA Insured | |
| 3,295 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |
| 2,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 | No Opt. C |
| 6,000 | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 - AMBAC Insured | 10/11 at 102 |
| 1,055 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 700 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 700 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 975 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A: | |
| 16,090 | 5.000%, 6/01/25 - MBIA Insured | 6/11 at 100 |
| 2,000 | 5.000%, 6/01/26 - MBIA Insured | 6/11 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,930 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 6.750%, 9/01/30 | 9/13 at 103 |
| 850 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |

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| | | |
|--|--|--------------|
| 500 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| 3,045 | Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36 | 5/11 at 102 |
| ----- | | |
| TRANSPORTATION - 8.9% (6.1% OF TOTAL INVESTMENTS) | | |
| 7,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27 | 1/14 at 101 |
| 5,585 | Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 (Alternative Minimum Tax) - MBIA Insured | 11/12 at 100 |
| 2,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2002, Issue 28A, 5.250%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured | 5/12 at 100 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: | |
| 2,430 | 5.250%, 5/01/18 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 2,555 | 5.250%, 5/01/19 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 1,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |
| ----- | | |
| U.S. GUARANTEED *** - 3.8% (2.6% OF TOTAL INVESTMENTS) | | |
| 7,600 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded to 8/01/11) - AMBAC Insured | 8/11 at 101 |
| ----- | | |
| UTILITIES - 8.9% (6.0% OF TOTAL INVESTMENTS) | | |
| 5,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 | 5/12 at 101 |
| | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2: | |
| 750 | 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,000 | 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100 |
| 3,000 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.850%, 9/01/36 | 9/05 at 102 |
| 1,000 | Merced Irrigation District, California, Revenue Certificates | 9/05 at 103 |

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of Participation, Electric System Project, Series 2002,
6.500%, 9/01/34

2,000 Santa Clara, California, Subordinate Electric Revenue Bonds,
Series 2003A, 5.250%, 7/01/20 - MBIA Insured 7/13 at 100

WATER AND SEWER - 13.7% (9.3% OF TOTAL INVESTMENTS)

2,740 California Department of Water Resources, Water System
Revenue Bonds, Central Valley Project, Series 2002Z,
5.000%, 12/01/18 - FGIC Insured 12/12 at 100

4,900 East Bay Municipal Utility District, Alameda and Contra
Costa Counties, California, Water System Subordinated
Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured 6/11 at 100

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|-----------------------------|---|------------------------|
| ----- | | |
| WATER AND SEWER (continued) | | |
| \$ 2,655 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 1,700 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |
| 6,885 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 - MBIA Insured | 8/12 at 100 |
| 10,000 | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 - MBIA Insured | 4/13 at 100 |
| ----- | | |
| \$ 313,067 | Total Long-Term Investments (cost \$316,791,709) - 146.9% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.7% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (48.6)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

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

* Optional Call Provisions: 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.

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** Ratings: Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH)
Portfolio of
INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| CONSUMER STAPLES - 5.8% (3.8% OF TOTAL INVESTMENTS) | | |
| \$ 11,240 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Merced County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 | 6/12 at 100 |
| 6,100 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 4,200 | Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, 5.500%, 6/01/36 | 6/12 at 100 |
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 7.7% (5.1% OF TOTAL INVESTMENTS) | | |
| 3,825 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 3,600 | California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A, 5.375%, 10/01/17 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 7,595 | San Francisco State University Foundation Inc., California, Auxiliary Organization Student Housing Revenue Bonds, Series 2001, 5.000%, 9/01/26 - MBIA Insured | 9/11 at 100 |

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

HEALTHCARE - 12.4% (8.3% OF TOTAL INVESTMENTS)

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

HOUSING/MULTIFAMILY - 8.7% (5.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B: | |
| 4,750 | 6.400%, 8/15/30 (Alternative Minimum Tax) (Mandatory put 8/15/08) | No Opt. C |
| 4,000 | 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 5,235 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| HOUSING/MULTIFAMILY (continued) | | |
| \$ 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |
| 3,610 | San Bernardino County Housing Authority, California, GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41 | 11/11 at 105 |
| | San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B: | |
| 1,250 | 5.350%, 2/20/26 (Alternative Minimum Tax) | 8/11 at 102 |
| 2,880 | 5.450%, 2/20/43 (Alternative Minimum Tax) | 8/11 at 102 |
| INDUSTRIALS - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 4,715 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002B, 4.450%, 7/01/27 (Alternative Minimum Tax) (Mandatory put 7/01/05) | No Opt. C |
| LONG-TERM CARE - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| | California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds/Aldersly, Series 2002A: | |
| 1,500 | 5.125%, 3/01/22 | 3/12 at 101 |
| 1,315 | 5.250%, 3/01/32 | 3/12 at 101 |
| 2,450 | California Health Facilities Financing Authority, Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| TAX OBLIGATION/GENERAL - 31.0% (20.6% OF TOTAL INVESTMENTS) | | |
| 8,500 | California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/18 (Alternative Minimum Tax) | 6/05 at 101 |
| 10 | California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax) | 12/06 at 102 |
| 9,335 | California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured | No Opt. C |
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 8,450 | 5.000%, 2/01/12 | No Opt. C |
| 2,780 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |

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| | | |
|--------|---|-------------|
| 14,300 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| 9,000 | California, General Obligation Bonds, Series 2004, 5.125%, 4/01/23 | 4/14 at 100 |
| 1,840 | Compton Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.250%, 9/01/18 - MBIA Insured | 9/13 at 100 |
| 3,000 | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/23 - FGIC Insured | 8/12 at 100 |
| 2,500 | Fullerton Joint Union High School District, Orange County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |
| 2,260 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/22 - FGIC Insured | 8/11 at 101 |
| | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A: | |
| 3,750 | 5.250%, 7/01/20 - FSA Insured | 7/13 at 100 |
| 7,200 | 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 1,525 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - FGIC Insured | 8/14 at 100 |
| 2,710 | Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/22 - FSA Insured | 8/13 at 100 |
| 870 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured | 7/11 at 100 |
| 5,000 | Riverside Unified School District, Riverside County, California, General Obligation Bonds, Series 2002A, 5.000%, 2/01/27 - FGIC Insured | 2/12 at 101 |

Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 10,810 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured | 7/11 at 102 |

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| | | |
|-------|---|-------------|
| 4,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured | 7/12 at 101 |
| 1,000 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/24 - FGIC Insured | 8/12 at 100 |
| 3,905 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured | 8/14 at 100 |
| 1,630 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured | 8/11 at 101 |

TAX OBLIGATION/LIMITED - 44.1% (29.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,000 | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2002A, 6.750%, 9/01/25 | 9/12 at 102 |
| 7,135 | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured | 11/11 at 100 |
| 7,350 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 3,350 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.250%, 12/01/17 - AMBAC Insured | 12/12 at 100 |
| 8,210 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 4,510 | California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured | 12/11 at 102 |
| 9,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured | 3/12 at 100 |
| | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2, Talega, Series 2003: | |
| 1,750 | 5.875%, 9/01/23 | 9/13 at 100 |
| 550 | 6.000%, 9/01/33 | 9/13 at 100 |
| 1,810 | Cerritos Public Financing Authority, California, Tax Allocation Revenue Bonds, Los Cerritos Redevelopment Projects, Series 2002A, 5.000%, 11/01/14 - AMBAC Insured | No Opt. C |
| 1,270 | Coalinga Public Financing Authority, California, Local Obligation Senior Lien Revenue Bonds, Series 1998A, 6.000%, 9/15/18 - AMBAC Insured | No Opt. C |
| 2,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home | 12/13 at 102 |

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| | | |
|-------|--|--------------|
| | Park Project, Series 2002A, 5.800%, 12/15/25 | |
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 1,000 | Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Series 2002, 6.100%, 9/01/22 | 9/12 at 100 |
| 3,000 | Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 5,250 | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District of Mountain House, Series 2002, 6.300%, 9/01/24 | 9/12 at 101 |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 2,200 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,500 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 5,425 | Lodi, California, Certificates of Participation, Public Improvement Financing Project, Series 2002, 5.000%, 10/01/26 - MBIA Insured | 10/12 at 100 |
| 4,075 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 - MBIA Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,000 | Monterey County, California, Certificates of Participation, Master Plan Financing, Series 2001, 5.250%, 8/01/15 - MBIA Insured | 8/11 at 100 |
| 1,675 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/26 - FSA Insured | 3/14 at 100 |
| 1,000 | Norco, California, Special Tax Bonds, Community Facilities District 01-1, Series 2002, 6.750%, 9/01/22 | 9/12 at 102 |
| 3,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured | 3/13 at 100 |

