

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND

Form N-30D

May 06, 2003

SEMIANNUAL REPORT February 28, 2003

Nuveen  
Municipal Closed-End  
Exchange-Traded  
Funds

CALIFORNIA  
NPC  
NCL  
NCU  
NAC  
NVX  
NZH  
NKL  
NKX

PHOTO OF: 2 MEN AND CHILD WALKING.

PHOTO OF: 2 WOMEN AND 2 CHILDREN.

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

Logo: NUVEEN Investments

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Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

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Dear  
SHAREHOLDER

Once again, I am pleased to write that during the period covered by this report your Nuveen California Fund continued to meet its objective of providing attractive monthly income free from federal income taxes and, where applicable, state income taxes. Detailed information on your Fund's performance can be found in the Portfolio Managers' Comments and on the Performance Overview pages within this report. Please take the time to read them.

In addition to providing regular tax-free income, we believe that a municipal bond investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of municipal bonds may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also 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 step-by-step instructions.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Nuveen Fund to those seeking to accumulate and preserve wealth. Our commitment to careful research, constant surveillance and judicious trading by a seasoned portfolio management team has never been stronger. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you meet your financial objectives. We thank you for choosing us as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

April 14, 2003

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

Portfolio Managers'  
COMMENTS

Portfolio managers Bill Fitzgerald, Scott Romans and Tom O'Shaughnessy review U.S. and state economic conditions, key investment strategies, and the recent performance of the Funds. With 15 years of investment management experience at Nuveen, Bill has managed NCU since 1998, NAC since 1999, NVX and NZH since 2001, and NKL and NKX since their inceptions in March and November 2002, respectively. Scott, who has three years of investment experience at Nuveen, joined Bill in managing these six Funds in January 2003. Tom, who has 20 years of investment experience, assumed portfolio management responsibility for NPC and NCL in January 2003.

WHAT WERE THE MAJOR FACTORS AFFECTING THE U.S. ECONOMY AND THE MUNICIPAL MARKET DURING THIS REPORTING PERIOD?

Generally, the underlying economic and market conditions have not changed significantly since our last shareholder report dated August 31, 2002. We believe the most influential factors shaping the U.S. economy and the municipal market continued to be the slow pace of economic growth and interest rates that remained at 40-year lows. At the same time, continued geopolitical uncertainty, centering on the situation in Iraq and the ongoing threat of terrorism, also had an economic impact during this reporting period, particularly in terms of investor sentiment.

In the municipal market, the sluggish economic recovery and general lack of inflationary pressures created conditions that helped many bonds perform well during much of the period ended February 28, 2003. In calendar year 2002, municipal supply nationwide established a new record of \$357 billion, an increase of 25% over 2001. Issuance remained high during January and February 2003, up 23% over the same period in 2002. Demand for municipal bonds stayed strong over most of this reporting period as institutional investors, including traditional municipal bond purchasers such as property/casualty insurance companies were active buyers in the municipal market.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN CALIFORNIA?

Municipal supply continued to be very strong in California during 2002, with \$50 billion of new bonds, an increase of 50% over 2001. Issuance in the first two months of 2003 totaled \$11.5 billion, up 136% over January-February 2002. This dramatic increase in supply has largely been driven by shortfalls in the state budget, and the low level of interest rates. In November 2002, the state completed the issuance of nearly \$12 billion in electric power bonds. The proceeds from this issue were used to repay the \$6.3 billion loan from California's general fund that financed purchases for the state's investor-owned utilities during the power crisis in 2001.

While the proceeds from the power bonds helped to mitigate an eroding credit outlook, California still faces significant budget problems, due chiefly to increased expenditures and revenue shortfalls resulting from income tax collections that fell below projections. In December 2002, Governor Gray Davis announced a projected budget deficit for the combined fiscal years 2003-2004 of \$35 billion, the highest in the nation. This announcement

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prompted both Standard & Poor's and Fitch to downgrade the state's credit rating to A/A from A+/AA, respectively. In February 2003, as it became apparent that progress toward closing the budget gap was moving very slowly, Moody's also downgraded the state to A2 from A1.

Job growth in the state during 2002 was negligible, with gains posted by the government and wholesale/ retail trade sectors largely offset by losses in manufacturing and business services. Although the state economy continues to benefit from diversity, we think a solid recovery in California remains largely dependent on increases in business spending as well as on a strong global recovery, since exports - mainly to Asia, Canada, and Mexico - represent 12% of the state's economy. Aided by a generally solid residential real estate market, the economy of southern California continued to be relatively stable compared with that of the northern half of the state, where the downturn in technology continued to restrain economic growth.

At the present time, California appears to be at a low point in the credit cycle, with the pace of economic improvement to be determined by the pace of progress in addressing state budget issues. We believe that the current determination to address the deficit seems to be greater than in the past, but it may take two to three years for the governor and legislature to find a resolution for the imbalance between California's revenues and expenditures.

HOW DID THESE FUNDS PERFORM OVER THE TWELVE MONTHS ENDED FEBRUARY 28, 2003?

Individual results for the Funds, as well as appropriate benchmarks, are presented in the accompanying table.

|     | MARKET YIELD |                         | TOTAL RETURN<br>ON NAV     | LEHMAN<br>CALIFORNIA<br>TOTAL RETURN1 | LIPPER<br>CALIFORNIA<br>AVERAGE2 |
|-----|--------------|-------------------------|----------------------------|---------------------------------------|----------------------------------|
|     | 2/28/03      | TAXABLE-<br>EQUIVALENT3 | 1 YEAR<br>ENDED<br>2/28/03 | 1 YEAR<br>ENDED<br>2/28/03            | 1 YEAR<br>ENDED<br>2/28/03       |
| NPC | 5.66%        | 8.91%                   | 9.56%                      | 7.13%                                 | 7.97%                            |
| NCL | 5.88%        | 9.26%                   | 8.88%                      | 7.13%                                 | 7.97%                            |
| NCU | 6.43%        | 10.13%                  | 8.29%                      | 6.70%                                 | 8.10%                            |
| NAC | 6.55%        | 10.31%                  | 10.12%                     | 6.70%                                 | 8.10%                            |
| NVX | 6.53%        | 10.28%                  | 7.94%                      | 6.70%                                 | 8.10%                            |
| NZH | 6.58%        | 10.36%                  | 8.58%                      | 6.70%                                 | 8.10%                            |
| NKL | 6.21%        | 9.78%                   | NA                         | -                                     | -                                |
| NKX | 6.21%        | 9.78%                   | NA                         | -                                     | -                                |

Past performance is not predictive of future results.

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

For the twelve months ended February 28, 2003, all of the Funds with at least one year of performance history outperformed their respective unmanaged, unleveraged Lehman Index, and either outperformed or performed in line with their respective Lipper peer group averages. When comparing with the Lehman Indexes, much of the Nuveen Fund outperformance can be attributed to the

leveraged structure of these Funds, which can provide the opportunity for additional income for common shareholders as well as net asset value appreciation when short-term interest rates are low or bond prices are falling - as was the case during much of the measurement period.

In addition to leverage, the relative performances of these Nuveen Funds were influenced by factors including call exposure, portfolio trading activity, and the price movement of specific sectors and holdings. For example, NVX held \$5.5 million (par value) of bonds backed by United Air Lines that were issued to support a cargo facility at Los Angeles International Airport. During the year, the market value of most airline-backed bonds fell, due in part to a decline in passenger volume and in part to the market's expectation of

- 1 The total annual returns on common share net asset value (NAV) for NPC and NCL are compared with the total annual return of the Lehman Brothers California Insured Tax-Exempt Bond Index, an unleveraged index comprising a broad range of insured California municipal bonds, while the annual returns for NCU, NAC, NVX, and NZH are compared with the annual return of the Lehman California Tax-Exempt Bond Index, an unleveraged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman indexes do not reflect any expenses.
- 2 The total returns of NPC and NCL are compared with the average annualized return of the 8 funds in the Lipper California Insured Municipal Debt Funds category, while the total returns for NCU, NAC, NVX, and NZH are compared with the return of the 25 funds in the Lipper California Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a combined federal and state income tax rate of 36.5%.

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a bankruptcy filing by United, which took place in December 2002. Over the twelve months ended February 28, 2003, the NVX position depreciated 70%, costing the Fund approximately 60 basis points in total return performance.

#### HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES?

As short-term interest rates remained at historically low levels, the dividend-paying capabilities of these Funds benefited from their use of leverage, a strategy that can potentially enhance the dividends paid to common shareholders. The amount of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. Low short-term rates can enable the Funds to reduce the amount of income they pay preferred shareholders, which can leave more earnings to support common share dividends.

During the twelve months ended February 28, 2003, the low short-term interest rate environment enabled us to implement three dividend increases in NCL and NAC, two in NPC and NCU, and one in NVX. NZH and NKL have paid steady, attractive monthly dividends since their first distributions in November 2001 and May 2002, respectively. NKX declared its first dividend in January 2003.

Over the course of this twelve-month period, the share prices of these Funds

were affected by a general weakening of bond prices during the fourth quarter of 2002, although we saw some recovery by February 2003. Overall, only NCL was trading on February 28, 2003 at a share price higher than one year earlier. (see charts on individual Performance Overview pages).

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE NUVEEN FUNDS DURING THE PERIOD ENDED FEBRUARY 28, 2003?

Over this reporting period, our strategic focus across both the insured and non-insured Funds continued to be on diversifying the portfolios, enhancing call protection, and positioning the Funds more defensively in anticipation of potential changes in the interest rate environment. Given the recent steepness of the municipal yield curve, we concentrated on finding value in the long-intermediate part of the curve (i.e., bonds that mature 15 to 20 years from now). In many cases, bonds in this part of the curve were offering yields similar to those of longer term bonds but, in our opinion, had less inherent interest rate risk. The purchase of these long-intermediate bonds helped to moderate the durations<sup>4</sup> of these Funds (with the exception of NPC), making their portfolios less sensitive to interest rate changes while still allowing them to provide competitive yields and returns. In NPC, where the proceeds from a number of bond calls had to be reinvested, the addition of bonds from the 15- to 20-year part of the yield curve actually led to a modest lengthening of duration.

Given the slow economic growth over the reporting period, we also were taking into consideration scenarios in which interest rates could stay relatively low for a number of months. We believe that structuring the portfolios with bonds offering maturities of 15 to 20 years helps to prepare the Funds for this eventuality as well.

We sold out of some positions in California GOs in March 2001, with the exception of some shorter-term bonds that we believed were not at risk. Recently, however, we have begun to rebuild small positions in these bonds in several of the

4 Duration is a measure of a Fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund. References to duration in this commentary are intended to indicate Fund duration unless otherwise noted.

Funds because we believe these bonds represent an opportunity to add attractive yields at favorable prices.

Over the past year, the heavy issuance in the California market provided us with increased opportunities to negotiate and obtain the types of bond structures that we favor, especially as we worked to reduce the Funds' duration's against the risk of rising inflation or interest rates. We also continued to look for individual issues that we believed would perform well regardless of the future direction of interest rates. From a sector perspective, our portfolios continued to hold positions in healthcare bonds, which were the top performing group among the Lehman revenue sectors for the twelve months ended February 28, 2003. We think that credit spreads in this sector have been wider than warranted, representing an opportunity to purchase uninsured bonds that can support and potentially enhance the yields of NCU, NAC, NVX, and NZH. We also maintained a

position in uninsured public power bonds, especially those issued by municipal entities with their own power plants and distribution systems. Such entities have actually benefited from the increased cost of energy, which we believe could continue to rise through 2003, and these bonds have performed relatively well. Based on a general improvement in the credit quality of corporate bonds, the non-insured Funds also looked for opportunities in the industrial development sector.

In the current geopolitical and economic climate, we believe that maintaining strong credit quality remains a vital requirement. As of February 28, 2003, each of the four non-insured Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 57% to 78%. Among the four insured Funds, both NPC and NCL were 100% invested in U.S. guaranteed and/or insured bonds, while NKL and NKX held 90% and 81%, respectively, of their portfolios in insured securities. In general, our holdings of insured and higher quality bonds benefited the performance of all of these Funds during the past year.

In November 2002, we introduced the new Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX). This Fund is now fully invested. Due to robust supply in the California municipal market, we were able to structure NKX entirely with California securities, except for one relatively small position in Puerto Rico bonds. Although NKX is predominantly invested in insured bonds, the Fund is allowed to invest up to 20% in uninsured investment-grade quality securities, with the goal of enhancing the Fund's yield. In addition, NKX cannot hold any bonds whose income is subject to the federal Alternative Minimum Tax. As mentioned earlier, NKX paid its first dividend earlier this year, and we believe the Fund is in an excellent position to pay attractive monthly dividends going forward.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THE NUVEEN CALIFORNIA FUNDS IN PARTICULAR?

Our outlook for these markets remains generally positive. We continue to believe the U.S. economy is slowly heading for an eventual recovery, but one that may be less robust than some originally anticipated. Inflation and interest rates should remain relatively low over the near term, although inflation could be temporarily impacted by war-induced increases in oil prices.

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In the municipal market, we think new issuance volume nationally will remain strong as issuers continue to take advantage of the low rate environment. Given California's current budget deficit and the state's continued need for spending on infrastructure and education, we expect to see significant issuance of new municipal debt in the state. Over coming months, we will continue to closely monitor the budgetary situation in California to assess the potential effect of the balancing process on the state's cities, counties, and agencies and to watch for any further impact on the state's credit rating.

Looking at the potential for bond calls among these California Funds, the five newer Funds, all established between 1999 and 2002, do not face any significant call exposure for several years. Among the three older Funds, we have worked over the past year to mitigate the number of potential calls. As of February 28, 2003, the percentage of bonds eligible for calls during 2003 and 2004 ranged from 13% in NPC to 18% in NCL and 22% in NCU. Some of the bonds identified as callable in NPC and NCL are priced to call dates in 2003 and 2004, but we think it is unlikely they will all actually be called because in many cases the bonds'

relatively low coupons would not make it economical for the issuer to do so. For NCU, we believe that the majority of these eligible to be called will, in fact, be called, and we are systematically reducing our holdings of these shorter maturity bonds and repositioning the Fund with bonds that mature in 15 to 20 years. By selling the callable bonds in NCU's portfolio before they are called, we can blend in current interest rates and help to mitigate call risk for shareholders.

In coming months, we will be closely watching several areas of the market, including progress toward resolution of the California budget deficit, the credit environment in the state, areas of supply and demand, and the direction of interest rates and inflation. We expect the state budget issue to be resolved very slowly, and we think in the long run this represents an opportunity to add California GOs to our non-insured portfolios. Because we believe the credit environment could continue to be difficult, credit will also remain a primary focus in selecting issues for our non-insured portfolios, with a continued move toward higher quality securities. In general, we plan to remain focused on strategies that can add value for our shareholders and provide support for the Funds' long-term dividend-payment capabilities.

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Nuveen Insured California Premium Income Municipal Fund, Inc.

Performance

OVERVIEW As of February 28, 2003

NPC

PIE CHART:

CREDIT QUALITY

|                 |     |
|-----------------|-----|
| INSURED         | 81% |
| U.S. GUARANTEED | 19% |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$15.80   |
| Common Share Net Asset Value   | \$16.24   |
| Market Yield   | 5.66%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 8.09%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.91%     |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$104,544 |
| Average Effective Maturity (Years)   | 21.20     |
| Leverage-Adjusted Duration   | 10.24     |

AVERAGE ANNUAL TOTAL RETURN (Inception 11/92)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 6.05%          | 9.56%  |
| 5-Year  | 6.04%          | 6.03%  |
| 10-Year | 6.50%          | 6.77%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/General | 23% |
| U.S. Guaranteed        | 19% |
| Tax Obligation/Limited | 16% |
| Water and Sewer        | 13% |
| Healthcare             | 7%  |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

|       |        |
|-------|--------|
| 3/02  | 0.0725 |
| 4/02  | 0.0725 |
| 5/02  | 0.0725 |
| 6/02  | 0.0725 |
| 7/02  | 0.0725 |
| 8/02  | 0.0725 |
| 9/02  | 0.0735 |
| 10/02 | 0.0735 |
| 11/02 | 0.0735 |
| 12/02 | 0.0745 |
| 1/03  | 0.0745 |
| 2/03  | 0.0745 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 15.9  |
|        | 15.75 |
|        | 15.25 |
|        | 14.84 |
|        | 14.78 |
|        | 14.83 |
|        | 14.95 |
|        | 15.1  |
|        | 15.23 |
|        | 15.35 |
|        | 15.5  |
|        | 15.49 |
|        | 15.44 |
|        | 15.51 |
|        | 15.77 |
|        | 15.5  |

15.54  
15.6  
16.05  
16.09  
15.95  
15.75  
16.05  
16.05  
16  
16.2  
15.85  
16.09  
16.21  
16.26  
16.45  
16.35  
16.29  
15.49  
15  
15.3  
15.15  
15.1  
15  
15  
15.4  
15.27  
15.46  
15.72  
15.66  
15.35  
15.3  
15.8  
15.86  
15.95  
15.88  
15.71  
15.8

2/28/03

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.1419 per share.