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| | | |
|--------|--|-------------|
| 4,520 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.000%, 8/01/24 - AMBAC Insured | 8/11 at 101 |
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |
| 11,165 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 - MBIA Insured | 4/12 at 102 |
| 3,250 | Pomoma Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured | 2/11 at 100 |
| 5,500 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.375%, 7/01/36 | 7/12 at 100 |
| 1,735 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 1,125 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 1,700 | Roseville, California, Special Tax Bonds, Community Facilities District 1 - Crocker, Series 2003, 6.000%, 9/01/27 | 9/09 at 103 |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 14,505 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2001A, 5.000%, 9/01/26 - FSA Insured | 9/11 at 101 |
| 8,725 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 - AMBAC Insured | 7/11 at 100 |
| 1,595 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 1,595 | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/22 - MBIA Insured | 6/11 at 100 |
| 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |
| 1,375 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |

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| | | |
|-------|---|--------------|
| 2,500 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/26 - MBIA Insured | 10/11 at 100 |
|-------|---|--------------|

TRANSPORTATION - 9.4% (6.2% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 11,750 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/28 | 1/14 at 101 |
| 1,500 | Port of Oakland, California, Revenue Refunding Bonds, Series 1997I, 5.600%, 11/01/19 - MBIA Insured | 11/07 at 102 |
| 1,000 | Port of Oakland, California, Revenue Bonds, Series 2002M, 5.250%, 11/01/20 - FGIC Insured | 11/12 at 100 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B: | |
| 4,110 | 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |
| 10,625 | 5.125%, 5/01/18 - FGIC Insured | 5/13 at 100 |
| 5,140 | 5.125%, 5/01/19 - FGIC Insured | 5/13 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

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

U.S. GUARANTEED *** - 1.1% (0.7% OF TOTAL INVESTMENTS)

| | | |
|----------|---|-------------|
| \$ 1,380 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 (Pre-refunded to 7/01/11) - FSA Insured | 7/11 at 100 |
| 2,085 | San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Community Facilities District 99-1, Series 2002, 6.300%, 9/01/20 (Pre-refunded to 9/01/07) | 9/07 at 102 |

UTILITIES - 13.0% (8.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 15,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102 |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 3,500 | 5.375%, 5/01/17 - XLCA Insured | 5/12 at 101 |
| 9,000 | 5.125%, 5/01/18 | 5/12 at 101 |
| 1,200 | Los Angeles Department of Water and Power, California, | 7/13 at 100 |

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| | | |
|------------|--|--------------|
| | Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | |
| 1,600 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2002, 6.500%, 9/01/34 | 9/05 at 103 |
| 5,000 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36 | 9/13 at 102 |
| 2,250 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 (Alternative Minimum Tax) - AMBAC Insured | 8/12 at 100 |
| 6,085 | Southern California Public Power Authority, Revenue Bonds, Magnolia Power Project, Series 2003-1A, 5.250%, 7/01/16 - AMBAC Insured | 7/13 at 100 |
| ----- | | |
| | WATER AND SEWER - 13.8% (9.2% OF TOTAL INVESTMENTS) | |
| 1,070 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/22 - AMBAC Insured | 6/14 at 100 |
| 8,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2003Y, 5.250%, 12/01/13 - FGIC Insured | 6/13 at 100 |
| 7,000 | Carmichael Water District, Sacramento County, California, Water Revenue Certificates of Participation, Series 1999, 5.125%, 9/01/29 - MBIA Insured | 9/09 at 102 |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 1,000 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 1,000 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |
| | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: | |
| 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| 6,260 | 5.000%, 8/01/24 - MBIA Insured | 8/12 at 100 |
| | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A: | |
| 3,315 | 5.250%, 10/01/18 - MBIA Insured | 4/13 at 100 |
| 12,000 | 5.250%, 10/01/19 - MBIA Insured | 4/13 at 100 |
| 1,955 | Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/23 - MBIA Insured | 3/15 at 100 |
| ----- | | |
| \$ 510,980 | Total Long-Term Investments (cost \$520,719,732) - 149.8% | |
| ===== | | |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|---------------------------|---|
| ----- | |
| | SHORT-TERM INVESTMENTS - 0.6% (0.4% OF TOTAL INVESTMENTS) |
| \$ 2,000 | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Variable Rate Demand Obligations, Series 2004A, 1.760%, 9/01/35 - AMBAC Insured+ |
| ----- | |
| \$ 2,000 | Total Short-Term Investments (cost \$2,000,000) |
| ===== | |
| | Total Investments (cost \$522,719,732) - 150.4% |
| ----- | |
| | Other Assets Less Liabilities - 1.4% |
| ----- | |
| | Preferred Shares, at Liquidation Value - (51.8)% |
| ----- | |
| | Net Assets Applicable to Common Shares - 100% |
| ===== | |

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

* Optional Call Provisions: 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.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Portfolio of
 INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 2.2% (1.5% OF TOTAL INVESTMENTS) | |
| \$ 4,500 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 9.1% (6.1% OF TOTAL INVESTMENTS) | |
| 1,675 | California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30 | 10/12 at 100 |
| 9,000 | California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured | 11/12 at 100 |
| 1,000 | California Statewide Community Development Authority, Student Housing Revenue Bonds, EAH - Irvine East Campus Apartments, LLC Project, Series 2002A, 5.500%, 8/01/22 - ACA Insured | 8/12 at 100 |
| 9,000 | University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.300%, 9/01/30 | 9/08 at 101 |
| ----- | | |
| | HEALTHCARE - 8.1% (5.4% OF TOTAL INVESTMENTS) | |
| 5,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26 | 4/12 at 100 |
| | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A: | |
| 2,500 | 6.125%, 12/01/30 | 12/09 at 101 |
| 3,000 | 6.250%, 12/01/34 | 12/09 at 101 |
| 2,815 | California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Hospital, Series 2003C, 5.000%, 8/15/20 - AMBAC Insured | 8/13 at 100 |
| 1,090 | California State Public Works Board, Revenue Bonds, University of California - Davis Medical Center, Series 2004II-A, 5.000%, 11/01/21 - MBIA Insured | 11/14 at 100 |
| 3,380 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 | 7/14 at 100 |
| ----- | | |
| | HOUSING/MULTIFAMILY - 0.9% (0.5% OF TOTAL INVESTMENTS) | |
| 1,905 | Los Angeles, California, GNMA Mortgage-Backed Securities Program Multifamily Housing Revenue Bonds, Park Plaza | 7/11 at 102 |

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West Senior Apartments, Series 2001B, 5.300%, 1/20/21
(Alternative Minimum Tax)

| | | |
|--|--|-----------|
| INDUSTRIALS - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 3,000 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Republic Services Inc., Series 2002C, 5.250%, 6/01/23 (Alternative Minimum Tax) (Mandatory put 12/01/17) | No Opt. C |

| | | |
|---|---|--------------|
| LONG-TERM CARE - 3.5% (2.4% OF TOTAL INVESTMENTS) | | |
| 3,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22 | 11/12 at 100 |
| 5,000 | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging, Series 2003, 5.000%, 11/15/18 | 11/13 at 100 |

| | | |
|---|--|-------------|
| TAX OBLIGATION/GENERAL - 35.4% (23.9% OF TOTAL INVESTMENTS) | | |
| 5,920 | Cajon Valley Union School District, San Diego County, California, General Obligation Bonds, Series 2002B, 5.125%, 8/01/32 - MBIA Insured | 8/10 at 102 |
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 1,000 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 9,000 | 5.000%, 2/01/22 - MBIA Insured | 2/12 at 100 |
| 2,900 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21 | 8/13 at 100 |
| | Compton Community College District, Los Angeles County, California, General Obligation Bonds, Series 2004A: | |
| 2,315 | 5.250%, 7/01/22 - MBIA Insured | 7/14 at 100 |
| 2,560 | 5.250%, 7/01/23 - MBIA Insured | 7/14 at 100 |
| 2,415 | El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 - FSA Insured | 6/13 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|---|------------------------|
| <hr/> | | |
| TAX OBLIGATION/GENERAL (continued) | | |
| \$ 10,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |

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| | | |
|--------|--|-------------|
| 5,000 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.125%, 1/01/27 - MBIA Insured | 7/12 at 100 |
| | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A: | |
| 4,700 | 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 3,500 | 5.000%, 1/01/28 - MBIA Insured | 7/13 at 100 |
| 1,500 | Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| 2,500 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 3,300 | Peralta Community College District, Alameda County, California, General Obligation Bonds, Election of 2000, Series 2001A, 5.000%, 8/01/31 - FGIC Insured | 8/09 at 102 |
| 3,250 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 1,160 | San Gabriel Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2005, 5.000%, 8/01/22 - FSA Insured | 8/15 at 100 |
| 3,500 | San Mateo County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/26 - FGIC Insured | 9/12 at 100 |
| 2,980 | Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 - FGIC Insured | 8/11 at 101 |
| 2,460 | Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 - FSA Insured | 8/11 at 101 |
| 10,000 | Vista Unified School District, San Diego County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |

TAX OBLIGATION/LIMITED - 41.7% (28.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,450 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21 | 8/13 at 102 |
| 6,895 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| 2,290 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 2,200 | California Infrastructure Economic Development Bank, | 9/13 at 101 |

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| | | |
|-------|--|--------------|
| | Los Angeles County, Revenue Bonds, Department of Public Social Services, Series 2003, 5.000%, 9/01/28 - AMBAC Insured | |
| 3,100 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/15 | 12/13 at 100 |
| 7,035 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 - MBIA Insured | 9/13 at 100 |
| 3,145 | Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 - MBIA Insured | 5/11 at 101 |
| 1,020 | Desert Sands Unified School District, Riverside County, California, Certificates of Participation Refunding, Series 2002, 5.000%, 3/01/20 - MBIA Insured | 3/12 at 101 |
| 8,720 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 4,000 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |
| 2,115 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |
| 3,500 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2001, 5.100%, 9/01/31 - AMBAC Insured | 9/11 at 102 |
| 3,400 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2002, 5.000%, 9/01/22 - AMBAC Insured | 9/12 at 102 |

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Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (contin
Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,460 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 7,000 | Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.200%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 4,690 | Los Angeles County Metropolitan Transportation Authority, | 7/08 at 101 |

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| | | |
|-------|--|-------------|
| | California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | |
| 8,470 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.200%, 8/01/29 - AMBAC Insured | 8/11 at 101 |
| 5,000 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 - MBIA Insured | 4/12 at 102 |
| 4,475 | Riverside County, California, Asset Leasing Corporate Leasehold Revenue Bonds, Riverside County Hospital Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured | 6/12 at 101 |
| 3,175 | San Buenaventura, California, Certificates of Participation, Series 2001C, 5.250%, 2/01/31 - AMBAC Insured | 2/11 at 101 |
| 3,730 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 4,000 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 - MBIA Insured | 9/11 at 100 |
| 1,000 | Shasta Joint Powers Financing Authority, California, Lease Revenue Bonds, County Administration Building Project, Series 2003A, 5.250%, 4/01/23 - MBIA Insured | 4/13 at 100 |
| 2,160 | Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project 1, Series 2002, 5.125%, 8/01/27 - MBIA Insured | 8/08 at 102 |

TRANSPORTATION - 5.6% (3.8% OF TOTAL INVESTMENTS)

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

U.S. GUARANTEED *** - 4.3% (2.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,070 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002G, 5.125%, 8/01/26 - FSA Insured | 8/10 at 102 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002B: | |

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| | | |
|-------|---|-------------|
| 1,135 | 5.125%, 8/01/23 - FGIC Insured | 8/10 at 102 |
| 1,190 | 5.125%, 8/01/24 - FGIC Insured | 8/10 at 102 |
| 1,245 | 5.125%, 8/01/25 - FGIC Insured | 8/10 at 102 |
| 1,255 | 5.125%, 8/01/26 - FGIC Insured | 8/10 at 102 |
| 2,500 | Metropolitan Water District of Southern California, Water Revenue Bonds, Series 1997A, 5.000%, 7/01/30 (Pre-refunded to 1/01/08) - MBIA Insured | 1/08 at 101 |

 UTILITIES - 19.4% (13.1% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 9,000 | Anaheim Public Finance Authority, California, Revenue Bonds, Electric System Distribution Facilities, Series 2002A, 5.000%, 10/01/27 - FSA Insured | 10/12 at 100 |
| 10,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured (PLG1) | 4/11 at 102 |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 | 5/12 at 101 |
| 3,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
| 775 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 6,000 | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured | 7/08 at 101 |

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

UTILITIES (continued)

| | | |
|----------|--|-------------|
| \$ 3,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured | 8/11 at 100 |
| 5,630 | Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured | 7/12 at 100 |

 WATER AND SEWER - 16.8% (11.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 3,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, | 12/12 at 100 |
|-------|---|--------------|

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| | | |
|------------|---|--------------|
| | 5.150%, 12/01/23 - FGIC Insured | |
| 6,100 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured (PLG2) | 6/11 at 100 |
| 9,000 | Eastern Municipal Water District, California, Water and Sewerage System Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 - FGIC Insured | 7/11 at 100 |
| 4,500 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 3,605 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| 9,185 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| | Semitropic Water Storage District, Kern County, California, Water Banking Revenue Bonds, Series 2004A: | |
| 1,315 | 5.500%, 12/01/20 - XLCA Insured | 12/14 at 100 |
| 1,415 | 5.500%, 12/01/21 - XLCA Insured | 12/14 at 100 |
| ----- | | |
| \$ 335,010 | Total Long-Term Investments (cost \$330,799,083) - 148.3% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.4% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (49.7)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

FORWARD SWAP CONTRACTS OUTSTANDING AT FEBRUARY 28, 2005:

| | NOTIONAL AMOUNT | EFFECTIVE DATE (2) |
|--|--------------------|-----------------------|
| ----- | | |
| Agreement with Goldman Sachs dated December 6, 2004, to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$5,800,000 | 7/11/05 |
| Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 6,600,000 | 8/17/05 |
| Agreement with Merrill Lynch dated February 14, 2005, to pay semi-annually the notional amount multiplied by 4.886% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 6,000,000 | 8/24/05 |
| ----- | | |

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- * Optional Call Provisions: 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.
- (PLG1) Portion of security, with an aggregate market value of \$324,252, has been pledged to collateralize the net payment obligations under forward swap contracts.
- (PLG2) Portion of security, with an aggregate market value of \$250,088, has been pledged to collateralize the net payment obligations under forward swap contracts.

See accompanying notes to financial statements.

Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX)
 Portfolio of
 INVESTMENTS February 28, 2005 (Unaudited)

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

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CONSUMER STAPLES - 2.1% (1.3% OF TOTAL INVESTMENTS)

| | | | |
|----|-------|---|-------------|
| \$ | 1,625 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
|----|-------|---|-------------|

HEALTHCARE - 18.7% (12.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 2,700 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.250%, 12/01/34 | 12/09 at 101 |
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, UCSF - Stanford Healthcare, Series 1998A, 5.000%, 11/15/31 - FSA Insured | 11/08 at 101 |
| 1,800 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 6,000 | California Statewide Community Development Authority, Revenue Refunding Bonds, Sherman Oaks Health, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 2,000 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/23 - FSA Insured | 6/13 at 100 |
| 1,260 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 | 7/14 at 100 |

LONG-TERM CARE - 5.8% (3.9% OF TOTAL INVESTMENTS)

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

TAX OBLIGATION/GENERAL - 47.2% (31.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,000 | Berryessa Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/21 - FSA Insured | 8/12 at 100 |
| 2,000 | Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured | 8/12 at 101 |

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| | | |
|--------|---|-------------|
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 1,500 | 5.000%, 2/01/12 | No Opt. C |
| 3,750 | 5.000%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 3,000 | 5.250%, 4/01/30 - XLCA Insured | 4/12 at 100 |
| 500 | California, General Obligation Bonds, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| 450 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |
| | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B: | |
| 4,500 | 5.000%, 8/01/26 - FSA Insured | 8/13 at 100 |
| 2,030 | 5.000%, 8/01/27 - FSA Insured | 8/13 at 100 |
| 2,000 | Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured | 9/12 at 100 |
| 10,750 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100 |
| 1,000 | Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 - FGIC Insured | 9/13 at 100 |
| 3,000 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 2000B, 5.125%, 7/01/22 - MBIA Insured | 7/10 at 100 |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 3,855 | San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2003A, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 45.1% (30.2% OF TOTAL INVESTMENTS) | |
| 550 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21 | 8/13 at 102 |
| 2,025 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 4,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured | 12/12 at 100 |

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| | | |
|-------|--|--------------|
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 1,610 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |
| 5,540 | Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured | 3/05 at 103 |
| 2,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 1,770 | Los Angeles Unified School District, California, Certificates of Participation, Administration Building Project II, Series 2002C, 5.000%, 10/01/27 - AMBAC Insured | 10/12 at 100 |
| 1,500 | Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 - MBIA Insured | 9/10 at 103 |
| 1,825 | Paramount Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2003, 5.000%, 8/01/19 - MBIA Insured | 8/13 at 100 |
| 1,165 | Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23 | 5/13 at 102 |
| | San Buenaventura, California, Certificates of Participation, Golf Course Financing Project, Series 2002D: | |
| 3,000 | 5.000%, 2/01/27 - AMBAC Insured | 2/12 at 100 |
| 3,300 | 5.000%, 2/01/32 - AMBAC Insured | 2/12 at 100 |
| 1,200 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 1,220 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 - MBIA Insured | 8/10 at 101 |
| 2,770 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.000%, 6/01/32 - AMBAC Insured | 6/12 at 100 |
| 2,390 | Solano County, California, Certificates of Participation, Series 2002, 5.250%, 11/01/24 - MBIA Insured | 11/12 at 100 |