Nuveen Insured California Premium Income Municipal Fund 2, Inc.

Performance

OVERVIEW As of February 28, 2003

NCL

PIE CHART:

|                             |     |
|-----------------------------|-----|
| CREDIT QUALITY              |     |
| INSURED                     | 89% |
| INSURED AND U.S. GUARANTEED | 8%  |
| U.S. GUARANTEED             | 3%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$15.00   |
| Common Share Net Asset Value   | \$15.23   |
| Market Yield   | 5.88%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 8.40%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 9.26%     |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$192,826 |
| Average Effective Maturity (Years)   | 17.09     |
| Leverage-Adjusted Duration   | 7.02      |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/93)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 7.40%          | 8.88%  |
| 5-Year          | 6.33%          | 6.56%  |
| Since Inception | 5.87%          | 6.55%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 36% |
| Tax Obligation/General            | 14% |
| U.S. Guaranteed                   | 11% |
| Utilities                         | 9%  |
| Education and Civic Organizations | 7%  |

Bar Chart:

|  |      |
|--|------|
| 2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE |      |
| 3/02   | 0.07 |
| 4/02   | 0.07 |
| 5/02   | 0.07 |

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|       |        |
|-------|--------|
| 6/02  | 0.0715 |
| 7/02  | 0.0715 |
| 8/02  | 0.0715 |
| 9/02  | 0.0725 |
| 10/02 | 0.0725 |
| 11/02 | 0.0725 |
| 12/02 | 0.0735 |
| 1/03  | 0.0735 |
| 2/03  | 0.0735 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 14.85 |
|        | 14.85 |
|        | 14.21 |
|        | 14.05 |
|        | 13.9  |
|        | 14.09 |
|        | 14.08 |
|        | 14.25 |
|        | 14.45 |
|        | 14.7  |
|        | 14.6  |
|        | 14.7  |
|        | 14.66 |
|        | 14.7  |
|        | 14.85 |
|        | 14.74 |
|        | 14.75 |
|        | 14.93 |
|        | 15.23 |
|        | 15.37 |
|        | 15.47 |
|        | 15.23 |
|        | 15.3  |
|        | 15.32 |
|        | 15.16 |
|        | 14.98 |
|        | 14.8  |
|        | 15.05 |
|        | 15.22 |
|        | 15.26 |
|        | 15.74 |
|        | 15.67 |
|        | 15.58 |
|        | 15    |
|        | 14.48 |
|        | 14.43 |
|        | 14.71 |
|        | 14.52 |
|        | 14.55 |
|        | 14.51 |
|        | 14.73 |
|        | 14.55 |
|        | 14.62 |
|        | 14.99 |
|        | 15.21 |
|        | 14.93 |
|        | 14.86 |

|         |       |
|---------|-------|
|         | 14.91 |
|         | 15.03 |
|         | 14.93 |
|         | 14.9  |
|         | 15.25 |
| 2/28/03 | 15    |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

8

Nuveen California Premium Income Municipal Fund

Performance

OVERVIEW As of February 28, 2003

NCU

PIE CHART:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 63% |
| AA                  | 10% |
| A                   | 7%  |
| BBB                 | 6%  |
| NR                  | 7%  |
| BB OR LOWER         | 7%  |

PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$13.35  |
| Common Share Net Asset Value   | \$14.41  |
| Market Yield   | 6.43%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 9.19%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 10.13%   |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$83,233 |
| Average Effective Maturity (Years)   | 17.15    |
| Leverage-Adjusted Duration   | 10.51    |

-----

AVERAGE ANNUAL TOTAL RETURN (Inception 6/93)

-----

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 1.87%          | 8.29%  |
| 5-Year          | 4.91%          | 6.48%  |
| Since Inception | 4.84%          | 6.20%  |

-----

TOP FIVE SECTORS (as a % of total investments)

-----

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 33% |
| Healthcare             | 14% |
| Housing/Multifamily    | 11% |
| Tax Obligation/General | 10% |
| Utilities              | 9%  |

-----

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

|       |        |
|-------|--------|
| 3/02  | 0.069  |
| 4/02  | 0.069  |
| 5/02  | 0.069  |
| 6/02  | 0.0705 |
| 7/02  | 0.0705 |
| 8/02  | 0.0705 |
| 9/02  | 0.0715 |
| 10/02 | 0.0715 |
| 11/02 | 0.0715 |
| 12/02 | 0.0715 |
| 1/03  | 0.0715 |
| 2/03  | 0.0715 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 13.98 |
|        | 13.75 |
|        | 13.6  |
|        | 13.25 |
|        | 13.12 |
|        | 13.27 |
|        | 13.3  |
|        | 13.37 |
|        | 13.39 |
|        | 13.68 |
|        | 13.7  |
|        | 13.88 |
|        | 13.5  |
|        | 13.8  |
|        | 14    |
|        | 13.9  |
|        | 13.9  |

|         |       |
|---------|-------|
|         | 13.83 |
|         | 14    |
|         | 14.13 |
|         | 14.1  |
|         | 14.09 |
|         | 14.15 |
|         | 14.17 |
|         | 14.2  |
|         | 13.85 |
|         | 14    |
|         | 14.17 |
|         | 14.47 |
|         | 14.4  |
|         | 14.54 |
|         | 14.9  |
|         | 14.75 |
|         | 13.8  |
|         | 13.56 |
|         | 13.65 |
|         | 13.82 |
|         | 13.64 |
|         | 13.93 |
|         | 13.72 |
|         | 13.85 |
|         | 13.7  |
|         | 13.59 |
|         | 13.95 |
|         | 14.05 |
|         | 14.05 |
|         | 13.75 |
|         | 13.67 |
|         | 13.31 |
|         | 13.48 |
|         | 13.3  |
|         | 13.4  |
| 2/28/03 | 13.35 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.
- 2 The Fund also paid shareholders a net ordinary income distribution in December 2002 of \$0.0065 per share.

Nuveen California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of February 28, 2003

NAC

PIE CHART:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 51% |
| AA                  | 6%  |
| A                   | 20% |
| BBB                 | 16% |
| NR                  | 7%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$14.11   |
| Common Share Net Asset Value   | \$15.45   |
| Market Yield   | 6.55%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 9.36%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 10.31%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$361,822 |
| Average Effective Maturity (Years)   | 20.13     |
| Leverage-Adjusted Duration   | 10.79     |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/99)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 4.40%          | 10.12% |
| Since Inception | 4.48%          | 8.21%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 24% |
| Transportation         | 16% |
| Healthcare             | 10% |
| Housing/Multifamily    | 10% |
| Tax Obligation/General | 10% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|      |        |
|------|--------|
| 3/02 | 0.0725 |
| 4/02 | 0.0725 |
| 5/02 | 0.0725 |
| 6/02 | 0.0735 |

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|       |        |
|-------|--------|
| 7/02  | 0.0735 |
| 8/02  | 0.0735 |
| 9/02  | 0.0755 |
| 10/02 | 0.0755 |
| 11/02 | 0.0755 |
| 12/02 | 0.077  |
| 1/03  | 0.077  |
| 2/03  | 0.077  |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 14.3  |
|        | 14.25 |
|        | 13.93 |
|        | 13.58 |
|        | 13.72 |
|        | 13.85 |
|        | 14.1  |
|        | 13.94 |
|        | 14.18 |
|        | 14.56 |
|        | 14.55 |
|        | 14.58 |
|        | 14.29 |
|        | 14.37 |
|        | 14.48 |
|        | 14.24 |
|        | 14.11 |
|        | 14.44 |
|        | 14.58 |
|        | 14.85 |
|        | 14.63 |
|        | 14.74 |
|        | 14.77 |
|        | 14.8  |
|        | 14.65 |
|        | 14.42 |
|        | 14.55 |
|        | 14.88 |
|        | 15    |
|        | 14.83 |
|        | 14.95 |
|        | 14.99 |
|        | 14.89 |
|        | 14.4  |
|        | 14.33 |
|        | 14.3  |
|        | 14.35 |
|        | 14.12 |
|        | 13.98 |
|        | 14.16 |
|        | 14.37 |
|        | 14.17 |
|        | 14.41 |
|        | 14.55 |
|        | 14.67 |
|        | 14.3  |
|        | 14.1  |
|        | 14.04 |

|         |       |
|---------|-------|
|         | 14.11 |
|         | 14.35 |
|         | 14.07 |
|         | 14.09 |
| 2/28/03 | 14.11 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

10

Nuveen California Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of February 28, 2003

NVX

PIE CHART:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 78% |
| A                   | 15% |
| BBB                 | 4%  |
| NR                  | 3%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$13.59   |
| Common Share Net Asset Value   | \$14.88   |
| Market Yield   | 6.53%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 9.33%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 10.28%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$220,045 |
| Average Effective Maturity (Years)   | 21.65     |
| Leverage-Adjusted Duration   | 11.40     |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/01)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 0.75%          | 7.94%  |
| Since Inception | 0.79%          | 8.05%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 26% |
| Tax Obligation/General            | 18% |
| Education and Civic Organizations | 13% |
| Water and Sewer                   | 12% |
| Healthcare                        | 10% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

|       |       |
|-------|-------|
| 3/02  | 0.073 |
| 4/02  | 0.073 |
| 5/02  | 0.073 |
| 6/02  | 0.073 |
| 7/02  | 0.073 |
| 8/02  | 0.073 |
| 9/02  | 0.074 |
| 10/02 | 0.074 |
| 11/02 | 0.074 |
| 12/02 | 0.074 |
| 1/03  | 0.074 |
| 2/03  | 0.074 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 14.39 |
|        | 14.1  |
|        | 13.79 |
|        | 13.64 |
|        | 13.91 |
|        | 13.69 |
|        | 13.77 |
|        | 13.93 |
|        | 13.95 |
|        | 14    |
|        | 14.25 |
|        | 13.85 |
|        | 14.14 |
|        | 14.24 |
|        | 14.05 |
|        | 13.91 |
|        | 13.81 |
|        | 14.15 |

|         |       |
|---------|-------|
|         | 14.14 |
|         | 14.49 |
|         | 14.42 |
|         | 14.32 |
|         | 14.27 |
|         | 14.44 |
|         | 14.54 |
|         | 14.35 |
|         | 14.28 |
|         | 14.62 |
|         | 14.64 |
|         | 14.46 |
|         | 14.63 |
|         | 14.87 |
|         | 14.45 |
|         | 13.95 |
|         | 13.74 |
|         | 13.8  |
|         | 14.2  |
|         | 13.68 |
|         | 13.54 |
|         | 13.74 |
|         | 13.75 |
|         | 13.36 |
|         | 13.32 |
|         | 13.73 |
|         | 13.75 |
|         | 13.42 |
|         | 13.44 |
|         | 13.49 |
|         | 13.64 |
|         | 13.47 |
|         | 13.51 |
|         | 13.58 |
| 2/28/03 | 13.59 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0291 per share.

Nuveen California Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of February 28, 2003

NZH

PIE CHART:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 71% |
| AA                  | 3%  |
| A                   | 19% |
| BBB                 | 4%  |
| NR                  | 3%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$13.14   |
| Common Share Net Asset Value   | \$14.41   |
| Market Yield   | 6.58%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 9.40%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 10.36%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$347,496 |
| Average Effective Maturity (Years)   | 21.78     |
| Leverage-Adjusted Duration   | 11.89     |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/01)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 1.18%          | 8.58%  |
| Since Inception | -3.35%         | 6.36%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 31% |
| Tax Obligation/General            | 21% |
| Healthcare                        | 10% |
| Water and Sewer                   | 9%  |
| Education and Civic Organizations | 8%  |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|      |       |
|------|-------|
| 3/02 | 0.072 |
| 4/02 | 0.072 |

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|       |       |
|-------|-------|
| 5/02  | 0.072 |
| 6/02  | 0.072 |
| 7/02  | 0.072 |
| 8/02  | 0.072 |
| 9/02  | 0.072 |
| 10/02 | 0.072 |
| 11/02 | 0.072 |
| 12/02 | 0.072 |
| 1/03  | 0.072 |
| 2/03  | 0.072 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/02 | 13.95 |
|        | 13.95 |
|        | 13.85 |
|        | 13.1  |
|        | 13.49 |
|        | 13.65 |
|        | 13.5  |
|        | 13.82 |
|        | 13.6  |
|        | 13.75 |
|        | 13.75 |
|        | 13.84 |
|        | 13.6  |
|        | 13.76 |
|        | 13.66 |
|        | 13.51 |
|        | 13.65 |
|        | 13.58 |
|        | 13.95 |
|        | 13.9  |
|        | 14.05 |
|        | 13.93 |
|        | 14    |
|        | 13.98 |
|        | 13.91 |
|        | 13.79 |
|        | 14    |
|        | 14.13 |
|        | 14.23 |
|        | 14.08 |
|        | 14    |
|        | 14.25 |
|        | 13.94 |
|        | 13.45 |
|        | 13.31 |
|        | 13.7  |
|        | 13.64 |
|        | 13.35 |
|        | 13.26 |
|        | 13.3  |
|        | 13.37 |
|        | 13.02 |
|        | 13.1  |
|        | 13.12 |
|        | 13.5  |

|         |       |
|---------|-------|
|         | 13.14 |
|         | 13.05 |
|         | 13.07 |
|         | 13.2  |
|         | 13.15 |
|         | 13    |
|         | 13.04 |
| 2/28/03 | 13.14 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

12

Nuveen Insured California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of February 28, 2003

NKL

PIE CHART:

|                 |     |
|-----------------|-----|
| CREDIT QUALITY  |     |
| INSURED         | 90% |
| AAA (UNINSURED) | 1%  |
| AA (UNINSURED)  | 4%  |
| A (UNINSURED)   | 5%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$14.68   |
| Common Share Net Asset Value   | \$15.36   |
| Market Yield   | 6.21%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 8.87%     |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 9.78%     |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$234,344 |
| Average Effective Maturity (Years)   | 20.38     |

-----  
 Leverage-Adjusted Duration 11.44  
 -----

CUMULATIVE TOTAL RETURN (Inception 3/02)

-----  

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| Since Inception | 3.37%          | 13.10% |

 -----

TOP FIVE SECTORS (as a % of total investments)

-----  

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 28% |
| Tax Obligation/General            | 27% |
| Utilities                         | 12% |
| Education and Civic Organizations | 9%  |
| Water and Sewer                   | 9%  |

 -----

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

|       |       |
|-------|-------|
| 5/02  | 0.076 |
| 6/02  | 0.076 |
| 7/02  | 0.076 |
| 8/02  | 0.076 |
| 9/02  | 0.076 |
| 10/02 | 0.076 |
| 11/02 | 0.076 |
| 12/02 | 0.076 |
| 1/03  | 0.076 |
| 2/03  | 0.076 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 3/28/02 | 15.15 |
|         | 15    |
|         | 15.05 |
|         | 15.05 |
|         | 15    |
|         | 15.05 |
|         | 15.11 |
|         | 15.08 |
|         | 15.05 |
|         | 15.05 |
|         | 15    |
|         | 14.9  |
|         | 14.84 |
|         | 14.99 |
|         | 14.95 |
|         | 15.22 |
|         | 15.05 |
|         | 14.9  |
|         | 15.1  |

|         |       |
|---------|-------|
|         | 15.01 |
|         | 15.18 |
|         | 15.1  |
|         | 15    |
|         | 15.14 |
|         | 15.25 |
|         | 15.05 |
|         | 15.32 |
|         | 15.25 |
|         | 15.17 |
|         | 14.3  |
|         | 14.2  |
|         | 14.64 |
|         | 14.59 |
|         | 14.6  |
|         | 14.63 |
|         | 14.7  |
|         | 14.8  |
|         | 14.31 |
|         | 14.3  |
|         | 14.3  |
|         | 14.45 |
|         | 14.6  |
|         | 14.24 |
|         | 14.3  |
|         | 14.45 |
|         | 14.59 |
|         | 14.4  |
|         | 14.6  |
| 2/28/03 | 14.68 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.
- 2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.0515 per share.

13

Nuveen Insured California Tax-Free Advantage Municipal Fund

Performance

OVERVIEW As of February 28, 2003

NKX

PIE CHART:

CREDIT QUALITY

INSURED 81%

AAA (UNINSURED) 6%

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|                 |    |
|-----------------|----|
| AA (UNINSURED)  | 2% |
| A (UNINSURED)   | 8% |
| BBB (UNINSURED) | 2% |
| NR (UNINSURED)  | 1% |

PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$14.60  |
| Common Share Net Asset Value   | \$14.49  |
| Market Yield   | 6.21%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 8.87%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 9.78%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$85,249 |
| Average Effective Maturity (Years)   | 22.67    |
| Leverage-Adjusted Duration   | 12.39    |

CUMULATIVE TOTAL RETURN (Inception 11/02)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| Since Inception | -1.66%         | 2.19%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 40% |
| Tax Obligation/General            | 15% |
| Transportation                    | 12% |
| Education and Civic Organizations | 12% |
| Utilities                         | 10% |

Bar Chart:

MONTHLY TAX-FREE DIVIDENDS PER SHARE

|      |        |
|------|--------|
| 1/02 | 0.0755 |
| 2/03 | 0.0755 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|          |       |
|----------|-------|
| 11/22/02 | 15.1  |
|          | 15.05 |

15  
 15  
 15  
 14.94  
 14.85  
 14.9  
 14.9  
 14.75  
 14.7  
 14.2  
 14.28  
 14.6

2/28/03

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

14

Shareholder  
 MEETING REPORT

The Shareholder Meeting was held in Chicago, Illinois on November 21, 200

|  | NPC              |                                 | NCL              |                                 |
|--|------------------|---------------------------------|------------------|---------------------------------|
|  | Common<br>Shares | Preferred<br>Shares<br>Series-T | Common<br>Shares | Preferred<br>Shares<br>Series-T |
| -----  |                  |                                 |                  |                                 |
| APPROVAL OF THE DIRECTORS<br>WAS REACHED AS FOLLOWS: |                  |                                 |                  |                                 |
| =====  |                  |                                 |                  |                                 |
| Robert P. Bremner                                    |                  |                                 |                  |                                 |
| For  | 5,910,053        | 1,688                           | 11,913,600       | 1,731                           |
| Withhold   | 39,885           | 11                              | 95,502           | 1                               |
| -----  |                  |                                 |                  |                                 |
| Total  | 5,949,938        | 1,699                           | 12,009,102       | 1,732                           |
| =====  |                  |                                 |                  |                                 |
| Lawrence H. Brown                                    |                  |                                 |                  |                                 |
| For  | 5,908,170        | 1,688                           | 11,908,241       | 1,731                           |
| Withhold   | 41,768           | 11                              | 100,861          | 1                               |
| -----  |                  |                                 |                  |                                 |
| Total  | 5,949,938        | 1,699                           | 12,009,102       | 1,732                           |
| =====  |                  |                                 |                  |                                 |
| Anne E. Impellizzeri                                 |                  |                                 |                  |                                 |
| For  | 5,906,970        | 1,688                           | 11,910,041       | 1,731                           |
| Withhold   | 42,968           | 11                              | 99,061           | 1                               |
| -----  |                  |                                 |                  |                                 |
| Total  | 5,949,938        | 1,699                           | 12,009,102       | 1,732                           |
| =====  |                  |                                 |                  |                                 |
| Peter R. Sawers                                      |                  |                                 |                  |                                 |
| For  | 5,908,270        | 1,688                           | 11,908,141       | 1,731                           |

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|                         |           |       |            |       |
|-------------------------|-----------|-------|------------|-------|
| Withhold                | 41,668    | 11    | 100,961    | 1     |
| Total                   | 5,949,938 | 1,699 | 12,009,102 | 1,732 |
| =====                   |           |       |            |       |
| Judith M. Stockdale     |           |       |            |       |
| For                     | 5,908,753 | 1,688 | 11,917,350 | 1,731 |
| Withhold                | 41,185    | 11    | 91,752     | 1     |
| Total                   | 5,949,938 | 1,699 | 12,009,102 | 1,732 |
| =====                   |           |       |            |       |
| William J. Schneider    |           |       |            |       |
| For                     | --        | 1,688 | --         | 1,731 |
| Withhold                | --        | 11    | --         | 1     |
| Total                   | --        | 1,699 | --         | 1,732 |
| =====                   |           |       |            |       |
| Timothy R. Schwertfeger |           |       |            |       |
| For                     | --        | 1,688 | --         | 1,731 |
| Withhold                | --        | 11    | --         | 1     |
| Total                   | --        | 1,699 | --         | 1,732 |
| =====                   |           |       |            |       |

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Shareholder  
MEETING REPORT (continued)

|  | NAC              |                                  |                                 | NVX              |                                 |                                 |
|--|------------------|----------------------------------|---------------------------------|------------------|---------------------------------|---------------------------------|
|  | Common<br>Shares | Preferred<br>Shares<br>Series-TH | Preferred<br>Shares<br>Series-F | Common<br>Shares | Preferred<br>Shares<br>Series-M | Preferred<br>Shares<br>Series-F |
| APPROVAL OF THE DIRECTORS<br>WAS REACHED AS FOLLOWS: |                  |                                  |                                 |                  |                                 |                                 |
| =====  |                  |                                  |                                 |                  |                                 |                                 |
| Robert P. Bremner                                    |                  |                                  |                                 |                  |                                 |                                 |
| For  | 23,065,597       | 3,379                            | 3,138                           | 14,640,718       | 2,079                           | 2,103                           |
| Withhold   | 190,245          | 31                               | 56                              | 110,021          | 3                               | --                              |
| Total  | 23,255,842       | 3,410                            | 3,194                           | 14,750,739       | 2,082                           | 2,103                           |
| =====  |                  |                                  |                                 |                  |                                 |                                 |
| Lawrence H. Brown                                    |                  |                                  |                                 |                  |                                 |                                 |
| For  | 23,058,801       | 3,379                            | 3,138                           | 14,638,758       | 2,079                           | 2,103                           |
| Withhold   | 197,041          | 31                               | 56                              | 111,981          | 3                               | --                              |
| Total  | 23,255,842       | 3,410                            | 3,194                           | 14,750,739       | 2,082                           | 2,103                           |
| =====  |                  |                                  |                                 |                  |                                 |                                 |
| Anne E. Impellizzeri                                 |                  |                                  |                                 |                  |                                 |                                 |
| For  | 23,058,934       | 3,379                            | 3,138                           | 14,640,091       | 2,079                           | 2,103                           |
| Withhold   | 196,908          | 31                               | 56                              | 110,648          | 3                               | --                              |
| Total  | 23,255,842       | 3,410                            | 3,194                           | 14,750,739       | 2,082                           | 2,103                           |
| =====  |                  |                                  |                                 |                  |                                 |                                 |
| Peter R. Sawers                                      |                  |                                  |                                 |                  |                                 |                                 |

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|                         |            |       |       |            |       |       |
|-------------------------|------------|-------|-------|------------|-------|-------|
| For                     | 23,060,466 | 3,379 | 3,138 | 14,640,131 | 2,079 | 2,103 |
| Withhold                | 195,376    | 31    | 56    | 110,608    | 3     | --    |
| Total                   | 23,255,842 | 3,410 | 3,194 | 14,750,739 | 2,082 | 2,103 |
| Judith M. Stockdale     |            |       |       |            |       |       |
| For                     | 23,070,769 | 3,379 | 3,138 | 14,640,718 | 2,079 | 2,103 |
| Withhold                | 185,073    | 31    | 56    | 110,021    | 3     | --    |
| Total                   | 23,255,842 | 3,410 | 3,194 | 14,750,739 | 2,082 | 2,103 |
| William J. Schneider    |            |       |       |            |       |       |
| For                     | --         | 3,379 | 3,138 | --         | 2,079 | 2,103 |
| Withhold                | --         | 31    | 56    | --         | 3     | --    |
| Total                   | --         | 3,410 | 3,194 | --         | 2,082 | 2,103 |
| Timothy R. Schwertfeger |            |       |       |            |       |       |
| For                     | --         | 3,379 | 3,138 | --         | 2,079 | 2,103 |
| Withhold                | --         | 31    | 56    | --         | 3     | --    |
| Total                   | --         | 3,410 | 3,194 | --         | 2,082 | 2,103 |

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)

Portfolio of  
INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000)                   | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|--|--|---------------------|
| EDUCATION AND CIVIC ORGANIZATIONS - 9.1% |  |                     |
| \$ 2,000                                 | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996, 5.750%, 9/01/26 - MBIA Insured  | 9/06 at 102         |
| 5,000                                    | California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102         |
| 2,000                                    | The Regents of the University of California, Multiple Purpose Projects Revenue Bonds, 2002 Series O, 5.125%, 9/01/31 - FGIC Insured                                      | 9/10 at 101         |
| HEALTHCARE - 9.6%                        |  |                     |
| 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 Communities Development Authority, Certificates of Participation, Members of the Sutter Health  | 8/09 at 101         |

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Obligated Group, 5.500%, 8/15/19 - FSA Insured

4,800 The Regents of the University of California, Hospital Revenue Bonds, 7/06 at 101  
University of California Davis Medical Center, Series 1996,  
5.750%, 7/01/24 - AMBAC Insured

-----  
HOUSING/MULTIFAMILY - 4.7%

1,000 ABAG Finance Authority for Nonprofit Corporations, California, 9/09 at 100  
Multifamily Housing Revenue Bonds, Civic Center Drive Apartments  
Project, 1999 Series A, 5.800%, 9/01/20 (Alternative Minimum  
Tax) - FSA Insured

3,865 The City of Los Angeles, California, Tax-Exempt Mortgage Revenue 7/03 at 100  
Refunding Bonds, Series 1993A, FHA-Insured Mortgage Loans -  
Section 8 Assisted Projects, 6.300%, 1/01/25 - MBIA Insured

-----  
HOUSING/SINGLE FAMILY - 2.5%

1,075 California Housing Finance Agency, Single Family Mortgage Bonds II, 2/07 at 102  
1997 Series A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) -  
MBIA Insured

1,420 California Housing Finance Agency, Home Mortgage Revenue 8/08 at 101  
Bonds, Series 1998Q, 5.050%, 8/01/17 - AMBAC Insured

-----  
TAX OBLIGATION/GENERAL - 31.9%

State of California, Various Purpose General Obligation Bonds:  
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 State of California, Veterans General Obligation Bonds, 6/07 at 101  
2001 Series BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) -  
MBIA Insured

1,225 Fresno Unified School District, Fresno County, California, 1998 2/13 at 103  
General Obligation Refunding Bonds, Series A, 6.550%, 8/01/20 -  
MBIA Insured

2,500 Fresno Unified School District, Fresno County, California, General 8/09 at 102  
Obligation Bonds, Election of 2001, Series 2001A,  
5.125%, 8/01/26 - FSA Insured

2,000 Los Angeles Unified School District, California, General 7/08 at 102  
Obligation Bonds, 1997 Series A, 5.000%, 7/01/21 -  
FGIC Insured

500 Los Angeles Unified School District, California, General Obligation 7/10 at 100  
Bonds, Election of 1997, Series 2000D, 5.375%, 7/01/25 -  
FGIC Insured

3,000 Pomona Unified School District, California, General Obligation 8/11 at 103  
Refunding Bonds, Series 1997-A, 6.500%, 8/01/19 - MBIA Insured

San Diego Unified School District, San Diego County, California,

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|       |   |             |
|-------|---|-------------|
|       | General Obligation Bonds, Election of 1998, Series 2001C: |             |
| 1,335 | 5.000%, 7/01/21 - FSA Insured                             | 7/11 at 102 |
| 3,500 | 5.000%, 7/01/22 - FSA Insured                             | 7/11 at 102 |
| 4,895 | 5.000%, 7/01/23 - FSA Insured                             | 7/11 at 102 |

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) (Portfolio of INVESTMENTS February 28, 2003 (Unaudited))

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED - 21.6%  |                        |
| \$ 2,000                  | State Public Works Board of the State of California, Lease Revenue Bonds, California Department of Health Services, 1999 Series A, Richmond Laboratory Project, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101           |
| 1,835                     | Corona-Norco Unified School District, California, Special Tax Bonds, Community Facilities District No. 98-1, Series 2002, 5.100%, 9/01/32 - AMBAC Insured                                       | 9/12 at 100            |
| 5,000                     | City of El Monte, California, Department of Public Services Facility Phase II, Certificates of Participation, Senior Lien Series 2001, 5.250%, 1/01/34 - AMBAC Insured                          | 1/11 at 100            |
| 3,890                     | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, 1994 Series A, 5.000%, 11/15/22 - AMBAC Insured                                      | 11/07 at 102           |
| 6,500                     | Tustin Unified School District, Orange County, California, Community Facilities District No. 97-1, Special Tax Bonds, 2002 Series A, 5.000%, 9/01/32 - FSA Insured                              | 9/12 at 100            |
| 2,805                     | Yucaipa-Calimesa Joint Union School District, San Bernardino County, California, General Obligation Bonds, Series 2001A Refunding, 5.000%, 10/01/31 - MBIA Insured                              | 10/11 at 100           |
| -----                     |   |                        |
|                           | U.S. GUARANTEED - 26.6%   |                        |
| 6,000                     | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, 1986 Series A, 8.000%, 12/01/19   | No Opt. C              |
| 5,135                     | Community Redevelopment Agency of the City of Palmdale, California, Single Family Mortgage Revenue Bonds, Series 1986A Restructured, 8.000%, 3/01/16 (Alternative Minimum Tax)                  | No Opt. C              |
| 6,220                     | County of Riverside, California, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Issue 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax)                          | No Opt. C              |
| 1,485                     | City of San Jose, California, Single Family Mortgage Revenue Bonds, 1985 Series A, 9.500%, 10/01/13   | No Opt. C              |

| -----                   |   |              |
|-------------------------|---|--------------|
| UTILITIES - 7.8%        |   |              |
| 4,000                   | California Pollution Control Financing Authority, Pollution Control Revenue Bonds, Southern California Edison Company, 1992 Series B, 6.400%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/03 at 102  |
| 4,000                   | City of Chula Vista, California, Industrial Development Revenue Bonds, San Diego Gas and Electric Company, 1992 Series A, 6.400%, 12/01/27 (Alternative Minimum Tax)                            | 6/03 at 102  |
| -----                   |   |              |
| WATER AND SEWER - 17.7% |   |              |
| 7,000                   | The City of Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured   | 11/03 at 102 |
| 3,400                   | Public Facilities Financing Authority of the City of San Diego, California, Sewer 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  |
| 5,000                   | Wheeler Ridge-Maricopa Water Storage District, Kern County, California, 1996 Water Refunding Bonds, 5.700%, 11/01/15 - AMBAC Insured  | 11/06 at 102 |
| -----                   |   |              |
| \$ 123,030              | Total Long-Term Investments (cost \$124,072,432) - 131.5%   |              |
| =====                   |   |              |

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| PRINCIPAL<br>AMOUNT (000)                        | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|--|---|------------------------|
| -----  |   |                        |
| SHORT-TERM INVESTMENTS - 6.4%                    |   |                        |
| \$ 6,700   | California Infrastructure and Economic Development Authority, Insured Revenue Bonds, The Rand Corporation, Series 2002B, Variable Rate Demand Obligations, 1.100%, 4/01/42 - AMBAC Insured+ |                        |
| -----  |   |                        |
| \$ 6,700   | Total Short-Term Investments (cost \$6,700,000)   |                        |
| =====  |   |                        |
| Other Assets Less Liabilities - 5.1%             |   |                        |
| -----  |   |                        |
| Preferred Shares, at Liquidation Value - (43.0)% |   |                        |
| -----  |   |                        |
| Net Assets Applicable to Common Shares - 100%    |   |                        |
| =====  |   |                        |