TRANSPORTATION - 13.9% (9.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,480 | Bay Area Governments Association, California, BART SFO Extension, Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured | 8/12 at 100 |
| 2,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 | 1/10 at 100 |

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| | | |
|-------|--|-------------|
| 3,135 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 16B, 5.000%, 5/01/24 - FSA Insured | 5/08 at 101 |
| 1,300 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 26B, 5.000%, 5/01/25 - FGIC Insured | 5/10 at 101 |

 UTILITIES - 5.4% (3.6% OF TOTAL INVESTMENTS)

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

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Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (contin
 Portfolio of INVESTMENTS February 28, 2005 (Unaudited)

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

 UTILITIES (continued)

| | | |
|--------|---|-------------|
| \$ 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
|--------|---|-------------|

 WATER AND SEWER - 11.4% (7.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,335 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| 3,000 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: 5.000%, 8/01/22 - MBIA Insured | 8/12 at 100 |
| 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| 1,180 | South Feather Water and Power Agency, California, Water Revenue Certificates of Participation, Solar Photovoltaic Project, Series 2003, 5.375%, 4/01/24 | 4/13 at 100 |
| 1,600 | Sunnyvale Financing Authority, California, Water and Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured | 10/11 at 100 |

| | |
|------------|---|
| \$ 124,760 | Total Long-Term Investments (cost \$125,705,146) - 149.6% |
|------------|---|

 Other Assets Less Liabilities - 1.7%

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Preferred Shares, at Liquidation Value - (51.3)%

Net Assets Applicable to Common Shares - 100%

FORWARD SWAP CONTRACTS OUTSTANDING AT FEBRUARY 28, 2005:

| | NOTIONAL AMOUNT | EFFECTIVE DATE (2) |
|--|--------------------|-----------------------|
| Agreement with Goldman Sachs dated December 6, 2004, to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$2,400,000 | 7/11/05 |
| Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 2,300,000 | 8/17/05 |
| Agreement with Merrill Lynch dated February 14, 2005, to pay semi-annually the notional amount multiplied by 4.886% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 2,700,000 | 8/24/05 |

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

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

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES February 28, 2005 (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|--|---|---|
| <hr/> | | |
| ASSETS | | |
| Investments, at market value (cost \$135,030,669, \$269,491,940, \$120,082,726 and \$505,946,087, respectively) | \$147,339,003 | \$286,435,435 |
| Cash | -- | 404,967 |
| Receivables: | | |
| Interest | 2,284,388 | 3,635,109 |
| Investments sold | -- | 140,000 |
| Forward swaps, at value | -- | -- |
| Other assets | 9,398 | 28,593 |
| <hr/> | | |
| Total assets | 149,632,789 | 290,644,104 |
| <hr/> | | |
| LIABILITIES | | |
| Cash overdraft | 1,015,913 | -- |
| Payable for investments purchased | -- | 2,477,974 |
| Forward swaps, at value | -- | -- |
| Accrued expenses: | | |
| Management fees | 73,562 | 141,112 |
| Other | 51,091 | 67,155 |
| Preferred share dividends payable | 13,762 | 21,676 |
| <hr/> | | |
| Total liabilities | 1,154,328 | 2,707,917 |
| <hr/> | | |
| Preferred shares, at liquidation value | 45,000,000 | 95,000,000 |
| <hr/> | | |
| Net assets applicable to Common shares | \$103,478,461 | \$192,936,187 |
| <hr/> | | |
| Common shares outstanding | 6,446,694 | 12,713,231 |
| <hr/> | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 16.05 | \$ 15.18 |
| <hr/> | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | |
| <hr/> | | |
| Common shares, \$.01 par value per share | \$ 64,467 | \$ 127,132 |
| Paid-in surplus | 89,219,480 | 176,175,463 |
| Undistributed (Over-distribution of) net investment income | 1,287,018 | 1,460,501 |
| Accumulated net realized gain (loss) from investments and forward swaps | 599,162 | (1,770,404) |

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| | | |
|---|---------------|---------------|
| Net unrealized appreciation of investments and forward swaps | 12,308,334 | 16,943,495 |
| ----- | | |
| Net assets applicable to Common shares | \$103,478,461 | \$192,936,187 |
| ===== | | |
| Authorized shares: | | |
| Common | 200,000,000 | 200,000,000 |
| Preferred | 1,000,000 | 1,000,000 |
| ===== | | |

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES February 28, 2005 (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) |
|--|--|--|
| ----- | | |
| ASSETS | | |
| Investments, at market value (cost \$316,791,709, \$522,719,732, \$330,799,083 and \$125,705,146, respectively) | \$332,565,169 | \$542,534,024 |
| Cash | -- | -- |
| Receivables: | | |
| Interest | 4,377,159 | 7,683,148 |
| Investments sold | -- | -- |
| Forward swaps, at value | -- | -- |
| Other assets | 16,010 | 14,639 |
| ----- | | |
| Total assets | 336,958,338 | 550,231,811 |
| ----- | | |
| LIABILITIES | | |
| Cash overdraft | 223,719 | 2,242,066 |
| Payable for investments purchased | 195,307 | -- |
| Forward swaps, at value | -- | -- |
| Accrued expenses: | | |
| Management fees | 85,971 | 137,196 |
| Other | 49,771 | 77,132 |
| Preferred share dividends payable | 18,908 | 51,644 |
| ----- | | |
| Total liabilities | 573,676 | 2,508,038 |
| ----- | | |
| Preferred shares, at liquidation value | 110,000,000 | 187,000,000 |
| ----- | | |
| Net assets applicable to Common shares | \$226,384,662 | \$360,723,773 |
| ===== | | |
| Common shares outstanding | 14,790,660 | 24,112,833 |
| ===== | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.31 | \$ 14.96 |

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NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

| | | |
|--|---------------|---------------|
| Common shares, \$.01 par value per share | \$ 147,907 | \$ 241,128 |
| Paid-in surplus | 210,028,777 | 342,513,152 |
| Undistributed (Over-distribution of) net investment income | 1,879,513 | 2,814,393 |
| Accumulated net realized gain (loss) from investments and forward swaps | (1,444,995) | (4,659,192) |
| Net unrealized appreciation of investments and forward swaps | 15,773,460 | 19,814,292 |
| Net assets applicable to Common shares | \$226,384,662 | \$360,723,773 |
| Authorized shares: | | |
| Common | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Six Months Ended February 28, 2005 (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|--|---|---|
| INVESTMENT INCOME | \$3,676,233 | \$6,989,251 |
| EXPENSES | | |
| Management fees | 475,760 | 907,919 |
| Preferred shares - auction fees | 55,788 | 117,773 |
| Preferred shares - dividend disbursing agent fees | 4,959 | 9,917 |
| Shareholders' servicing agent fees and expenses | 5,383 | 8,689 |
| Custodian's fees and expenses | 17,181 | 32,915 |
| Directors'/Trustees' fees and expenses | 1,312 | 2,455 |
| Professional fees | 6,992 | 9,952 |
| Shareholders' reports - printing and mailing expenses | 5,142 | 11,656 |
| Stock exchange listing fees | 5,414 | 5,463 |
| Investor relations expense | 4,630 | 19,615 |
| Other expenses | 6,707 | 8,158 |
| Total expenses before custodian fee credit and expense reimbursement | 589,268 | 1,134,512 |
| Custodian fee credit | (2,395) | (5,838) |
| Expense reimbursement | -- | -- |
| Net expenses | 586,873 | 1,128,674 |
| Net investment income | 3,089,360 | 5,860,577 |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain (loss) from investments | 627,472 | 213,776 |
| Net realized gain (loss) from forward swaps | -- | -- |