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.
- \* 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.
- + 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 currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of  
INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 10.0%  |                        |
|                           | California Educational Facilities Authority, Revenue Bonds,<br>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,<br>University of the Pacific, Series 2000, 5.875%, 11/01/20 -<br>MBIA Insured                                      | 11/10 at 100           |
| 6,615                     | California Educational Facilities Authority, Revenue Bonds, Loyola<br>Marymount University, Series 2001A Refunding,<br>0.000%, 10/01/33 - MBIA Insured                         | No Opt. C              |
| 5,000                     | California Educational Facilities Authority, Student Loan Revenue<br>Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21<br>(Alternative Minimum Tax) - MBIA Insured | 3/08 at 102            |
|                           | California Infrastructure and Economic Development Bank, Revenue<br>Bonds, Asian Art Museum of San Francisco Project, Series 2000:   |                        |
| 1,295                     | 5.500%, 6/01/19 - MBIA Insured   | 6/10 at 101            |
| 1,000                     | 5.500%, 6/01/20 - MBIA Insured   | 6/10 at 101            |
| 1,900                     | The Regents of the University of California, University of California<br>Housing System Revenue Bonds, Series A, 5.500%, 11/01/18 -<br>MBIA Insured                            | 11/03 at 100           |

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| HEALTHCARE - 5.2% |  |             |
|-------------------|--|-------------|
| 1,450             | California Health Facilities Financing Authority, Insured Health Facility Refunding Revenue Bonds, Mark Twain St. Joseph's Healthcare, 1996 Series A, 6.000%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 5,000             | California Health Facilities Financing Authority, Insured Health Facility Refunding Revenue Bonds, Catholic Healthcare West, 1996 Series A, 6.000%, 7/01/25 - MBIA Insured           | 7/06 at 102 |
| 2,500             | City of Oakland, California, Insured Revenue Bonds, 1800 Harrison Foundation - Kaiser Permanente, Series 1999A, 6.000%, 1/01/29 - AMBAC Insured                                      | 1/10 at 100 |

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| HOUSING/MULTIFAMILY - 8.9% |   |             |
|----------------------------|---|-------------|
|                            | ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments Project, 1999 Series A:                                       |             |
| 4,000                      | 5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured   | 9/09 at 100 |
| 1,370                      | 5.875%, 3/01/32 (Alternative Minimum Tax) - FSA Insured   | 9/09 at 100 |
| 3,460                      | The Community Redevelopment Agency of the City of Los Angeles, California, Multifamily Housing Revenue Refunding Bonds, 1995 Series A, Angelus Plaza Project, 7.400%, 6/15/10                 | 6/05 at 105 |
| 7,400                      | Housing Authority of the County of Santa Cruz, California, Tax-Exempt Multifamily Housing Revenue Refunding Bonds, Series 1993A, GNMA Collateralized - Meadowview Apartments, 6.125%, 5/20/28 | 5/03 at 102 |

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| HOUSING/SINGLE FAMILY - 1.6% |   |             |
|------------------------------|---|-------------|
| 2,845                        | California Housing Finance Agency, Single Family Mortgage Bonds II, 1997 Series C-2, 5.625%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 8/07 at 101 |
| 35                           | California Housing Finance Agency, Home Mortgage Revenue Bonds, 1996 Series E, 6.150%, 8/01/25 (Alternative Minimum Tax) - MBIA Insured       | 2/06 at 102 |

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| TAX OBLIGATION/GENERAL - 16.4% |   |              |
|--------------------------------|---|--------------|
| 1,460                          | ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 1997, Series B, 5.750%, 8/01/16 - FGIC Insured | 8/10 at 101  |
| 485                            | State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative Minimum Tax) - FSA Insured           | 12/03 at 102 |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|------------------------------------|--|------------------------|
| -----                              |  |                        |
| TAX OBLIGATION/GENERAL (continued) |  |                        |
|                                    | State of California, Various Purpose General Obligation Bonds:   |                        |
| \$ 7,995                           | 5.750%, 3/01/22 - MBIA Insured   | 3/10 at 101            |
| 2,500                              | 5.500%, 9/01/24 - FSA Insured  | 9/09 at 101            |
| 2,000                              | 5.750%, 3/01/27 - MBIA Insured   | 3/10 at 101            |
| 3,000                              | State of California, Veterans General Obligation Bonds,<br>2001 Series BZ, 5.375%, 12/01/24 (Alternative Minimum<br>Tax) - MBIA Insured  | 6/07 at 101            |
| 2,575                              | Calipatria Unified School District, Imperial County, California,<br>General Obligation Bonds, 1996 Series A, 5.625%, 8/01/13 -<br>AMBAC Insured  | 8/06 at 102            |
|                                    | Fresno Unified School District, Fresno County, California,<br>General Obligation Bonds, Election of 1995, Series 2001F:  |                        |
| 1,065                              | 5.125%, 8/01/21 - FSA Insured  | 8/09 at 102            |
| 1,160                              | 5.125%, 8/01/22 - FSA Insured  | 8/09 at 102            |
| 1,220                              | 5.125%, 8/01/23 - FSA Insured  | 8/09 at 102            |
| 1,500                              | Hacienda La Puente Unified School District, County of<br>Los Angeles, California, General Obligation Bonds, Election<br>of 2000, Series A, 5.250%, 8/01/25 - MBIA Insured  | 8/10 at 101            |
| 1,750                              | Lake Tahoe Unified School District, El Dorado County, California,<br>General Obligation Bonds, Election of 1999, Series A,<br>5.250%, 8/01/24 - FGIC Insured   | 8/09 at 100            |
| 1,125                              | San Diego Unified School District, California, 1999 General<br>Obligation Bonds, Election of 1998, Series A, 0.000%, 7/01/21 -<br>FGIC Insured   | No Opt. C              |
| 2,500                              | San Francisco Community College District, California, General<br>Obligation Bonds, 2002 Series A, 5.000%, 6/15/26 - FGIC Insured   | 6/10 at 102            |
| -----                              |  |                        |
| TAX OBLIGATION/LIMITED - 52.5%     |  |                        |
|                                    | Anaheim Public Financing Authority, California, Subordinate<br>Lease Revenue Bonds, Anaheim Public Improvements Project, 1997<br>Series C:   |                        |
| 5,130                              | 0.000%, 9/01/18 - FSA Insured  | No Opt. C              |
| 8,000                              | 0.000%, 9/01/21 - FSA Insured  | No Opt. C              |
| 5,250                              | State Public Works Board of the State of California, Lease<br>Revenue Bonds, Department of Corrections, 1996 Series A,<br>California Substance Abuse Treatment Facility and State<br>Prison At Corcoran, Corcoran II, 5.250%, 1/01/21 -<br>AMBAC Insured | 1/06 at 100            |
| 3,450                              | State Public Works Board of the State of California, Lease Revenue<br>Bonds, California Department of Health Services, 1999 Series A,<br>Richmond Laboratory Project, 5.750%, 11/01/24 - MBIA Insured  | 11/09 at 101           |

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|       |   |              |
|-------|---|--------------|
| 5,000 | Community Redevelopment Agency of the City of Compton, California, Refunding Tax Allocation Bonds, Compton Redevelopment Project, Series 1995A, Project Tax Revenues, Subventions and Housing Tax Revenues, 6.500%, 8/01/13 - FSA Insured | 8/05 at 102  |
| 4,000 | County of Contra Costa, California, Certificates of Participation, Merrithew Memorial Hospital Replacement Project, Refunding Series 1997, 5.500%, 11/01/22 - MBIA Insured  | 11/07 at 102 |
| 1,900 | Corona-Norco Unified School District, California, Special Tax Bonds, Community Facilities District No. 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured   | 9/12 at 100  |
| 6,000 | City of El Monte, California, Department of Public Services Facility Phase II, Certificates of Participation, Senior Lien Series 2001, 5.000%, 1/01/21 - AMBAC Insured  | 1/11 at 100  |
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, 1997 Refunding Revenue Bonds, Series A, High School and Elementary School Facilities, 5.875%, 11/01/24 - MBIA Insured   | 11/07 at 102 |
| 5,000 | Kern County Board of Education, California, Refunding Certificates of Participation, 1998 Series A, 5.200%, 5/01/28 - MBIA Insured  | 5/08 at 102  |
| 5,000 | La Quinta Redevelopment Agency, California, Project Area No. 1 Tax Allocation Bonds, Series 1998 Refunding, 5.200%, 9/01/28 - AMBAC Insured   | 9/07 at 102  |
| 3,865 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Lien Series 2000A, 5.250%, 7/01/30 - FGIC Insured  | 7/10 at 101  |
| 1,980 | Menifee Union School District, Riverside County, California, Certificates of Participation, 1996 School Project, 6.125%, 9/01/24 - FSA Insured  | 9/06 at 102  |
| 2,690 | Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Refunding Revenue Bonds, 1995 Series A, 6.000%, 9/01/15 - FSA Insured  | 9/05 at 102  |

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED (continued)  |                        |
| \$ 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           |
| 9,000                     | City of Redlands, California, Certificates of Participation, 1993 Refunding of 1986 and 1987 Projects, 5.800%, 9/01/17 -                          | 9/03 at 102            |

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AMBAC Insured

|       |   |              |
|-------|---|--------------|
| 5,000 | City of San Bernardino, California, Refunding Certificates of Participation, Police Station, South Valle Refundings and 201 Building Projects, San Bernardino Joint Powers Financing uthority, 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 Bonds, Series A, 1994 Improvement Districts Nos. 1, 2, 2A and 8 General Obligation Bond Refinancing, 7.250%, 8/01/05 - MBIA Insured                  | No Opt. C    |
|       | South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, 1994 Series C, Foothill Area:  |              |
| 3,000 | 8.000%, 8/15/08 - FGIC Insured  | No Opt. C    |
| 6,830 | 8.000%, 8/15/09 - FGIC Insured  | No Opt. C    |
| 3,685 | Redevelopment Agency of Suisun City, County of Solano, California, 1993 Tax Allocation Refunding Bonds, Suisun City Redevelopment Project, 5.900%, 10/01/23 - MBIA Insured  | 10/03 at 102 |
| 5,450 | City of Visalia, California, Visalia Public Finance Authority, Refunding Certificates of Participation, Motor Vehicle License Fee Enhancement, Series 1996A, 5.375%, 12/01/26 - MBIA Insured                                  | 12/06 at 102 |

-----  
TRANSPORTATION - 6.3%

|       |  |             |
|-------|--|-------------|
| 6,500 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured  | 1/10 at 65  |
| 4,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 - MBIA Insured   | 1/10 at 100 |
| 5,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Refunding Bonds, Issue 27A, 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |

-----  
U.S. GUARANTEED - 16.6%

|       |  |              |
|-------|--|--------------|
| 3,525 | Alameda County, California, Certificates of Participation, Series 1991, Alameda County Public Facilities Corporation, 6.000%, 9/01/21 (Pre-refunded to 9/01/06) - MBIA Insured | 9/06 at 102  |
| 4,485 | Alameda County, California, Certificates of Participation, Series 1993 Refunding, Santa Rita Jail Project, 5.700%, 12/01/14 (Pre-refunded to 12/01/03) - MBIA Insured          | 12/03 at 102 |
| 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, 1996 Election, 5.700%, 11/01/10 - MBIA Insured                                   | 11/06 at 102 |
| 4,320 | County of Riverside, California, Single Family Mortgage Revenue  | No Opt. C    |

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Bonds, GNMA Mortgage-Backed Securities Program,  
Issue 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax)

|       |   |              |
|-------|---|--------------|
| 1,850 | Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2000A, 5.750%, 7/01/18 (Pre-refunded to 7/01/09) - FGIC Insured                                      | 7/09 at 102  |
| 9,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 8B, 6.100%, 5/01/20 (Pre-refunded to 5/01/04) - FGIC Insured | 5/04 at 101  |
| 1,450 | City of Torrance, California, Hospital Revenue Bonds, Little Company of Mary Hospital, 1985 Series A, 7.100%, 12/01/15 (Pre-refunded to 12/01/05)   | 12/05 at 100 |

-----  
UTILITIES - 13.1%

|       |   |              |
|-------|---|--------------|
| 3,740 | California Pollution Control Financing Authority, Pollution Control 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 Financing Authority, California, Refunding Revenue Bonds, Series A, 6.000%, 10/01/15 - MBIA Insured   | 10/06 at 102 |

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

-----

UTILITIES (continued)

|          |   |              |
|----------|---|--------------|
| \$ 3,000 | Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.125%, 7/01/26 - FSA Insured  | 7/12 at 101  |
| 1,790    | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Series 1999, Solid Waste and Redevelopment Projects, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 3,500    | Sacramento Municipal Utility District, California, Electric Revenue Bonds, 1996 Series J, 5.600%, 8/15/24 - AMBAC Insured   | 8/06 at 102  |
| 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  |
| 6,650    | Turlock Irrigation District, California, Revenue Bonds, Series 1992A Refunding, 5.750%, 1/01/18 - MBIA Insured  | 7/03 at 100  |

-----  
WATER AND SEWER - 10.0%

|       |   |           |
|-------|---|-----------|
| 3,530 | Castaic Lake Water Agency, California, Refunding Revenue Certificates of Participation, Water System Improvement Projects, Series 1994A, 8.000%, 8/01/04 - MBIA Insured | No Opt. C |
|-------|---|-----------|

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|            |   |              |
|------------|---|--------------|
| 2,975      | Chino Basin Regional Financing Authority, California, Revenue Bonds, Series 1994, Chino Basin Municipal Water District Sewer System Project, 6.000%, 8/01/16 - AMBAC Insured                | 8/04 at 102  |
| 2,775      | Pomona Public Financing Authority, California, 1999 Revenue Bonds, Series AC, Water Facilities Project, 5.500%, 5/01/29 - FGIC Insured  | 5/09 at 101  |
| 1,000      | Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds, Series 2000A, Sacramento Regional County Sanitation District, 5.500%, 12/01/20 - AMBAC Insured       | 12/10 at 101 |
| 2,000      | South San Joaquin Irrigation District, San Joaquin County, California, 1993 Refunding Revenue Certificates of Participation, 1987 Project and 1992 Project, 5.500%, 1/01/15 - AMBAC Insured | 7/03 at 102  |
| 5,410      | City of Tulare, California, 1996 Sewer Revenue Bonds, 5.750%, 11/15/21 - MBIA Insured   | 11/06 at 102 |
| -----      |   |              |
| \$ 266,930 | Total Long-Term Investments (cost \$248,289,977) - 140.6%   |              |
| =====      |   |              |
|            | SHORT-TERM INVESTMENTS - 3.9%   |              |
| 7,500      | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Series 1985, Variable Rate Demand Bonds, 0.890%, 12/01/15 - MBIA Insured+  |              |
| -----      |   |              |
| \$ 7,500   | Total Short-Term Investments (cost \$7,500,000)   |              |
| =====      |   |              |
|            | Other Assets Less Liabilities - 4.8%  |              |
| -----      |   |              |
|            | Preferred Shares, at Liquidation Value - (49.3)%  |              |
| -----      |   |              |
|            | Net Assets Applicable to Common Shares - 100%   |              |
| =====      |   |              |

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.

\* 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.