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| | | |
|---|-------------|-------------|
| Change in net unrealized appreciation (depreciation) of investments | (509,657) | 975,535 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- |
| ----- | ----- | ----- |
| Net realized and unrealized gain | 117,815 | 1,189,311 |
| ----- | ----- | ----- |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (248,102) | (565,185) |
| From accumulated net realized gains from investments | (53,379) | -- |
| ----- | ----- | ----- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (301,481) | (565,185) |
| ----- | ----- | ----- |
| Net increase in net assets applicable to Common shares from operations | \$2,905,694 | \$6,484,703 |
| ===== | ===== | ===== |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Six Months Ended February 28, 2005 (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) |
|--|--|--|
| ----- | ----- | ----- |
| INVESTMENT INCOME | \$ 8,005,728 | \$13,013,295 |
| ----- | ----- | ----- |
| EXPENSES | | |
| Management fees | 1,049,217 | 1,692,446 |
| Preferred shares - auction fees | 136,369 | 231,828 |
| Preferred shares - dividend disbursing agent fees | 9,917 | 9,917 |
| Shareholders' servicing agent fees and expenses | 1,585 | 2,539 |
| Custodian's fees and expenses | 30,666 | 51,346 |
| Directors'/Trustees' fees and expenses | 2,855 | 4,393 |
| Professional fees | 10,119 | 14,691 |
| Shareholders' reports - printing and mailing expenses | 13,997 | 19,657 |
| Stock exchange listing fees | 625 | 1,018 |
| Investor relations expense | 22,124 | 35,598 |
| Other expenses | 11,912 | 16,292 |
| ----- | ----- | ----- |
| Total expenses before custodian fee credit and expense reimbursement | 1,289,386 | 2,079,725 |
| Custodian fee credit | (15,511) | (18,782) |
| Expense reimbursement | (498,095) | (811,747) |
| ----- | ----- | ----- |
| Net expenses | 775,780 | 1,249,196 |
| ----- | ----- | ----- |
| Net investment income | 7,229,948 | 11,764,099 |
| ----- | ----- | ----- |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain (loss) from investments | 31,775 | 59,245 |
| Net realized gain (loss) from forward swaps | -- | -- |

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| | | |
|---|--------------|--------------|
| Change in net unrealized appreciation (depreciation) of investments | 5,172,472 | 7,162,560 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- |
| Net realized and unrealized gain | 5,204,247 | 7,221,805 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (700,391) | (1,235,151) |
| From accumulated net realized gains from investments | -- | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (700,391) | (1,235,151) |
| Net increase in net assets applicable to Common shares from operations | \$11,733,804 | \$17,750,753 |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | |
|--|--|-----------------------|--|-----------------------|
| | SIX MONTHS ENDED 2/28/05 | YEAR ENDED 8/31/04 | SIX MONTHS ENDED 2/28/05 | YEAR ENDED 8/31/04 |
| OPERATIONS | | | | |
| Net investment income | \$ 3,089,360 | \$ 6,380,123 | \$ 5,860,577 | \$ 12,155,986 |
| Net realized gain (loss) from investments | 627,472 | 1,060,439 | 213,776 | 6,591,551 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | (509,657) | 3,379,499 | 975,535 | 127,122 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | -- |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (248,102) | (324,673) | (565,185) | (727,279) |
| From accumulated net realized gains from investments | (53,379) | (18,045) | -- | -- |
| Net increase in net assets applicable to Common shares from operations | 2,905,694 | 10,477,343 | 6,484,703 | 18,147,380 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (3,075,822) | (5,990,256) | (5,795,689) | (11,576,056) |

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| | | | | |
|---|---------------|---------------|---------------|---------------|
| From accumulated net realized gains from investments | (1,006,068) | (339,859) | -- | -- |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (4,081,890) | (6,330,115) | (5,795,689) | (11,576,056) |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares: | | | | |
| Net proceeds from sale of shares | -- | -- | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 36,956 | 43,490 | 212,342 | 282,847 |
| Preferred shares offering costs | -- | -- | -- | -- |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 36,956 | 43,490 | 212,342 | 282,847 |
| Net increase (decrease) in net assets applicable to Common shares | (1,139,240) | 4,190,718 | 901,356 | 6,854,171 |
| Net assets applicable to Common shares at the beginning of period | 104,617,701 | 100,426,983 | 192,034,831 | 185,180,660 |
| Net assets applicable to Common shares at the end of period | \$103,478,461 | \$104,617,701 | \$192,936,187 | \$192,034,831 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 1,287,018 | \$ 1,521,582 | \$ 1,460,501 | \$ 1,960,798 |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | |
|--------------------------|--|-----------------------|--|-----------------------|
| | SIX MONTHS ENDED 2/28/05 | YEAR ENDED 8/31/04 | SIX MONTHS ENDED 2/28/05 | YEAR ENDED 8/31/04 |
| OPERATIONS | | | | |
| Net investment income | \$ 12,172,057 | \$ 24,522,028 | \$ 7,229,948 | \$ 14,625,012 |
| Net realized gain (loss) | | | | |

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| | | | | |
|---|---------------|---------------|---------------|---------------|
| from investments | (109,926) | 3,065,461 | 31,775 | 734,631 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 6,084,583 | 14,927,705 | 5,172,472 | 10,663,642 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | -- |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (1,127,569) | (1,400,301) | (700,391) | (861,160) |
| From accumulated net realized gains from investments | (64,137) | -- | -- | -- |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | 16,955,008 | 41,114,893 | 11,733,804 | 25,162,125 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (11,518,709) | (22,967,185) | (6,744,542) | (13,489,082) |
| From accumulated net realized gains from investments | (1,086,300) | -- | -- | -- |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (12,605,009) | (22,967,185) | (6,744,542) | (13,489,082) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares: | | | | |
| Net proceeds from sale of shares | -- | -- | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- |
| Preferred shares offering costs | -- | -- | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | -- | -- | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 4,349,999 | 18,147,708 | 4,989,262 | 11,673,043 |
| Net assets applicable to Common shares at the beginning of period | 365,066,207 | 346,918,499 | 221,395,400 | 209,722,357 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of period | \$369,416,206 | \$365,066,207 | \$226,384,662 | \$221,395,400 |
| ===== | | | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 3,780,694 | \$ 4,254,915 | \$ 1,879,513 | \$ 2,094,498 |
| ===== | | | | |

See accompanying notes to financial statements.

| | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | |
|---|--|-----------------------|
| | SIX MONTHS ENDED 2/28/05 | YEAR ENDED 8/31/04 |
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 7,760,572 | \$ 15,590,731 |
| Net realized gain (loss) from investments | 365,618 | 657,530 |
| Net realized gain (loss) from forward swaps | (1,845,219) | -- |
| Change in net unrealized appreciation (depreciation) of investments | 4,566,339 | 13,017,888 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 1,056,618 | (1,001,377) |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (767,673) | (854,403) |
| From accumulated net realized gains from investments | (45,704) | (143,985) |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | 11,090,551 | 27,266,384 |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (6,958,448) | (13,916,900) |
| From accumulated net realized gains from investments | (759,922) | (1,910,520) |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (7,718,370) | (15,827,420) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | (1,575) |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | -- |
| Preferred shares offering costs | (54) | (1,401) |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (54) | (2,976) |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares | 3,372,127 | 11,435,988 |
| Net assets applicable to Common shares at the beginning of period | 234,186,496 | 222,750,508 |
| ----- | | |
| Net assets applicable to Common shares at the end of period | \$237,558,623 | \$234,186,496 |
| ===== | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 1,086,211 | \$ 1,051,760 |

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See accompanying notes to financial statements.

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Notes to
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Investment Valuation

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

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At February 28, 2005, Insured California Premium Income 2 (NCL), California Premium Income (NCU), and California Dividend Advantage 2 (NVX) had outstanding when-issued purchase commitments of \$2,477,974, \$267,262 and \$195,307, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

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

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Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

Dividends and Distributions to Common Shareholders

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

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

Preferred Shares

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

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follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) |
|-------------------|---|---|--|--|
| ----- | | | | |
| Number of shares: | | | | |
| Series M | -- | -- | 1,720 | -- |
| Series T | 1,800 | 1,900 | -- | -- |
| Series TH | -- | 1,900 | -- | 3,500 |
| Series F | -- | -- | -- | 3,500 |
| ----- | | | | |
| Total | 1,800 | 3,800 | 1,720 | 7,000 |
| ===== | | | | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) |
|-------------------|--|--|---|---|
| ----- | | | | |
| Number of shares: | | | | |
| Series M | 2,200 | 3,740 | -- | -- |
| Series T | -- | -- | 2,360 | -- |
| Series TH | -- | 3,740 | -- | 1,800 |
| Series F | 2,200 | -- | 2,360 | -- |
| ----- | | | | |
| Total | 4,400 | 7,480 | 4,720 | 1,800 |
| ===== | | | | |

Insurance

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

Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) invest at least 80% of their net assets (including net assets applicable to Preferred shares) in municipal securities that are covered by insurance. Each Fund may also invest up to 20% of its net assets (including net assets applicable to Preferred shares) in municipal securities which are either (i) backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

Each insured municipal security is covered by Original Issue Insurance,

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

Forward Swap Transactions

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

Custodian Fee Credit

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

Indemnifications

Under the Funds' organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Use of Estimates