+ 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 currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen California Premium Income Municipal Fund (NCU)

Portfolio of  
INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | CONSUMER STAPLES - 6.0%  |                        |
| \$ 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            |
| 4,000                     | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Series 2002A, Pooled Tobacco Securitization Program, 5.625%, 5/01/29  | 5/12 at 100            |
| -----                     |  |                        |
|                           | HEALTHCARE - 19.6%   |                        |
| 5,150                     | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15  | 5/03 at 102            |
| 1,185                     | California Statewide Communities Development Authority, Hospital Revenue Certificates of Participation, Cedars-Sinai Medical Center, Series 1992, 6.500%, 8/01/15                                | 8/03 at 101            |
| 8,100                     | California Statewide Communities Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured   | No Opt. C              |
| 2,000                     | City of Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center Project, Series 1993-A, 6.000%, 12/01/06  | 12/03 at 102           |
| -----                     |  |                        |
|                           | HOUSING/MULTIFAMILY - 15.9%  |                        |
| 2,000                     | California Statewide Communities Development Authority, Apartment Development Revenue Refunding Bonds, Irvine Apartment Communities, L.P., Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13) | 7/08 at 101            |
| 6,205                     | The Community Redevelopment Agency of the City of Los Angeles, California, Multifamily Housing Revenue Refunding Bonds, 1995 Series A, Angelus Plaza Project, 7.400%, 6/15/10                    | 6/05 at 105            |
| 3,840                     | City of Stanton, California, Multifamily Housing Revenue Bonds, Continental Gardens Apartments, Series 1997, 5.625%, 8/01/29 (Alternative Minimum Tax) (Mandatory                                | 8/07 at 102            |

put 8/01/09)

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| HOUSING/SINGLE FAMILY - 8.6% |  |             |
|------------------------------|--|-------------|
| 2,005                        | California Housing Finance Agency, Single Family Mortgage Bonds II, 1997 Series A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured  | 2/07 at 102 |
| 1,000                        | California Housing Finance Agency, Home Mortgage Revenue Bonds, 1994 Series A, 6.550%, 8/01/26   | 8/04 at 102 |
| 1,000                        | California Housing Finance Agency, Home Mortgage Revenue Bonds, 1994 Series F-3, 6.100%, 8/01/15 (Alternative Minimum Tax) - MBIA Insured  | 8/05 at 102 |
| 2,000                        | California Housing Finance Agency, Home Mortgage Revenue Bonds, 1997 Series B, 6.000%, 8/01/16 (Alternative Minimum Tax) - MBIA Insured  | 2/07 at 102 |
| 745                          | California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, 1996 Series C, 7.500%, 8/01/27 (Alternative Minimum Tax) | No Opt. C   |

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| TAX OBLIGATION/GENERAL - 15.6% |   |             |
|--------------------------------|---|-------------|
| 4,000                          | State of California, General Obligation Veterans Welfare Bonds, Series BR, 5.300%, 12/01/29 (Alternative Minimum Tax)   | 6/04 at 101 |
| 2,250                          | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured (WI, settling 3/05/03) | 7/13 at 100 |
| 3,000                          | Pomona Unified School District, California, General Obligation Refunding Bonds, Series 1997-A, 6.150%, 8/01/15 - MBIA Insured                                     | 8/11 at 103 |
| 3,000                          | San Diego Unified School District, California, 2000 General Obligation Bonds, Election of 1998, Series B, 5.125%, 7/01/22 - MBIA Insured                          | 7/10 at 100 |

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| TAX OBLIGATION/LIMITED - 49.2% |   |             |
|--------------------------------|---|-------------|
| 3,750                          | Bonita Canyon Public Facilities Financing Authority, California, Community Facilities District No. 98-1 Special Tax Bonds, Series 1998, 5.375%, 9/01/28 | 3/03 at 103 |

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

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TAX OBLIGATION/LIMITED (continued)

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|       |       |  |              |
|-------|-------|--|--------------|
| \$    | 5,920 | State Public Works Board of the State of California, Lease Revenue Bonds, Department of Veterans Affairs of the State of California, Southern California Veterans Home - Chula Vista Facility, 1999 Series A, 5.600%, 11/01/19 - AMBAC Insured | 11/09 at 101 |
|       | 2,355 | City of Carlsbad, California, Assessment District No. 96-1, Limited Obligation Improvement Bonds, Rancho Carillo, 5.500%, 9/02/28  | 3/03 at 101  |
|       | 185   | Carson Redevelopment Agency, California, Redevelopment Project Area No. 2, Refunding Tax Allocation Bonds, Series 1993, 5.875%, 10/01/09   | 10/03 at 102 |
|       | 3,500 | City of Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Series 2001A, Livermore Redevelopment Project Area, 5.000%, 8/01/26 - MBIA Insured   | 8/11 at 100  |
|       | 2,030 | Community Redevelopment Financing Authority of the Community Redevelopment Agency of the City of Los Angeles, California, Grand Central Square Multifamily Housing Bonds, 1993 Series A, 5.750%, 12/01/13 (Alternative Minimum Tax)            | 6/03 at 102  |
|       | 2,000 | Redevelopment Agency of the City of Oakland, 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 | Community Facilities District No. 88-1 of the City of Poway, California, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09  | 8/08 at 102  |
|       | 5,000 | Redevelopment Agency for the County of Riverside, California, 2001 Tax Allocation Bonds, Jurupa Valley Project Area, 5.150%, 10/01/21 - AMBAC Insured  | 10/11 at 102 |
|       | 6,570 | Sacramento City Finance Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20   | No Opt. C    |
|       |       | San Marcos Public Facilities Authority, California, Refunding Revenue 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 | County of Santa Barbara, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured  | 12/11 at 102 |
|       | 2,000 | City of Vista, California, Mobile Home Park Revenue Bonds, Vista Manor Mobile Home Park Project, Series 1999A, 5.750%, 3/15/29   | 3/09 at 102  |
| ----- |       |  |              |
|       |       | TRANSPORTATION - 6.1%  |              |
|       | 2,750 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 5, 6.500%, 5/01/24 (Alternative Minimum Tax) - FGIC Insured                                   | 5/04 at 102  |
|       | 2,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 10A, 5.700%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured                                 | 5/06 at 102  |

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|                        |   |              |
|------------------------|---|--------------|
| U.S. GUARANTEED - 7.5% |   |              |
| 1,200                  | State Public Works Board of the State of California, Lease Revenue Bonds, The Trustees of the California State University, 1994 Series A, Various California State University Projects, 6.375%, 10/01/14 (Pre-refunded to 10/01/04) | 10/04 at 102 |
| 815                    | Carson Redevelopment Agency, California, Redevelopment Project Area No. 2, Refunding Tax Allocation Bonds, Series 1993, 5.875%, 10/01/09 (Pre-refunded to 10/01/03)   | 10/03 at 102 |
| 3,500                  | Commonwealth of Puerto Rico, Public Improvement Bonds of 2000, General Obligation Bonds, 5.750%, 7/01/21 (Pre-refunded to 7/01/10) - MBIA Insured   | 7/10 at 100  |

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|                   |   |             |
|-------------------|---|-------------|
| UTILITIES - 13.7% |   |             |
| 1,000             | California Pollution Control Financing Authority, Pollution Control Revenue Bonds, Southern California Edison Company, 1992 Series B, 6.400%, 12/01/24 (Alternative Minimum Tax) - FGIC Insured | 6/03 at 102 |
| 2,250             | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18  | 5/12 at 101 |
| 3,000             | Merced Irrigation District, California, 2001 Electric System Refunding Revenue Bonds, Electric System Project, 6.500%, 9/01/22  | 9/05 at 102 |
| 4,580             | Sacramento Municipal Utility District, California, Electric Revenue Bonds, 2002 Series Q Refunding, 5.250%, 8/15/20 - FSA Insured   | 8/12 at 100 |

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Nuveen California Premium Income Municipal Fund (NCU) (continued)  
 Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)     | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|-------------------------------|--|------------------------|
| <hr/>                         |  |                        |
| WATER AND SEWER - 6.6%        |  |                        |
| \$ 5,000                      | Culver City, California, Wastewater Facilities Refunding Revenue Bonds, 1999 Series A, 5.700%, 9/01/29 - FGIC Insured  | 9/09 at 102            |
| <hr/>                         |  |                        |
| \$ 117,935                    | Total Long-Term Investments (cost \$118,148,481) - 148.8%  |                        |
| <hr/>                         |  |                        |
| SHORT-TERM INVESTMENTS - 1.2% |  |                        |
| 1,000                         | California Statewide Communities Development Authority, Revenue Bonds, Fremont-Rideout Health Group, Variable Rate Demand Bonds, Series 2001A, 1.050%, 1/01/31 - |                        |

AMBAC Insured+

-----  
 \$ 1,000 Total Short-Term Investments (cost \$1,000,000)  
 =====

Other Assets Less Liabilities - 1.7%

-----  
 Preferred Shares, at Liquidation Value - (51.7)%  
 -----

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.

\* 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 currently in effect. 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, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
|                        | CONSUMER STAPLES - 5.7%   |                     |
| \$ 5,000               | California Statewide Communities Development Authority, Certificates of Participation, Pride Industries and Pride One, Inc., 7.250%, 11/01/29 | 11/09 at 102        |
| 5,200                  | Golden State Tobacco Securitization Corporation, California,  | 6/13 at 100         |

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Tobacco Settlement Asset-Backed Bonds, Series 2003-A1,  
6.250%, 6/01/33

|       |   |             |
|-------|---|-------------|
|       | Tobacco Securitization Authority of Northern California, Tobacco 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 |
| 4,485 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, San Diego County Tobacco Asset Securitization Corporation, 5.250%, 6/01/27 | 6/12 at 100 |

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EDUCATION AND CIVIC ORGANIZATIONS - 9.3%

|        |  |              |
|--------|--|--------------|
| 3,000  | Long Beach Bond Finance Authority, California, Lease Revenue Refunding Bonds, The Aquarium of the South Pacific, 5.500%, 11/01/17 - AMBAC Insured    | 11/11 at 100 |
| 700    | The Regents of the University of California, Certificates of Participation, 2002 Series A, San Diego Campus and Sacramento Projects, 5.250%, 1/01/22 | 1/10 at 101  |
| 6,000  | The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.000%, 9/01/12                                       | 9/08 at 101  |
|        | The Regents of the University of California, Multiple Purpose Projects Revenue Bonds, 2002 Series O:   |              |
| 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  |

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HEALTHCARE - 15.3%

|        |  |              |
|--------|--|--------------|
| 8,400  | California Health Facilities Financing Authority, Kaiser Permanente, Revenue Bonds, Series 1998B, 5.250%, 10/01/14 (Optional put 10/01/08)   | 10/08 at 101 |
| 15,000 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30   | 12/09 at 101 |
| 6,000  | California Statewide Communities Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured                                       | No Opt. C    |
| 8,000  | Central California Joint Powers Health Financing Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group Project, 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  |
| 3,415  | City of Upland, California, Certificates of Participation, 1993 Series, San Antonio Community Hospital, 5.250%, 1/01/08  | 1/04 at 102  |
| 2,500  | City of 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 - 14.7% |  |             |
|-----------------------------|--|-------------|
| 15,000                      | California Statewide Communities Development Authority, Apartment Development Revenue Refunding Bonds, Irvine Apartment Communities, L.P., Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08)                   | 7/08 at 101 |
| 10,000                      | California Statewide Communities Development Authority, Multifamily Housing Refunding Bonds, Archstone Pelican Point Apartments, Issue 1999H, Archstone Communities Trust, 5.300%, 6/01/29 (Mandatory put 6/01/08) | No Opt. C   |
| 5,250                       | California Statewide Communities Development Authority, Housing Revenue Bonds, GNMA Collateralized - Crowne Pointe Project Refunding, 2002 Series F, 6.750%, 8/20/37   | 8/12 at 105 |
| 5,000                       | County of Contra Costa, California, Multifamily Housing Revenue Bonds, Delta View Apartments, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax)   | 6/09 at 102 |

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)       | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------------|--|------------------------|
| <hr/>                           |  |                        |
| HOUSING/MULTIFAMILY (continued) |  |                        |
| \$ 15,000                       | Housing Authority of the County of San Bernardino, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential/Redlands Lawn and Tennis Apartments, Issue 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C              |
| <hr/>                           |  |                        |
| HOUSING/SINGLE FAMILY - 0.5%    |  |                        |
| 7,920                           | California Housing Finance Agency, Single Family Mortgage Bonds II, 1999 Series D2, 0.000%, 2/01/29 (Alternative Minimum Tax)  | 2/09 at 31             |
| <hr/>                           |  |                        |
| LONG-TERM CARE - 2.3%           |  |                        |
| 8,500                           | Riverside County Public Financing Authority, California, Certificates of Participation, Air-Force Village West, Inc., 5.800%, 5/15/29  | 5/09 at 101            |
| <hr/>                           |  |                        |
| TAX OBLIGATION/GENERAL - 14.4%  |  |                        |
| 8,000                           | State of California, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/12  | No Opt. C              |

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|        |  |             |
|--------|--|-------------|
| 6,435  | State of California, General Obligation Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured  | No Opt. C   |
| 3,000  | Contra Costa Community College District, California, General Obligation Bonds, Series 2002, 4.900%, 8/01/20 - FGIC Insured                 | 8/12 at 100 |
| 18,500 | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 1999C, 5.250%, 7/01/24 - MBIA Insured  | 7/09 at 101 |
| 10,845 | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, 2002 Series E, 5.000%, 7/01/19 - MBIA Insured | 7/12 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 |

-----  
TAX OBLIGATION/LIMITED - 35.0%

|        |  |              |
|--------|--|--------------|
| 8,665  | Bonita Canyon Public Facilities Financing Authority, California, Community Facilities District No. 98-1 Special Tax Bonds, Series 1998, 5.375%, 9/01/28                            | 3/03 at 103  |
|        | 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  |
| 3,515  | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project 2 Refunding, Series 2001, 4.875%, 9/01/21 - MBIA Insured                                      | 9/11 at 102  |
| 3,490  | City of Fontana, California, Community Facilities District No. 2, Village of Heritage, Senior Special Tax Refunding Bonds, 1998 Series A, 5.250%, 9/01/17 - MBIA Insured           | 9/08 at 102  |
| 3,980  | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured  | 3/12 at 101  |
| 5,500  | County of Los Angeles, California, Certificates of Participation, 1998 Disney Parking Refunding Project, 4.750%, 3/01/23 - MBAC Insured  | 9/08 at 101  |
| 5,000  | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Series 1998A Refunding, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101  |
| 10,000 | Los Angeles County Public Works Finance Authority, California, Revenue Bonds, Series 1997A, Los Angeles County Regional Park and Open Space District, 5.000%, 10/01/16             | 10/07 at 101 |
| 9,200  | Norco Redevelopment Agency, California, Project Area No. 1   | 3/11 at 102  |

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|       |   |             |
|-------|---|-------------|
|       | Tax Allocation Bonds, Series 2001 Refunding,<br>5.000%, 3/01/19 - MBIA Insured  |             |
| 4,670 | City of Oakland Joint Powers Financing Authority, California,<br>Lease Revenue Refunding Bonds, Series 2001, Oakland<br>Convention Centers, 5.500%, 10/01/14 - AMBAC Insured                          | No Opt. C   |
| 3,290 | Redevelopment Agency of the City of Oakland, California,<br>Central District Redevelopment Project, Subordinate Lien Tax<br>Allocation Bonds, Series 2003, 5.500%, 9/01/16 - FGIC Insured             | 3/13 at 100 |
| 4,000 | Orange County Local Transportation Authority, California,<br>Measure M Sales Tax Revenue Refunding Bonds, Limited<br>Tax Bonds, Second Senior Bonds, Series 1997A,<br>5.700%, 2/15/08 - AMBAC Insured | No Opt. C   |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED (continued)  |                        |
| \$ 5,600                  | City of Palm Springs Financing Authority, California, Lease<br>Revenue Refunding Bonds, Convention Center Project,<br>Series 2001A, 5.000%, 11/01/22 - MBIA Insured             | 11/11 at 101           |
| 8,100                     | Poway Redevelopment Agency, California, Paguay<br>Redevelopment Project, Tax Allocation Refunding Bonds,<br>Series 2000, 5.750%, 6/15/33 - MBIA Insured                         | 12/10 at 102           |
| 2,000                     | Puerto Rico Public Finance Corporation, Commonwealth<br>Appropriation Bonds, Series 2001A, 5.500%, 8/01/19 -<br>MBIA Insured  | 8/11 at 100            |
| 10,215                    | Riverside County Public Financing Authority, California,<br>Reassessment Revenue Bonds, Rancho Village Project/AD<br>No. 159, 1999 Series B, Junior Lien Bonds, 6.000%, 9/02/07 | No Opt. C              |
| 2,500                     | Sacramento City Financing Authority, California, Lease Revenue<br>Bonds, Series 1993A Refunding, 5.400%, 11/01/20 -<br>AMBAC Insured  | No Opt. C              |
| 1,205                     | City and County of San Francisco, California, Certificates of<br>Participation, Series 2001A, 30 Van Ness Avenue Property,<br>4.600%, 9/01/18 - MBIA Insured                    | 9/09 at 101            |
| 24,060                    | Redevelopment Agency of the City of San Jose, California,<br>Merged Area Redevelopment Project, Tax Allocation Bonds,<br>Series 1998, 5.250%, 8/01/29                           | 8/08 at 102            |
| -----                     |   |                        |
|                           | TRANSPORTATION - 23.6%  |                        |
| 21,150                    | Foothill/Eastern Transportation Corridor Agency, California,<br>Toll Road Refunding Revenue Bonds, Series 1999,<br>5.750%, 1/15/40  | 1/10 at 101            |

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|                         |   |              |
|-------------------------|---|--------------|
| 8,515                   | Harbor Department of the City of Los Angeles, California,<br>Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18<br>(Alternative Minimum Tax) - AMBAC Insured  | 8/11 at 100  |
| 23,000                  | Port of Oakland, California, Revenue Bonds, 2000 Series K,<br>5.750%, 11/01/29 (Alternative Minimum Tax) - FGIC Insured   | 5/10 at 100  |
| 5,000                   | Airports Commission of the City and County of San Francisco,<br>California, San Francisco International Airport, Second Series<br>Revenue Bonds, Issue 13B, 5.625%, 5/01/21 (Alternative<br>Minimum Tax) - MBIA Insured | 5/06 at 101  |
| 23,275                  | Airports Commission of the City and County of San Francisco,<br>California, San Francisco International Airport, Second Series<br>Revenue Bonds, Issue 25, 5.750%, 5/01/30 (Alternative<br>Minimum Tax) - FSA Insured   | 5/10 at 101  |
| -----                   |   |              |
| U.S. GUARANTEED - 2.8%  |   |              |
| 3,600                   | Los Angeles Unified School District, California, General Obligation<br>Bonds, Election of 1997, Series 2000D, 5.625%, 7/01/14<br>(Pre-refunded to 7/01/10)  | 7/10 at 100  |
| 5,000                   | Commonwealth of Puerto Rico, Public Improvement Bonds of 2000,<br>General Obligation Bonds, 5.750%, 7/01/16 (Pre-refunded<br>to 7/01/10) - MBIA Insured   | 7/10 at 100  |
| -----                   |   |              |
| UTILITIES - 11.9%       |   |              |
| 9,750                   | State of California Department of Water Resources, Power Supply<br>Revenue Bonds, Series 2002A, 5.125%, 5/01/18   | 5/12 at 101  |
| 7,000                   | Department of Water and Power of Los Angeles, California,<br>Power System Revenue Bonds, 2001 Series A1,<br>5.250%, 7/01/21 - FSA Insured   | 7/11 at 100  |
| 8,370                   | Department of Water and Power of Los Angeles, California,<br>Power System Revenue Refunding Bonds, Series 2001A2,<br>5.375%, 7/01/19 - MBIA Insured   | 7/11 at 100  |
| 10,000                  | Merced Irrigation District, California, 2001 Electric System<br>Refunding Revenue Bonds, Electric System Project,<br>6.750%, 9/01/31  | 9/05 at 102  |
| 5,630                   | Southern California Public Power Authority, Transmission Project<br>Revenue Bonds, 2002A Subordinate Refunding Series,<br>Southern Transmission Project, 4.750%, 7/01/19 - FSA Insured                                  | 7/12 at 100  |
| -----                   |   |              |
| WATER AND SEWER - 11.1% |   |              |
| 11,000                  | California Department of Water Resources, Water System<br>Revenue Bonds, Central Valley Project, Series 2001W,<br>5.250%, 12/01/22 - FSA Insured  | 12/11 at 100 |
| 14,000                  | Orange County Water District, California, Revenue Certificates<br>of Participation, Series 1999A, 5.375%, 8/15/29   | 8/09 at 101  |

8,250 Pico Rivera Water Authority, California, Revenue Bonds, 12/11 at 102  
 2001 Series A, 6.250%, 12/01/32

Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
 Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | WATER AND SEWER (continued)   |                        |
| \$ 5,115                  | Public Utilities Commission of the City and County of San Francisco, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured | 11/12 at 100           |
| -----                     |   |                        |
| \$ 510,385                | Total Long-Term Investments (cost \$502,210,852) - 146.6%   |                        |
| =====                     |   |                        |
|                           | Other Assets Less Liabilities - 1.8%  |                        |
|                           | Preferred Shares, at Liquidation Value - (48.4)%  |                        |
|                           | 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.

\* 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.

N/R Investment is not rated.

See accompanying notes to financial statements.

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)  
 Portfolio of  
 INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | CONSUMER STAPLES - 5.5%  |                        |
| \$ 4,625                  | California County Tobacco Securitization Agency, Stanislaus County Tobacco Funding Corporation, Tobacco Settlement | 6/12 at 100            |

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Asset-Backed Bonds, Series 2002A, 5.500%, 6/01/33

|       |   |             |
|-------|---|-------------|
| 3,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003-A1, 6.250%, 6/01/33   | 6/13 at 100 |
| 3,000 | Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41   | 6/11 at 100 |
| 2,800 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, San Diego County Tobacco Asset Securitization Corporation, 5.500%, 6/01/36 | 6/12 at 100 |

-----  
 EDUCATION AND CIVIC ORGANIZATIONS - 19.0%

|        |  |              |
|--------|--|--------------|
| 5,000  | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series Q, 5.250%, 12/01/32  | 6/11 at 101  |
| 15,000 | California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured                     | 3/08 at 102  |
| 10,570 | State Public Works Board of the State of California, Lease Revenue Bonds, Regents of the University of California, 2002 Series A, UCLA Replacement Hospitals, 5.375%, 10/01/18 - FSA Insured | 10/12 at 100 |
| 9,000  | Long Beach Bond Finance Authority, California, Lease Revenue Refunding Bonds, The Aquarium of the South Pacific, 5.250%, 11/01/30 - AMBAC Insured  | 11/11 at 101 |

-----  
 HEALTHCARE - 15.3%

|       |  |             |
|-------|--|-------------|
| 5,000 | California Health Facilities Financing Authority, Kaiser Permanente, Revenue Bonds, 1993 Series C, 5.600%, 5/01/33   | 5/03 at 102 |
| 7,000 | California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31  | 8/11 at 102 |
| 6,000 | California Statewide Communities Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured                                       | No Opt. C   |
| 5,355 | California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2002E, 4.700%, 11/01/36 (Mandatory put 6/01/09)   | No Opt. C   |
| 2,185 | California Statewide Communities Development Authority, Health Facility Revenue Bonds, Memorial Health Services, Series 2003A Refunding, 6.000%, 10/01/11                                  | No Opt. C   |
| 3,000 | Central California Joint Powers Health Financing Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group Project, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |

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|       |   |             |
|-------|---|-------------|
| 2,500 | City of Torrance, California, Revenue Bonds, Torrance Memorial Medical Center, Series 2001A, 5.500%, 6/01/31                    | 6/11 at 101 |
| 1,500 | City of Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |

-----  
HOUSING/MULTIFAMILY - 7.0%

|       |  |              |
|-------|--|--------------|
| 5,962 | California Statewide Communities 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  |
| 3,500 | California Statewide Communities Development Authority, Housing Revenue Bonds, GNMA Collateralized - Crowne Pointe Project Refunding, 2002 Series F, 6.750%, 8/20/37   | 8/12 at 105  |
| 4,650 | Redevelopment Agency of the City and County of San Francisco, California, Multifamily Housing Revenue Bonds, GNMA Collateralized - Kokoro Assisted Living Facility, 2001 Series A, 5.675%, 4/20/43                 | 10/11 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

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

-----

HOUSING/SINGLE FAMILY - 2.8%

|          |   |             |
|----------|---|-------------|
| \$ 5,845 | California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, 2001 Series A, 5.650%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 102 |
|----------|---|-------------|

-----  
LONG-TERM CARE - 0.7%

|       |   |             |
|-------|---|-------------|
| 1,550 | California Health Facilities Financing Authority, 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 - 27.1%

|       |   |             |
|-------|---|-------------|
| 5,000 | State of California, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/12             | No Opt. C   |
| 7,225 | State of California, Veterans General Obligation Bonds, Series BV, 5.600%, 12/01/32 - FSA Insured | 6/06 at 101 |
| 3,615 | Colton Joint Unified School District, San Bernardino County,                                      | 8/12 at 102 |

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|        |   |              |
|--------|---|--------------|
|        | California, General Obligation Bonds, Series 2002A,<br>5.500%, 8/01/22 - FGIC Insured   |              |
|        | Contra Costa Community College District, California, General<br>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  |
| 8,330  | Los Angeles Unified School District, California, General Obligation<br>Bonds, Election of 1997, Series 2000D, 5.375%, 7/01/25 -<br>FGIC Insured   | 7/10 at 100  |
| 10,840 | Los Angeles Unified School District, California, General Obligation<br>Bonds, Election of 1997, Series 2002E, 5.000%, 7/01/19 -<br>MBIA Insured   | 7/12 at 100  |
| 2,250  | Los Angeles Unified School District, Los Angeles County,<br>California, General Obligation Bonds, Series 2003A,<br>5.250%, 7/01/20 - FSA Insured (WI, settling 3/05/03)                             | 7/13 at 100  |
| 4,050  | Santa Rosa High School District, Sonoma County, California,<br>General Obligation Bonds, Series 2001, 5.300%, 5/01/26 -<br>FGIC Insured   | 5/11 at 101  |
| 1,160  | Saugus Union School District, Los Angeles County, California,<br>General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 -<br>FGIC Insured  | 8/12 at 100  |
| 7,600  | Southwestern Community College District, San Diego County,<br>California, General Obligation Bonds, Series 2001,<br>5.375%, 8/01/25 - AMBAC Insured   | 8/11 at 101  |
| -----  |   |              |
|        | TAX OBLIGATION/LIMITED - 38.3%  |              |
| 9,000  | Anitoch Area Public Facilities Financing Agency, California,<br>Special Tax Bonds, Community Facilities District No. 1989-1,<br>Series 2001, 5.250%, 8/01/25 - MBIA Insured                         | 8/11 at 100  |
| 3,070  | State Public Works Board of the State of California, Lease<br>Revenue Bonds, Department of General Services, Capital<br>East End, Series 2002A, 5.250%, 12/01/16 - AMBAC Insured                    | 12/12 at 100 |
| 4,000  | Daly City Housing Development Finance Agency, California,<br>Mobile Home Park Revenue Bonds, Franciscan Mobile Home<br>Park, Series 2002A, 5.850%, 12/15/32   | 12/13 at 102 |
| 4,845  | City of Encinitas Public Financing Authority, California, Lease<br>Revenue Bonds, Acquisition Project, Series 2001A,<br>5.250%, 4/01/31 - MBIA Insured  | 4/08 at 102  |
| 5,000  | Industry Urban Development Agency, California, Civic,<br>Recreational and Industrial Redevelopment Project No. 1,<br>Tax Allocation Refunding Bonds, Series 2002,<br>5.500%, 5/01/19 - MBIA Insured | 5/07 at 101  |
| 2,000  | Lake Elsinore Public Finance Authority, California, Local Agency<br>Revenue Bonds, Series 2003H Refunding, 6.000%, 10/01/20   | 10/13 at 102 |
| 8,000  | Los Angeles County Metropolitan Transportation Authority,<br>California, Proposition C Sales Tax Revenue Bonds, Second  | 7/08 at 101  |

Senior Series 1998A Refunding, 5.000%, 7/01/23 -  
 AMBAC Insured

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED (continued)  |                        |
| \$ 3,295                  | Redevelopment Agency of the City of Oakland, California,<br>Central District Redevelopment Project, Subordinate Lien<br>Tax Allocation Bonds, Series 2003, 5.500%, 9/01/16 -<br>FGIC Insured  | 3/13 at 100            |
| 4,400                     | Puerto Rico Public Finance Corporation, Commonwealth<br>Appropriation Bonds, 2002 Series E, 6.000%, 8/01/26   | No Opt. C              |
| 9,000                     | Redevelopment Agency for the County of Riverside, California,<br>Jurupa Valley Project Area, 2001 Tax Allocation Bonds,<br>5.250%, 10/01/35 - AMBAC Insured   | 10/11 at 102           |
|                           | Santa Clara Valley Transportation Authority, California, Sales<br>Tax Revenue Bonds, Series 2001A:  |                        |
| 16,090                    | 5.000%, 6/01/25 - MBIA Insured  | 6/11 at 100            |
| 4,000                     | 5.000%, 6/01/26 - MBIA Insured  | 6/11 at 100            |
| 3,045                     | Redevelopment Agency of the City of Yucaipa, California, Mobile<br>Home Park Revenue Bonds, Rancho del Sol and Grandview,<br>Series 2001A, 6.750%, 5/15/36  | 5/11 at 102            |
| 5,100                     | Community Facilities District No. 98-1, Chapman Heights of<br>the City of Yucaipa, County of San Bernardino, State<br>of California, 1998 Special Tax Bonds, 6.000%, 9/01/28  | 9/09 at 102            |
| -----                     |   |                        |
|                           | TRANSPORTATION - 6.9%   |                        |
| 5,500                     | California Statewide Communities Development Authority,<br>Special Facility Revenue Bonds, Series 2001, United Air<br>Lines, Inc. - Los Angeles International Airport Cargo Project,<br>6.250%, 10/01/35 (Alternative Minimum Tax)# | 10/11 at 100           |
| 3,840                     | Sacramento-Yolo Port District, Counties of Sacramento<br>and Yolo, California, Port Facilities Refunding and Improvement<br>Revenue Bonds, Series 2001, 5.125%, 7/01/14   | 7/08 at 101            |
| 3,000                     | Airports Commission of the City and County of San Francisco,<br>California, San Francisco International Airport, Second Series<br>Revenue Bonds, Issue 26A, 5.250%, 5/01/30 (Alternative<br>Minimum Tax) - FGIC Insured             | 5/10 at 101            |
| 2,000                     | Airports Commission of the City and County of San Francisco,<br>California, San Francisco International Airport, Second Series<br>Revenue Refunding, Issue 28A, 5.250%, 5/01/17<br>(Alternative Minimum Tax) - MBIA Insured         | 5/12 at 100            |
|                           | Airports Commission of the City and County of San Francisco,  |                        |

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|        |   |  |              |
|--------|---|--|--------------|
|        | California, San Francisco International Airport, Second Series Revenue Bonds, 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  |
| -----  |   |  |              |
|        | UTILITIES - 8.2%  |  |              |
| 10,000 | California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds, Pacific Gas and Electric Company, 1996A Series Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured |  | 4/11 at 102  |
| 6,000  | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18  |  | 5/12 at 101  |
| 1,000  | Merced Irrigation District, California, 2002 Revenue Certificates of Participation, Electric System Project, 6.500%, 9/01/34  |  | 9/05 at 103  |
| -----  |   |  |              |
|        | WATER AND SEWER - 17.2%   |  |              |
| 2,740  | California Department of Water Resources, Central Valley Project Water System Revenue Bonds, Series 2002Z, 5.000%, 12/01/18 - FGIC Insured  |  | 12/12 at 100 |
| 11,000 | 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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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | WATER AND SEWER (continued)   |                        |
| \$ 6,885                  | San Diego Public Facilities Financing Authority, California, Water Revenue Bonds, Series 2002 Subordinate Lien, 5.000%, 8/01/21 - MBIA Insured                      | 8/12 at 100            |
| 5,375                     | Public Utilities Commission of the City and County of San Francisco, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/19 - MBIA Insured                 | 11/12 at 100           |
| 10,000                    | Public Utilities Commission of the City and County of San Francisco, California, Clean Water Revenue Bonds, Series 2003A Refunding, 5.250%, 10/01/20 - MBIA Insured | 4/13 at 100            |
| -----                     |   |                        |
| \$ 316,787                | Total Long-Term Investments (cost \$318,796,402) - 148.0%   |                        |
| =====                     |   |                        |
|                           | Other Assets Less Liabilities - 2.0%  |                        |
|                           | -----   |                        |
|                           | Preferred Shares, at Liquidation Value - (50.0)%  |                        |
|                           | -----   |                        |
|                           | 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.
- \* 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.

N/R Investment is not rated.

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

# On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. In December 2002, the Adviser determined that it was likely United would not remain current on its interest payment obligations with respect to these bonds and thus stopped accruing interest. At the same time, accrued interest dating back to October 1, 2002 was written off. On April 1, 2003, UAL failed to meet its interest payment obligation.

See accompanying notes to financial statements.