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

2. FUND SHARES

Transactions in Common shares were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | CALIFORNIA PREMIUM INCOM | |
|--|--|-----------------------|--|-----------------------|-----------------------------|----|
| | SIX MONTHS | | SIX MONTHS | | SIX MONTHS | |
| | ENDED 2/28/05 | YEAR ENDED 8/31/04 | ENDED 2/28/05 | YEAR ENDED 8/31/04 | ENDED 2/28/05 | YE |
| Common shares issued to shareholders due to reinvestment of distributions | 2,232 | 2,632 | 13,855 | 18,275 | -- | |
| | 2,232 | 2,632 | 13,855 | 18,275 | -- | |

| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | CALIFORNIA DI ADVANTAGE 3 | |
|--|--|-----------------------|--|-----------------------|------------------------------|----|
| | SIX MONTHS | | SIX MONTHS | | SIX MONTHS | |
| | ENDED 2/28/05 | YEAR ENDED 8/31/04 | ENDED 2/28/05 | YEAR ENDED 8/31/04 | ENDED 2/28/05 | YE |
| Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- | -- | |
| | -- | -- | -- | -- | -- | |

| | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | INSURED CALIFORNIA TA ADVANTAGE (| |
|--|---|-----------------------|---|----|
| | SIX MONTHS | | SIX MONTHS | |
| | ENDED 2/28/05 | YEAR ENDED 8/31/04 | ENDED 2/28/05 | YE |
| Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the six months ended February 28, 2005, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) |
|----------------------|---|---|--|--|
| Purchases | \$9,614,266 | \$16,505,089 | \$8,465,581 | \$8,947,895 |
| Sales and maturities | 9,192,565 | 11,480,255 | 8,147,420 | 6,533,188 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) |
|----------------------|--|--|---|---|
| Purchases | \$11,585,173 | \$12,142,166 | \$5,790,443 | \$1,955,360 |
| Sales and maturities | 4,720,555 | 7,185,605 | 7,297,963 | 2,543,782 |

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Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses on investments, timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At February 28, 2005, the cost of investments was as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) |
|---------------------|---|---|--|--|
| Cost of investments | \$134,902,054 | \$269,323,688 | \$120,028,637 | \$505,758,787 |

| | CALIFORNIA DIVIDEND | CALIFORNIA DIVIDEND | INSURED CALIFORNIA DIVIDEND | INSURED CALIFORNIA TAX-FREE |
|--|------------------------|------------------------|-----------------------------------|-----------------------------------|
|--|------------------------|------------------------|-----------------------------------|-----------------------------------|

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| | ADVANTAGE 2 (NVX) | ADVANTAGE 3 (NZH) | ADVANTAGE (NKL) | ADVANTAGE (NKX) |
|---------------------|----------------------|----------------------|--------------------|--------------------|
| Cost of investments | \$316,781,744 | \$522,711,821 | \$330,835,434 | \$125,699,611 |

Gross unrealized appreciation and gross unrealized depreciation of investments at February 28, 2005, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) |
|--|---|---|--|
| Gross unrealized: | | | |
| Appreciation | \$12,507,267 | \$17,447,283 | \$7,344,495 |
| Depreciation | (70,318) | (335,536) | (172,915) |
| Net unrealized appreciation of investments | \$12,436,949 | \$17,111,747 | \$7,171,580 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) |
|--|--|--|---|
| Gross unrealized: | | | |
| Appreciation | \$16,317,479 | \$20,605,366 | \$21,575,053 |
| Depreciation | (534,054) | (783,163) | (151,381) |
| Net unrealized appreciation of investments | \$15,783,425 | \$19,822,203 | \$21,423,672 |

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The tax components of undistributed net investment income and net realized gains at August 31, 2004, the Funds' last fiscal year end, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) |
|---|---|---|--|
| Undistributed net tax-exempt income * | \$1,758,461 | \$2,781,051 | \$1,358,334 |
| Undistributed net ordinary income ** | 350,095 | 2,752 | -- |
| Undistributed net long-term capital gains | 784,567 | -- | -- |

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

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| | DIVIDEND ADVANTAGE 2 (NVX) | DIVIDEND ADVANTAGE 3 (NZH) | DIVIDEND ADVANTAGE (NKL) |
|---|----------------------------------|----------------------------------|--------------------------------|
| Undistributed net tax-exempt income * | \$3,197,604 | \$4,445,944 | \$2,129,949 |
| Undistributed net ordinary income ** | 17,650 | -- | -- |
| Undistributed net long-term capital gains | -- | -- | 617,799 |

* Undistributed net tax exempt income (on a tax basis) has not been reduced for the dividend declared on August 2, 2004, paid on September 1, 2004.

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

The tax character of distributions paid during the fiscal year ended August 31, 2004, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) |
|--|---|---|--|
| Distributions from net tax-exempt income | \$6,242,243 | \$12,293,836 | \$5,391,619 |
| Distributions from net ordinary income ** | 59,796 | -- | -- |
| Distributions from net long-term capital gains | 357,419 | -- | -- |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) |
|--|--|--|---|
| Distributions from net tax-exempt income | \$14,342,456 | \$22,428,037 | \$ 14,773,957 |
| Distributions from net ordinary income ** | -- | -- | 1,816,883 |
| Distributions from net long-term capital gains | -- | -- | 237,622 |

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

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

At August 31, 2004, the Funds' last fiscal year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to

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be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) |
|------------------|---|--|--|--|---|
| Expiration year: | | | | | |
| 2005 | \$ -- | \$1,049,994 | \$ -- | \$ -- | \$ -- |
| 2006 | -- | -- | -- | -- | -- |
| 2007 | -- | -- | -- | -- | -- |
| 2008 | -- | -- | -- | -- | -- |
| 2009 | 1,544,084 | -- | -- | -- | -- |
| 2010 | 440,510 | -- | -- | -- | -- |
| 2011 | -- | -- | -- | 4,394,597 | 218,696 |
| 2012 | -- | -- | 1,479,418 | 323,840 | -- |
| Total | \$1,984,594 | \$1,049,994 | \$1,479,418 | \$4,718,437 | \$218,696 |

Insured California Tax-Free Advantage (NKX) elected to defer net realized losses from investments incurred from November 1, 2003 through August 31, 2004 ("post-October losses"), in accordance with Federal income tax regulations. Post-October losses of \$59,857 were treated as having arisen on the first day of the current fiscal year.

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

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

As approved by the Board of Directors/Trustees, effective August 1, 2004, a complex-wide management fee structure was adopted for all funds sponsored by the Adviser, or its predecessor and its affiliates. This fee structure separates each fund's management fee into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser. Under no circumstances will this pricing structure result in a fund paying management fees at a rate higher than would otherwise have been applicable had the complex-wide management fee structure not been implemented. As of March 31, 2005, the complex-level fee rate was .1920%; that is, the funds' effective management fees were reduced by approximately .008%.

Effective August 1, 2004, the annual fund-level fee, payable monthly, for each of the Funds is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED CALIFORNIA PREMIUM INCOME (NPC) INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) CALIFORNIA PREMIUM INCOME (NCU) FUND-LEVEL FEE RATE |
|---|--|
|---|--|

| | |
|---------------------------------|--------|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For net assets over \$5 billion | .3750 |

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

Effective August 1, 2004, the annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as follows:

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

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

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Each Fund paid through July 31, 2004, an annual management fee, payable monthly, at the rates set forth below, which were based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED CALIFORNIA PREMIUM INCOME (NPC) INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) CALIFORNIA PREMIUM INCOME (NCU) MANAGEMENT FEE RATE |
|---|--|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) MANAGEMENT FEE RATE |
|---|--|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

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

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

YEAR ENDING

YEAR ENDING

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

* From the commencement of operations.

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

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

| YEAR ENDING MARCH 31, | | YEAR ENDING MARCH 31, | |
|--------------------------|------|--------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

6. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. The settlement of transactions (C) and (D) above would likely be deemed to be an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and NAM, which would result in the automatic termination of each agreement under the 1940 Act. The Board of Directors/Trustees will consider approval of new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders. Those agreements, if approved by a Fund's shareholders, would take effect upon such approval. There can be no assurance that these approvals will be obtained.