Nuveen California Dividend Advantage Municipal Fund 3 (NZH)  
 Portfolio of  
 INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| -----                  |  |                     |
|                        | CAPITAL GOODS - 1.4%   |                     |
| \$ 4,715               | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc. Project, Series 2002B, 4.450%, 7/01/27 (Alternative Minimum Tax) (Mandatory put 7/01/05) | No Opt. C           |
| -----                  |  |                     |
|                        | CONSUMER STAPLES - 5.6%  |                     |
| 11,240                 | California County Tobacco Securitization Agency, Merced County Tobacco Funding Corporation, Tobacco Settlement Asset-Backed Bonds, 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 2003-A1, 6.250%, 6/01/33  | 6/13 at 100         |
| 4,200                  | Tobacco Securitization Authority of Southern California, Tobacco   | 6/12 at 100         |

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Settlement Asset-Backed Bonds, Senior Series 2001A,  
 San Diego County Tobacco Asset Securitization Corporation,  
 5.500%, 6/01/36

-----  
 EDUCATION AND CIVIC ORGANIZATIONS - 12.2%

|       |  |              |
|-------|--|--------------|
| 9,000 | California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured                     | 3/08 at 102  |
| 3,600 | State Public Works Board of the State of California, Lease Revenue Bonds, Regents of the University of California, 2002 Series A, UCLA Replacement Hospitals, 5.375%, 10/01/17 - FSA Insured | 10/12 at 100 |
| 7,595 | San Francisco State University Foundation Inc., California, Auxiliary Organization Revenue Bonds, Student Housing, Series 2001, 5.000%, 9/01/26 - MBIA Insured                               | 9/11 at 100  |
| 2,990 | The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.000%, 9/01/23   | 9/08 at 101  |
| 8,720 | The Regents of the University of California, Multiple Purpose Projects, Revenue Bonds, Series 2001M, 5.125%, 9/01/30 - FGIC Insured  | 9/09 at 101  |
|       | The Regents of the University of California, Research Facilities Revenue Bonds, 2001 Series E:   |              |
| 3,820 | 5.000%, 9/01/26 - AMBAC Insured  | 9/09 at 101  |
| 5,360 | 5.000%, 9/01/27 - AMBAC Insured  | 9/09 at 101  |

-----  
 HEALTHCARE - 14.5%

|        |  |              |
|--------|--|--------------|
| 4,650  | California Health Facilities Financing Authority, Revenue Bonds, USCF - Stanford Health Care, 1998 Series A, 5.000%, 11/15/31 - FSA Insured                | 11/08 at 101 |
|        | 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  |
| 10,550 | California Health Facilities Financing Authority, Kaiser Permanente, Revenue Bonds, 1993 Series C, 5.600%, 5/01/33   | 5/03 at 102  |
| 9,000  | California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31                    | 8/11 at 102  |
| 7,665  | California Statewide Communities 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 Communities Development Authority, Health Facility Revenue Bonds, Memorial Health Services, Series 2003A Refunding, 6.000%, 10/01/12  | No Opt. C    |
| 1,740  | Central California Joint Powers Health Financing Authority, Certificates of Participation, Community Hospitals of Central                                  | 2/10 at 101  |

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California Obligated Group Project, Series 2000, 6.000%, 2/01/30

|       |   |             |
|-------|---|-------------|
| 2,500 | City of Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 | 6/12 at 101 |
|-------|---|-------------|

---

HOUSING/MULTIFAMILY - 4.2%

|       |  |             |
|-------|--|-------------|
| 5,250 | California Statewide Communities Development Authority, Housing Revenue Bonds, GNMA Collateralized - Crowne Pointe Project Refunding, 2002 Series F, 6.750%, 8/20/37 | 8/12 at 105 |
|-------|--|-------------|

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

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

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HOUSING/MULTIFAMILY (continued)

|          |   |              |
|----------|---|--------------|
| \$ 3,610 | Housing Authority of the County of San Bernardino, California, Multifamily Mortgage Revenue Bonds, Series 2001A, GNMA Collateralized - Pacific Palms Mobile Home Park, 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 |

---

HOUSING/SINGLE FAMILY - 0.9%

|       |  |             |
|-------|--|-------------|
| 3,000 | California Housing Finance Agency, Home Mortgage Revenue Bonds, 1998 Series B, 5.150%, 2/01/18 (Alternative Minimum Tax) - AMBAC Insured | 2/08 at 101 |
|-------|--|-------------|

---

LONG-TERM CARE - 1.5%

|       |   |             |
|-------|---|-------------|
|       | California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly, 2002 Series A:   |             |
| 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, Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |

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TAX OBLIGATION/GENERAL - 31.2%

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|        |   |              |
|--------|---|--------------|
| 8,500  | State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/18 (Alternative Minimum Tax)                                 | 12/03 at 102 |
| 10     | State of California, Veterans General Obligation Bonds, Series BJ, 5.500%, 12/01/18 (Alternative Minimum Tax)   | 12/06 at 102 |
|        | State of California, General Obligation Bonds, Series 2002 Refunding:   |              |
| 8,450  | 5.000%, 2/01/12   | No Opt. C    |
| 10,000 | 5.250%, 2/01/30   | 2/12 at 100  |
|        | State of California, General Obligation Bonds, Series 2002:   |              |
| 9,335  | 6.000%, 2/01/16 - FSA Insured   | No Opt. C    |
| 2,780  | 6.000%, 4/01/16 - AMBAC Insured   | No Opt. C    |
| 5,000  | 5.000%, 4/01/21 - AMBAC Insured   | 4/12 at 100  |
| 14,300 | State of California, Veterans General Obligation Bonds, 2001 Series BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured                         | 6/07 at 101  |
| 2,050  | Centinela Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.250%, 2/01/26 - MBIA Insured       | No Opt. C    |
| 3,000  | Contra Costa 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, Los Angeles County, California, General Obligation Bonds, Series 2003A:  |              |
| 3,750  | 5.250%, 7/01/20 - FSA Insured (WI, settling 3/05/03)  | 7/13 at 100  |
| 7,200  | 5.000%, 7/01/22 - FSA Insured (WI, settling 3/05/03)  | 7/13 at 100  |
| 3,000  | Commonwealth of Puerto Rico, General Obligation Bonds, Public Improvement Refunding 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  |
| 10,810 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured  | 7/11 at 102  |
| 4,000  | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured | 7/12 at 101  |
| 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  |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
|                           | TAX OBLIGATION/LIMITED - 46.6%   |                        |
| \$ 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           |
| 3,620                     | Burbank Public Financing Authority, California, Revenue Bonds, Golden State Redevelopment Project, Series 2003A Refunding, 5.250%, 12/01/20 - AMBAC Insured                | 12/13 at 100           |
| 3,350                     | State Public Works Board of the State of California, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A, 5.250%, 12/01/17 - AMBAC Insured | 12/12 at 100           |
| 4,510                     | State Public Works Board of the State of California, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured   | 12/11 at 102           |
| 15,000                    | State Public Works Board of the State of California, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured                    | 3/12 at 100            |
| 1,270                     | Coalinga Public Financing Authority, California, Local Obligation Revenue Refunding Bonds, Senior Lien Series A, 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 Park, Series 2002A, 5.800%, 12/15/25                      | 12/13 at 102           |
| 1,000                     | Fullerton, California, Special Tax Bonds, Community Facilities District No. 001, Amerige Heights, Series 2002, 6.100%, 9/01/22   | 9/12 at 100            |
| 7,945                     | La Quinta Redevelopment Agency, California, Project Area No. 1 Tax Allocation Bonds, Series 2001, 5.100%, 9/01/31 - AMBAC Insured  | 9/11 at 102            |
| 3,000                     | Lake Elsinore Public Finance Authority, California, Local Agency Revenue Bonds, Series 2003H Refunding, 6.000%, 10/01/20   | 10/13 at 102           |
| 5,250                     | Lammersville School District, San Joaquin County, California, Community Facilities District of Mountain House, Special Tax Bonds, Series 2002, 6.300%, 9/01/24             | 9/12 at 101            |
| 5,425                     | Lodi, California, Certificates of Participation, Series 2002, Public Improvement Financing Project, 5.000%, 10/01/26 - MBIA Insured  | 10/12 at 100           |
| 13,515                    | Norco Redevelopment Agency, California, Project Area No. 1 Tax Allocation Bonds, Series 2001 Refunding, 5.125%, 3/01/30 - MBIA Insured                                     | 3/11 at 102            |
| 1,000                     | Norco, California, Special Tax Bonds, Community Facilities District  | 9/12 at 102            |

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|        |   |             |
|--------|---|-------------|
|        | No. 01-1, Series 2002, 6.750%, 9/01/22  |             |
| 3,000  | Redevelopment Agency of the City of Oakland, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured | 3/13 at 100 |
| 4,520  | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.000%, 8/01/24 - AMBAC Insured  | 8/11 at 101 |
| 11,165 | Palm Desert Financing Authority, California, Tax Allocation Revenue Bonds, Project Area No. 1, Series 2002 Refunding, 5.100%, 4/01/30 - MBIA Insured                                | 4/12 at 102 |
| 5,000  | Pomona Public Finance Authority, California, Revenue Bonds, Merged Redevelopment Projects Refunding, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured                                  | 2/11 at 100 |
| 2,925  | Pomona Valley Educational Joint Power Authority, California, Lease Revenue Bonds, Pomona Unified School District Financing, Series 2001, 4.875%, 8/01/26 - AMBAC Insured            | 8/09 at 102 |
| 6,500  | Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.375%, 7/01/36   | 7/12 at 100 |
| 4,400  | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, 2002 Series E, 6.000%, 8/01/26  | No Opt. C   |
| 2,385  | City of San Buenaventura, California, San Buenaventura Public Facilities Financing Authority, 2001 Certificates of Participation, Series C, 4.750%, 2/01/24 - AMBAC Insured         | 2/11 at 101 |
| 14,505 | Redevelopment Agency of the City of San Diego, California, Subordinate Tax Allocation Bonds, Centre City Redevelopment 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 |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED (continued)  |                        |
| \$ 10,000                 | San Diego Redevelopment Agency, California, Merged Area Redevelopment Project Tax Allocation Bonds, Series 2002, 5.000%, 8/01/27 - MBIA Insured | 8/10 at 101            |
| 2,115                     | San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Series 2002, 6.300%, 9/01/20                                     | 9/07 at 102            |
| 1,595                     | Santa Clara Valley Transportation Authority, California, Sales  | 6/11 at 100            |

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Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/22 -  
MBIA Insured

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

-----  
TRANSPORTATION - 7.8%

|       |  |              |
|-------|--|--------------|
| 1,500 | Port of Oakland, California, Refunding Revenue Bonds, 1997 Series I, 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 |
|-------|---|--------------|

|       |  |             |
|-------|--|-------------|
| 1,420 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 23B, 5.125%, 5/01/30 - FGIC Insured | 5/09 at 101 |
|-------|--|-------------|

|       |  |             |
|-------|--|-------------|
| 5,950 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 26B, 5.000%, 5/01/30 - FGIC Insured | 5/10 at 101 |
|-------|--|-------------|

|        |   |             |
|--------|---|-------------|
|        | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 29B: |             |
| 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 |

-----  
UTILITIES - 8.5%

|        |   |             |
|--------|---|-------------|
| 15,000 | California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds, Pacific Gas and Electric Company, 1996A Series Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102 |
|--------|---|-------------|

|       |  |             |
|-------|--|-------------|
| 9,000 | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 | 5/12 at 101 |
|-------|--|-------------|

|       |  |             |
|-------|--|-------------|
| 1,600 | Merced Irrigation District, California, 2002 Revenue Certificates of Participation, Electric System Project, 6.500%, 9/01/34 | 9/05 at 103 |
|-------|--|-------------|

|       |   |             |
|-------|---|-------------|
| 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 |
|-------|---|-------------|

-----  
WATER AND SEWER - 13.3%

|       |  |              |
|-------|--|--------------|
| 6,080 | California Department of Water Resources, Central Valley Project Water System Revenue Bonds, Series 2002Z, 5.000%, 12/01/17 - FGIC Insured | 12/12 at 100 |
|-------|--|--------------|

|       |  |             |
|-------|--|-------------|
| 7,000 | Carmichael Water District, Sacramento County, California, 1999 Water Revenue Certificates of Participation, 5.125%, 9/01/29 - MBIA Insured | 9/09 at 102 |
|-------|--|-------------|

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|       |  |             |
|-------|--|-------------|
| 2,475 | The Metropolitan Water District of Southern California,<br>Water Revenue Refunding Bonds, 1998 Series A, 4.750%, 7/01/22 | 7/08 at 101 |
|       | San Diego Public Facilities Financing Authority, California,<br>Water Revenue Bonds, Series 2002 Subordinate Lien:       |             |
| 2,500 | 5.000%, 8/01/23 - MBIA Insured   | 8/12 at 100 |
| 8,910 | 5.000%, 8/01/24 - MBIA Insured   | 8/12 at 100 |

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| PRINCIPAL<br>AMOUNT (000)                        | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|--|---|------------------------|
| -----  |   |                        |
| WATER AND SEWER (continued)                      |   |                        |
|  | Public Utilities Commission of the City and County of San<br>Francisco, California, Clean Water Revenue Bonds, Series 2003A<br>Refunding:   |                        |
| \$ 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            |
| 1,600  | Sunnyvale Financing Authority, California, Water and Wastewater<br>Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured   | 10/11 at 100           |
| -----  |   |                        |
| \$ 494,890                                       | Total Long-Term Investments (cost \$503,949,894) - 147.7%   |                        |
| =====  |   |                        |
| SHORT-TERM INVESTMENTS - 1.6%                    |   |                        |
| \$ 2,400   | ABAG Finance Authority for Non-Profit Corporations, California,<br>Certificates of Participation, American Baptist Homes West,<br>Variable Rate Demand Bonds, Series 1997C(98B),<br>1.050%, 10/01/27+ |                        |
| 1,500  | California Infrastructure and Economic Development Authority,<br>Insured Revenue Bonds, The Rand Corporation, Series 2002B,<br>Variable Rate Demand Obligations, 1.100%, 4/01/42 -<br>AMBAC Insured+  |                        |
| 1,755  | California Statewide Communities Development Authority,<br>Revenue Bonds, Fremont-Rideout Health Group, Variable Rate<br>Demand Bonds, Series 2001A, 1.050%, 1/01/31 -<br>AMBAC Insured+              |                        |
| -----  |   |                        |
| \$ 5,655   | Total Short-Term Investments (cost \$5,655,000)   |                        |
| =====  |   |                        |
| Other Assets Less Liabilities - 4.5%             |   |                        |
| -----  |   |                        |
| Preferred Shares, at Liquidation Value - (53.8)% |   |                        |
| -----  |   |                        |
| 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.

\* 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.

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 currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Insured California Dividend Advantage Municipal Fund (NKL)  
 Portfolio of  
 INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| -----                  |  |                     |
|                        | EDUCATION AND CIVIC ORGANIZATIONS - 14.2%  |                     |
| \$ 3,070               | California Educational Facilities Authority, Revenue Bonds, Claremont University Center, Series 1999B, 5.250%, 3/01/18   | 3/09 at 101         |
| 1,675                  | California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30  | 10/12 at 100        |
| 8,880                  | State Public Works Board of the State of California, Lease Revenue Bonds, Regents of the University of California, 2002 Series A, UCLA Replacement Hospitals, 5.375%, 10/01/16 - FSA Insured | 10/12 at 100        |
| 9,000                  | Trustees of the California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured  | 11/12 at 100        |
| 9,000                  | The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.300%, 9/01/30   | 9/08 at 101         |
| -----                  |  |                     |
|                        | HEALTHCARE - 4.9%  |                     |
| 5,000                  | ABAG Finance Authority for Nonprofit Corporations, California, Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26                          | 4/12 at 100         |
| 4,000                  | California Statewide Communities Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured   | No Opt. C           |
| 2,145                  | California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2002E,  | No Opt. C           |

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4.700%, 11/01/36 (Mandatory put 6/01/09)

| -----                          |   |             |
|--------------------------------|---|-------------|
| HOUSING/MULTIFAMILY - 0.9%     |   |             |
| 1,905                          | The City of Los Angeles, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Park Plaza West Senior Apartments Project, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax) | 7/11 at 102 |
| -----                          |   |             |
| HOUSING/SINGLE FAMILY - 5.0%   |   |             |
| 11,500                         | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1998E, 5.250%, 2/01/33 (Alternative Minimum Tax) - AMBAC Insured   | 2/09 at 101 |
| -----                          |   |             |
| TAX OBLIGATION/GENERAL - 40.8% |   |             |
| 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 |
|                                | State of California, General Obligation Bonds, Series 2002 Refunding:   |             |
| 5,500                          | 5.000%, 2/01/12   | No Opt. C   |
| 9,000                          | 5.000%, 2/01/22 - MBIA Insured  | 2/12 at 100 |
| 1,500                          | Centinela Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.250%, 2/01/26 - MBIA Insured   | No Opt. C   |
| 2,500                          | Chaffee Joint Union High School District, San Bernardino County, California, General Obligation Bonds, Election of 1998, Series 2002C, 5.000%, 5/01/27 - FSA Insured  | 5/12 at 101 |
| 10,000                         | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FSA Insured  | 8/12 at 101 |
| 2,070                          | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Election of 1995, Series 2002G, 5.125%, 8/01/26 - FSA Insured  | 8/10 at 102 |
|                                | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Election of 2001, Series 2002B:  |             |
| 1,135                          | 5.125%, 8/01/23 - FGIC Insured  | 8/10 at 102 |
| 1,190                          | 5.125%, 8/01/24 - FGIC Insured  | 8/10 at 102 |
| 1,245                          | 5.125%, 8/01/25 - FGIC Insured  | 8/10 at 102 |
| 1,255                          | 5.125%, 8/01/26 - FGIC Insured  | 8/10 at 102 |