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7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on April 1, 2005, to shareholders of record on March 15, 2005, as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) |
|--------------------|---|---|--|--|
| Dividend per share | \$.0740 | \$.0730 | \$.0700 | \$.0820 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) |
|--------------------|--|--|---|---|
| Dividend per share | \$.0760 | \$.0720 | \$.0760 | \$.0695 |

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Financial
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | |
|--|--|-----------------------------|---|---|---|------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Tot |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (a) | \$16.23 | \$.48 | \$.03 | \$ (.04) | \$ (.01) | \$. |
| 2004 | 15.59 | .99 | .68 | (.05) | -- | 1. |
| 2003 | 16.17 | .99 | (.45) | (.06) | (.01) | . |
| 2002 | 16.04 | 1.05 | .03 | (.09) | -- | . |
| 2001 | 15.08 | 1.04 | .99 | (.21) | -- | 1. |
| 2000 | 14.81 | 1.09 | .30 | (.24) | -- | 1. |

INSURED CALIFORNIA
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

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| | | | | | | |
|----------|-------|------|-------|-------|----|----|
| 2005 (a) | 15.12 | .46 | .10 | (.04) | -- | . |
| 2004 | 14.60 | .96 | .53 | (.06) | -- | 1. |
| 2003 | 15.08 | .99 | (.51) | (.07) | -- | . |
| 2002 | 15.01 | 1.02 | (.02) | (.10) | -- | . |
| 2001 | 14.09 | 1.01 | .91 | (.22) | -- | 1. |
| 2000 | 13.70 | 1.02 | .41 | (.24) | -- | 1. |

CALIFORNIA PREMIUM
INCOME (NCU)

Year Ended 8/31:

| | | | | | | |
|----------|-------|------|-------|-------|----|----|
| 2005 (a) | 14.51 | .45 | .34 | (.05) | -- | . |
| 2004 | 13.66 | .94 | .85 | (.06) | -- | 1. |
| 2003 | 14.42 | .96 | (.78) | (.07) | -- | . |
| 2002 | 14.22 | .99 | .13 | (.10) | -- | 1. |
| 2001 | 13.34 | 1.00 | .90 | (.23) | -- | 1. |
| 2000 | 13.19 | 1.03 | .14 | (.23) | -- | . |

Total Returns

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

INSURED CALIFORNIA
PREMIUM INCOME (NPC)

Year Ended 8/31:

| | | | | | |
|----------|------|---------|-----------|-------|-------|
| 2005 (a) | \$-- | \$16.05 | \$16.4600 | 8.27% | 2.82% |
| 2004 | -- | 16.23 | 15.8100 | 11.80 | 10.64 |
| 2003 | -- | 15.59 | 15.0700 | 1.55 | 2.82 |
| 2002 | -- | 16.17 | 15.8500 | 6.73 | 6.47 |
| 2001 | -- | 16.04 | 15.6900 | 14.12 | 12.43 |
| 2000 | -- | 15.08 | 14.5625 | .84 | 8.34 |

INSURED CALIFORNIA
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

| | | | | | |
|----------|----|-------|---------|-------|-------|
| 2005 (a) | -- | 15.18 | 14.9900 | 1.75 | 3.45 |
| 2004 | -- | 15.12 | 15.1800 | 12.71 | 10.02 |
| 2003 | -- | 14.60 | 14.3200 | 2.69 | 2.71 |
| 2002 | -- | 15.08 | 14.8000 | 5.57 | 6.29 |
| 2001 | -- | 15.01 | 14.8300 | 11.99 | 12.45 |
| 2000 | -- | 14.09 | 14.0000 | 3.58 | 9.21 |

CALIFORNIA PREMIUM
INCOME (NCU)

Year Ended 8/31:

| | | | | | |
|----------|----|-------|---------|-------|-------|
| 2005 (a) | -- | 14.81 | 14.2000 | 7.20 | 5.14 |
| 2004 | -- | 14.51 | 13.6700 | 12.04 | 12.94 |
| 2003 | -- | 13.66 | 13.0200 | (.91) | .69 |
| 2002 | -- | 14.42 | 14.0000 | 4.84 | 7.48 |
| 2001 | -- | 14.22 | 14.1700 | 12.84 | 12.92 |
| 2000 | -- | 13.34 | 13.3125 | 5.93 | 7.63 |

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

INSURED CALIFORNIA PREMIUM INCOME (NPC)

| Year Ended 8/31: | | | | |
|------------------|-----------|--------|--------|--------|
| 2005 (a) | \$103,478 | 1.13%* | 5.95%* | 1.13%* |
| 2004 | 104,618 | 1.17 | 6.17 | 1.16 |
| 2003 | 100,427 | 1.17 | 6.13 | 1.16 |
| 2002 | 104,137 | 1.21 | 6.65 | 1.19 |
| 2001 | 103,068 | 1.22 | 6.77 | 1.21 |
| 2000 | 96,903 | 1.25 | 7.65 | 1.24 |

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

| Year Ended 8/31: | | | | |
|------------------|---------|-------|-------|-------|
| 2005 (a) | 192,936 | 1.18* | 6.09* | 1.17* |
| 2004 | 192,035 | 1.19 | 6.38 | 1.19 |
| 2003 | 185,181 | 1.20 | 6.53 | 1.19 |
| 2002 | 190,870 | 1.23 | 6.83 | 1.22 |
| 2001 | 189,633 | 1.24 | 7.01 | 1.24 |
| 2000 | 177,977 | 1.28 | 7.65 | 1.26 |

CALIFORNIA PREMIUM INCOME (NCU)

| Year Ended 8/31: | | | | |
|------------------|--------|-------|-------|-------|
| 2005 (a) | 85,499 | 1.22* | 6.16* | 1.21* |
| 2004 | 83,772 | 1.23 | 6.62 | 1.22 |
| 2003 | 78,859 | 1.24 | 6.72 | 1.24 |
| 2002 | 83,249 | 1.27 | 7.07 | 1.26 |
| 2001 | 82,067 | 1.32 | 7.36 | 1.30 |
| 2000 | 76,878 | 1.38 | 8.09 | 1.36 |

Preferred Shares at End of Period

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

INSURED CALIFORNIA PREMIUM INCOME (NPC)

Year Ended 8/31:

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| | | | |
|----------|----------|----------|----------|
| 2005 (a) | \$45,000 | \$25,000 | \$82,488 |
| 2004 | 45,000 | 25,000 | 83,121 |
| 2003 | 45,000 | 25,000 | 80,793 |
| 2002 | 45,000 | 25,000 | 82,854 |
| 2001 | 45,000 | 25,000 | 82,260 |
| 2000 | 45,000 | 25,000 | 78,835 |

INSURED CALIFORNIA
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

| | | | |
|----------|--------|--------|--------|
| 2005 (a) | 95,000 | 25,000 | 75,773 |
| 2004 | 95,000 | 25,000 | 75,535 |
| 2003 | 95,000 | 25,000 | 73,732 |
| 2002 | 95,000 | 25,000 | 75,229 |
| 2001 | 95,000 | 25,000 | 74,903 |
| 2000 | 95,000 | 25,000 | 71,836 |

CALIFORNIA PREMIUM
INCOME (NCU)

Year Ended 8/31:

| | | | |
|----------|--------|--------|--------|
| 2005 (a) | 43,000 | 25,000 | 74,709 |
| 2004 | 43,000 | 25,000 | 73,704 |
| 2003 | 43,000 | 25,000 | 70,848 |
| 2002 | 43,000 | 25,000 | 73,400 |
| 2001 | 43,000 | 25,000 | 72,714 |
| 2000 | 43,000 | 25,000 | 69,696 |

=====

* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

(a) For the six months ended February 28, 2005.

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 | |
|-----------|---|----------------------------------|
| | Distributions from Net Investment | Distributions from Capital |
| Beginning | | |

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| | Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Income to Preferred Share- holders+ | Gains to Preferred Share- holders+ | Tot |
|--|---------------------------------------|-----------------------------|---|--|---|------|
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (e) | \$15.59 | \$.52 | \$.26 | \$ (.05) | \$ -- | \$. |
| 2004 | 14.82 | 1.05 | .76 | (.06) | -- | 1. |
| 2003 | 15.24 | 1.06 | (.47) | (.07) | -- | . |
| 2002 | 15.13 | 1.07 | -- | (.10) | -- | . |
| 2001 | 13.82 | 1.07 | 1.28 | (.23) | -- | 2. |
| 2000 | 13.33 | 1.07 | .52 | (.26) | -- | 1. |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (e) | 14.97 | .49 | .36 | (.05) | -- | . |
| 2004 | 14.18 | .99 | .77 | (.06) | -- | 1. |
| 2003 | 14.79 | 1.00 | (.62) | (.07) | -- | . |
| 2002 | 15.11 | 1.06 | (.40) | (.11) | -- | . |
| 2001 (a) | 14.33 | .34 | .90 | (.05) | -- | 1. |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (e) | 14.65 | .49 | .30 | (.05) | -- | . |
| 2004 | 13.72 | .98 | .88 | (.07) | -- | 1. |
| 2003 | 14.33 | .98 | (.66) | (.08) | -- | . |
| 2002 (b) | 14.33 | .83 | .09 | (.08) | -- | . |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (e) | 15.35 | .51 | .27 | (.05) | -- | . |
| 2004 | 14.60 | 1.02 | .84 | (.06) | (.01) | 1. |
| 2003 | 15.14 | .99 | (.49) | (.07) | (.01) | . |
| 2002 (c) | 14.33 | .34 | .92 | (.03) | -- | 1. |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2005 (e) | 14.62 | .48 | .31 | (.05) | -- | . |
| 2004 | 13.79 | .96 | .84 | (.06) | -- | 1. |
| 2003 (d) | 14.33 | .64 | (.33) | (.04) | -- | . |

| | | | | | Total Returns | |
|---|--|------------------|-----------------------|-----------------------|--|--|
| | | | | | ----- | |
| Offering Costs and Preferred Share Underwriting | Ending Common Share Net Asset | Ending Market | Based on Market | Based on Market | Based on Common Share Net Asset | |

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| | Discounts | Value | Value | Value** | Value** |
|---|-----------|---------|-----------|---------|---------|
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | |
| Year Ended 8/31: | | | | | |
| 2005 (e) | \$ -- | \$15.78 | \$15.0100 | 3.71% | 4.74% |
| 2004 | -- | 15.59 | 15.0000 | 12.07 | 12.11 |
| 2003 | -- | 14.82 | 14.3000 | 4.79 | 3.37 |
| 2002 | -- | 15.24 | 14.5500 | 3.67 | 6.75 |
| 2001 | -- | 15.13 | 14.8900 | 15.06 | 15.85 |
| 2000 | -- | 13.82 | 13.7500 | (2.18) | 10.80 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2005 (e) | -- | 15.31 | 14.0900 | 3.38 | 5.38 |
| 2004 | -- | 14.97 | 14.0800 | 13.60 | 12.11 |
| 2003 | -- | 14.18 | 13.2400 | (.95) | 2.16 |
| 2002 | -- | 14.79 | 14.2800 | (.27) | 3.90 |
| 2001 (a) | (.12) | 15.11 | 15.2100 | 3.40 | 7.55 |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | |
| Year Ended 8/31: | | | | | |
| 2005 (e) | -- | 14.96 | 13.6500 | 5.73 | 5.12 |
| 2004 | -- | 14.65 | 13.3300 | 11.97 | 13.36 |
| 2003 | .01 | 13.72 | 12.7100 | (3.20) | 1.68 |
| 2002 (b) | (.12) | 14.33 | 14.0000 | (1.68) | 5.32 |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | | |
| Year Ended 8/31: | | | | | |
| 2005 (e) | -- | 15.57 | 14.6100 | 3.07 | 4.79 |
| 2004 | -- | 15.35 | 14.6700 | 12.54 | 12.53 |
| 2003 | -- | 14.60 | 14.0000 | (.35) | 2.70 |
| 2002 (c) | (.12) | 15.14 | 15.0000 | 2.05 | 7.84 |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2005 (e) | -- | 14.92 | 14.7400 | 7.09 | 5.15 |
| 2004 | -- | 14.62 | 14.1900 | 11.54 | 12.86 |
| 2003 (d) | (.21) | 13.79 | 13.5600 | (5.79) | .34 |

Ratios/Supplemental Data

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

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| | Shares (000) | Shares++ | Shares++ | Shares++ |
|--|--------------|----------|----------|----------|
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 (e) | \$369,416 | 1.12%* | 6.29%* | .75%* |
| 2004 | 365,066 | 1.14 | 6.38 | .70 |
| 2003 | 346,918 | 1.15 | 6.44 | .70 |
| 2002 | 356,821 | 1.18 | 6.76 | .72 |
| 2001 | 354,197 | 1.19 | 7.03 | .72 |
| 2000 | 323,326 | 1.24 | 7.93 | .75 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 (e) | 226,385 | 1.16* | 6.02* | .70* |
| 2004 | 221,395 | 1.18 | 6.24 | .72 |
| 2003 | 209,722 | 1.18 | 6.30 | .73 |
| 2002 | 218,814 | 1.19 | 6.82 | .73 |
| 2001 (a) | 223,440 | 1.05* | 5.23* | .62* |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 (e) | 360,724 | 1.17* | 6.15* | .70* |
| 2004 | 353,360 | 1.20 | 6.32 | .73 |
| 2003 | 330,829 | 1.20 | 6.33 | .73 |
| 2002 (b) | 345,470 | 1.15* | 6.01* | .69* |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 (e) | 237,559 | 1.17* | 6.15* | .71* |
| 2004 | 234,186 | 1.18 | 6.28 | .72 |
| 2003 | 222,751 | 1.18 | 6.00 | .72 |
| 2002 (c) | 231,062 | 1.10* | 4.98* | .60* |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | |
| ----- | | | | |
| Year Ended 8/31: | | | | |
| 2005 (e) | 87,764 | 1.22* | 6.06* | .73* |
| 2004 | 86,008 | 1.23 | 6.17 | .73 |
| 2003 (d) | 81,141 | 1.14* | 5.25* | .67* |

Preferred Shares at End of Period

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

CALIFORNIA DIVIDEND
ADVANTAGE (NAC)

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| | | | |
|------------------|-----------|----------|----------|
| Year Ended 8/31: | | | |
| 2005 (e) | \$175,000 | \$25,000 | \$77,774 |
| 2004 | 175,000 | 25,000 | 77,152 |
| 2003 | 175,000 | 25,000 | 74,560 |
| 2002 | 175,000 | 25,000 | 75,974 |
| 2001 | 175,000 | 25,000 | 75,600 |
| 2000 | 175,000 | 25,000 | 71,189 |

CALIFORNIA DIVIDEND
ADVANTAGE 2 (NVX)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 (e) | 110,000 | 25,000 | 76,451 |
| 2004 | 110,000 | 25,000 | 75,317 |
| 2003 | 110,000 | 25,000 | 72,664 |
| 2002 | 110,000 | 25,000 | 74,731 |
| 2001 (a) | 110,000 | 25,000 | 75,782 |

CALIFORNIA DIVIDEND
ADVANTAGE 3 (NZH)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 (e) | 187,000 | 25,000 | 73,225 |
| 2004 | 187,000 | 25,000 | 72,241 |
| 2003 | 187,000 | 25,000 | 69,229 |
| 2002 (b) | 187,000 | 25,000 | 71,186 |

INSURED CALIFORNIA
DIVIDEND ADVANTAGE (NKL)

| | | | |
|------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 (e) | 118,000 | 25,000 | 75,330 |
| 2004 | 118,000 | 25,000 | 74,616 |
| 2003 | 118,000 | 25,000 | 72,193 |
| 2002 (c) | 118,000 | 25,000 | 73,954 |

INSURED CALIFORNIA
TAX-FREE ADVANTAGE (NKX)

| | | | |
|------------------|--------|--------|--------|
| ----- | | | |
| Year Ended 8/31: | | | |
| 2005 (e) | 45,000 | 25,000 | 73,758 |
| 2004 | 45,000 | 25,000 | 72,782 |
| 2003 (d) | 45,000 | 25,000 | 70,078 |
| ===== | | | |

* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

Preferred shares.

- (a) For the period March 27, 2001 (commencement of operations) through August 31, 2001.
- (b) For the period September 25, 2001 (commencement of operations) through August 31, 2002.
- (c) For the period March 25, 2002 (commencement of operations) through August 31, 2002.
- (d) For the period November 21, 2002 (commencement of operations) through August 31, 2003.
- (e) For the six months ended February 28, 2005.

See accompanying notes to financial statements.

76-77 SPREAD

Reinvest Automatically
EASILY AND CONVENIENTLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS
DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase

price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

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

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

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

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

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Other Useful INFORMATION

Effective Jan. 1, 2005, the asset management services and operations of Nuveen Advisory Corp. (NAC) and Nuveen Institutional Advisory Corp. (NIAC) became part of Nuveen Asset Management (NAM). This internal consolidation is intended to simplify the delivery of services to the investment management clients of Nuveen Investments. It does not affect the investment objectives or portfolio management of any Fund.

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2004, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

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

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References Section at 450 Fifth Street NW, Washington, D.C. 20549.

GLOSSARY OF TERMS USED IN THIS REPORT

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

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

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

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

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

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

BOARD OF DIRECTORS/TRUSTEES

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

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

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

(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

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

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

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Nuveen Investments:
SERVING Investors
For GENERATIONS

Photo of: 2 women looking at a photo album.

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

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

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

Managing more than \$115 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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

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

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

send money.

Learn more
about Nuveen Funds at
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ESA-B-0205D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Schedule I in Item 1.

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

Not applicable to this filing.

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

Not applicable to this filing.

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

Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the

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"1940 Act") (17 CFR 270.30a-3(c)) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

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

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

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

SIGNATURES

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

(Registrant) Nuveen California Dividend Advantage Municipal Fund 2

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

Jessica R. Droeger
Vice President and Secretary

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Date: May 6, 2005

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

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

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

Date: May 6, 2005

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

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

Date: May 6, 2005

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