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

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TAX OBLIGATION/GENERAL (continued)

|    |        |   |             |
|----|--------|---|-------------|
| \$ | 5,000  | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, 2002B Series E, 5.125%, 1/01/27 - MBIA Insured                       | 7/12 at 100 |
|    | 2,250  | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A: 5.250%, 7/01/20 - FSA Insured (WI, settling 3/05/03) | 7/13 at 100 |
|    | 4,700  | 5.000%, 7/01/22 - FSA Insured (WI, settling 3/05/03)  | 7/13 at 100 |
|    | 7,000  | Los Gatos Joint Union High School District, California, Election of 1998, Series 2002C, 5.000%, 6/01/27 - FSA Insured   | 6/12 at 101 |
|    | 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 2000, Series A, 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 |
|    | 4,000  | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/20 - FGIC Insured         | 7/12 at 101 |
|    | 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 - 42.6%

|  |       |   |              |
|--|-------|---|--------------|
|  | 6,895 | Brea Olinda Unified School District, Orange County, California, Certificates of Participation, Series 2002A Refunding, 5.125%, 8/01/26 - FSA Insured        | 8/11 at 101  |
|  | 2,290 | Burbank Public Financing Authority, California, Revenue Bonds, Golden State Redevelopment Project, Series 2003A Refunding, 5.250%, 12/01/19 - AMBAC Insured | 12/13 at 100 |

State Public Works Board of the State of California, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A:

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|       |   |              |
|-------|---|--------------|
| 1,535 | 5.250%, 12/01/16 - AMBAC Insured  | 12/12 at 100 |
| 2,490 | 5.250%, 12/01/17 - AMBAC Insured  | 12/12 at 100 |
| 3,145 | Culver City Redevelopment Agency, California, Redevelopment Project Tax Allocation Bonds, 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, Series 2002 Refunding, 5.000%, 3/01/20 - MBIA Insured                            | 3/12 at 101  |
| 8,720 | City of El Monte, California, Department of Public Services Facility Phase II, Certificates of Participation, Senior Lien Series 2001, 5.000%, 1/01/21 - AMBAC Insured              | 1/11 at 100  |
| 6,615 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured                             | No Opt. C    |
| 5,500 | La Quinta Redevelopment Agency, California, Project Area No. 1 Tax Allocation Bonds, Series 2001, 5.100%, 9/01/31 - AMBAC Insured   | 9/11 at 102  |
| 3,400 | La Quinta Redevelopment Agency, California, Project Area No. 1 Tax Allocation Bonds, Series 2002, 5.000%, 9/01/22 - AMBAC Insured   | 9/12 at 102  |
| 7,000 | The City of Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.200%, 4/01/27 - AMBAC Insured                                 | 4/12 at 100  |
| 4,690 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Series 1998A Refunding, 5.000%, 7/01/23 - AMBAC Insured  | 7/08 at 101  |
| 2,000 | Redevelopment Agency of the City of Oakland, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/17 - FGIC Insured | 3/13 at 100  |

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Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (continued)  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISION |
|------------------------|--|----------------------|
| -----                  |  |                      |
|                        | TAX OBLIGATION/LIMITED (continued)   |                      |
| \$ 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 Bonds, Project Area No. 1, Series 2002 Refunding, 5.000%, 4/01/25 - MBIA Insured | 4/12 at 102          |

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|       |   |              |
|-------|---|--------------|
| 4,475 | County of Riverside Asset Leasing Corporation, California, Leasehold Revenue Bonds, 1997 Series B, County of Riverside Hospital Project, 5.000%, 6/01/19 - MBIA Insured     | 6/12 at 101  |
|       | San Bernardino County, California, Certificates of Participation, Series 2002A, West Valley Detention Center Refinancing:   |              |
| 3,000 | 5.250%, 11/01/13 - MBIA Insured   | 11/11 at 102 |
| 2,000 | 5.250%, 11/01/14 - MBIA Insured   | 11/11 at 102 |
| 6,765 | 5.250%, 11/01/15 - MBIA Insured   | 11/11 at 102 |
| 3,175 | City of San Buenaventura, California, 2001 Certificates of Participation, Series C, San Buenaventura Public Facilities Financing Authority, 5.250%, 2/01/31 - AMBAC Insured | 2/11 at 101  |
| 4,000 | City of San Jose Financing Authority, California, Lease Revenue Bonds, Series 2001F, Convention Center Project Refunding, 5.000%, 9/01/19 - MBIA Insured                    | 9/11 at 100  |
| 2,160 | Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Temecula Redevelopment Project No. 1, Series 2002, 5.125%, 8/01/27 - MBIA Insured                  | 8/08 at 102  |

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TRANSPORTATION - 6.7%

|        |  |             |
|--------|--|-------------|
|        | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, 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 |
| 10,110 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 29B, 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |

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UTILITIES - 18.7%

|        |   |              |
|--------|---|--------------|
| 9,000  | Anaheim Public Financing 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, Pollution Control Refunding Revenue Bonds, Pacific Gas and Electric Company, 1996A Series Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102  |
| 6,000  | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18  | 5/12 at 101  |
| 6,000  | Northern California Power Agency, Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A, 5.200%, 7/01/32 - MBIA Insured   | 7/08 at 101  |
| 5,500  | 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, Transmission Project Revenue Bonds, 2002A Subordinate Refunding Series, Southern  | 7/12 at 100  |

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Transmission Project, 4.750%, 7/01/19 - FSA Insured

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|                         |   |              |
|-------------------------|---|--------------|
| WATER AND SEWER - 14.2% |   |              |
| 3,000                   | California Department of Water Resources, Central Valley Project Water System Revenue Bonds, Series 2002Z, 5.000%, 12/01/15 - FGIC Insured        | 12/12 at 100 |
| 3,000                   | California Department of Water Resources, Central Valley Project Water System Revenue Bonds, Series X, 5.150%, 12/01/23 - FGIC Insured            | 12/12 at 100 |
| 9,000                   | Eastern Municipal Water District, California, Water and Sewer Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 - FGIC Insured | 7/11 at 100  |

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| PRINCIPAL<br>AMOUNT (000)                        | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|--|---|------------------------|
| <hr/>  |   |                        |
| WATER AND SEWER (continued)                      |   |                        |
| \$ 4,500   | The Metropolitan Water District of Southern California, Water Revenue Bonds, 1997 Authorization, Series A, 5.000%, 7/01/30 - MBIA Insured                           | 1/08 at 101            |
| 2,000  | Pico Rivera Water Authority, California, Water System Project Revenue Bonds, Series 1999A Refunding, 5.500%, 5/01/19 - MBIA Insured                                 | No Opt. C              |
| 10,000   | Public Utilities Commission of the City and County of San Francisco, California, Clean Water Revenue Bonds, Series 2003A Refunding, 5.250%, 10/01/18 - MBIA Insured | 4/13 at 100            |
| <hr/>  |   |                        |
| \$ 331,000                                       | Total Long-Term Investments (cost \$332,303,897) - 148.0%   |                        |
| <hr/>  |   |                        |
| SHORT-TERM INVESTMENTS - 2.8%                    |   |                        |
| 6,600  | California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter/CHS, Series 1996B, Variable Rate Demand Bonds, 1.100%, 7/01/12 - AMBAC Insured+     |                        |
| <hr/>  |   |                        |
| \$ 6,600   | Total Short-Term Investments (cost \$6,600,000)   |                        |
| <hr/>  |   |                        |
| Other Assets Less Liabilities - (0.4)%           |   |                        |
| <hr/>  |   |                        |
| Preferred Shares, at Liquidation Value - (50.4)% |   |                        |
| <hr/>  |   |                        |
| Net Assets Applicable to Common Shares - 100%    |   |                        |
| <hr/>  |   |                        |

At least 80% of the Fund's net assets are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets 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.

\* 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.

(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 currently in effect. 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 Tax-Free Advantage Municipal Fund (NKX)  
 Portfolio of  
 INVESTMENTS February 28, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 19.1%   |                        |
| \$ 3,500                  | California Educational Facilities Authority, Revenue Bonds, California Institute of Technology, Series 2003A, 5.000%, 10/01/32                                    | 10/11 at 100           |
| 10,000                    | California State University, Systemwide Revenue Bonds, Series 2003A, 5.000%, 11/01/32 - FGIC Insured  | 5/13 at 100            |
| 2,500                     | California Statewide Communities Development Authority, Student Housing Revenue Bonds, EAH-East Campus Apartment LLC, Series 2002A, 5.500%, 8/01/22 - ACA Insured | 8/12 at 100            |
| -----                     |   |                        |
|                           | HEALTHCARE - 1.8%   |                        |
| 1,500                     | California Health Facilities Financing Authority, Revenue Bonds, USCF - Stanford Health Care, 1998 Series A, 5.000%, 11/15/31 - FSA Insured                       | 11/08 at 101           |

| -----                          |   |              |
|--------------------------------|---|--------------|
| LONG-TERM CARE - 7.1%          |   |              |
| 4,000                          | ABAG Finance Authority for Nonprofit 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, Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.250%, 1/01/26 | 1/13 at 100  |
| -----                          |   |              |
| TAX OBLIGATION/GENERAL - 24.2% |   |              |
| 2,000                          | Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured                                | 8/12 at 101  |
| 1,500                          | State of California, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/12   | No Opt. C    |
| 3,750                          | State of California, General Obligation Bonds, Series 2002: 5.000%, 4/01/27 - AMBAC Insured   | 4/12 at 100  |
| 3,000                          | 5.250%, 4/01/30 - XLCA Insured  | 4/12 at 100  |
| 450                            | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FSA Insured  | 8/12 at 101  |
| 2,000                          | The City of Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured   | 9/12 at 100  |
| 4,750                          | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured (WI, settling 3/05/03)                   | 7/13 at 100  |
| 2,500                          | City of San Jose, California, General Obligation Bonds, Series 2002, Library, Park and Public Safety Projects, 5.000%, 9/01/23  | 9/12 at 100  |
| -----                          |   |              |
| TAX OBLIGATION/LIMITED - 62.5% |   |              |
| 2,025                          | Burbank Public Financing Authority, California, Revenue Bonds, Golden State Redevelopment Project, Series 2003A Refunding, 5.250%, 12/01/22 - AMBAC Insured                         | 12/13 at 100 |
| 4,000                          | State Public Works Board of the State of California, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured          | 12/12 at 100 |
| 3,000                          | Cathedral City Public Financing Authority, California, Tax Allocation Bonds, Merged Project Areas, Series 2002A, 5.000%, 8/01/33 - MBIA Insured                                     | 8/12 at 102  |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | TAX OBLIGATION/LIMITED (continued)   |                        |
| \$ 5,540                  | Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured   | 9/03 at 103            |
| 1,770                     | Los Angeles Unified School District, Los Angeles County, California, Certificates of Participation, Series 2002C, Administration Building Project II, 5.000%, 10/01/27 - AMBAC Insured | 10/12 at 100           |
| 1,500                     | Los Osos, California, Community Services Wastewater Assessment District No. 1 Improvement Bonds, Series 2002, 5.000%, 9/02/33 - MBIA Insured   | 9/10 at 103            |
| 1,285                     | Poway Unified School District, San Diego County, California, Special Tax Bonds, Community Facilities District No. 6, Series 2002A, 6.050%, 9/01/25                                     | 9/10 at 102            |
| 3,350                     | Puerto Rico Municipal Finance Agency, 2002 Series A, 5.250%, 8/01/20 - FSA Insured   | 8/12 at 100            |
| 4,475                     | County of Riverside Asset Leasing Corporation, California, Leasehold Revenue Bonds, 1997 Series B, County of Riverside Hospital Project, 5.000%, 6/01/19 - MBIA Insured                | 6/12 at 101            |
|                           | 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            |
| 2,405                     | San Diego Redevelopment Agency, California, Centre City Project Subordinate Lien Tax Allocation Bonds, Series 2003A, 5.000%, 9/01/28 - MBIA Insured                                    | 9/11 at 101            |
| 2,465                     | San Diego Redevelopment Agency, California, Centre City Project Subordinate Tax Increment and Parking Revenue Bonds, Series 2003B, 5.250%, 9/01/26                                     | 9/09 at 101            |
| 1,220                     | San Diego Redevelopment Agency, California, Merged Area Redevelopment Project Tax Allocation Bonds, Series 2002, 5.000%, 8/01/32 - MBIA Insured  | 8/10 at 101            |
| 2,770                     | City of San Jose Financing Authority, California, Lease Revenue Bonds, Civic Center Project, Series 2002B Refunding, 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           |
|                           | Sweetwater Union High School District, San Diego County, California, Certificates of Participation, Series 2002:   |                        |
| 3,245                     | 5.000%, 9/01/23 - FSA Insured  | 9/12 at 102            |
| 4,015                     | 5.000%, 9/01/24 - FSA Insured  | 9/12 at 102            |
| -----                     |  |                        |

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TRANSPORTATION - 19.4%

|       |  |             |
|-------|--|-------------|
| 5,480 | Bay Area Government Association, California, BART SFO Extension Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured                                    | 8/12 at 100 |
| 3,135 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 16B, 5.000%, 5/01/24 - FSA Insured  | 5/08 at 101 |
| 1,300 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 26B, 5.000%, 5/01/25                | 5/10 at 101 |
| 6,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 29B, 5.125%, 5/01/19 - FGIC Insured | 5/13 at 100 |

-----  
UTILITIES - 7.3%

|       |  |              |
|-------|--|--------------|
| 3,000 | Anaheim Public Financing Authority, California, Revenue Bonds, Electric System Distribution Facilities, Series 2002A, 5.000%, 10/01/31 - FSA Insured | 10/12 at 100 |
| 3,055 | Department of Water and Power of Los Angeles, California, Power System Revenue Bonds, 2001 Series A1, 5.250%, 7/01/22 - FSA Insured                  | 7/11 at 100  |

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Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (co  
Portfolio of INVESTMENTS February 28, 2003 (Unaudited)

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

-----  
WATER AND SEWER - 8.5%

|          |  |             |
|----------|--|-------------|
| \$ 1,495 | The Metropolitan Water District of Southern California, Water Revenue Bonds, 1997 Authorization, Series A, 5.000%, 7/01/30 - MBIA Insured      | 1/08 at 101 |
| 3,000    | San Diego Public Facilities Financing Authority, California, Water Revenue Bonds, Series 2002 Subordinate Lien: 5.000%, 8/01/22 - MBIA Insured | 8/12 at 100 |
| 2,500    | 5.000%, 8/01/23 - MBIA Insured   | 8/12 at 100 |

-----  
\$ 124,170 Total Long-Term Investments (cost \$125,578,246) - 149.9%

===== SHORT-TERM INVESTMENTS - 7.6%

|       |   |  |
|-------|---|--|
| 6,500 | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002-B5, Variable Rate Demand Obligations, 1.150%, 5/01/22+ |  |
|-------|---|--|

-----  
\$ 6,500 Total Short-Term Investments (cost \$6,500,000)

-----  
Other Assets Less Liabilities - (4.7)%

-----  
 Preferred Shares, at Liquidation Value - (52.8)%  
 -----

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

At least 80% of the Fund's net assets are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets 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.

\* 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.

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 currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Statement of  
 ASSETS AND LIABILITIES February 28, 2003 (Unaudited)

INSURED  
 CALIFORNIA  
 PREMIUM INCOME  
 (NPC)

-----  
 ASSETS

|  |               |
|--|---------------|
| Investments in municipal securities, at market value   | \$137,455,100 |
| Temporary investments in short-term securities,<br>at amortized cost, which approximates<br>market value | 6,700,000     |
| Cash   | --            |

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|   |  |               |
|---|--|---------------|
| Receivables:  |  |               |
| Interest  |  | 2,347,932     |
| Investments sold  |  | 3,425,000     |
| Other assets  |  | 9,265         |
| -----   |  |               |
| Total assets  |  | 149,937,297   |
| -----   |  |               |
| LIABILITIES   |  |               |
| Cash overdraft  |  | 234,092       |
| Payable for investments purchased   |  | --            |
| Accrued expenses:   |  |               |
| Management fees   |  | 73,654        |
| Organization and offering costs   |  | --            |
| Other   |  | 82,690        |
| Preferred share dividends payable   |  | 2,592         |
| -----   |  |               |
| Total liabilities   |  | 393,028       |
| -----   |  |               |
| Preferred shares, at liquidation value  |  | 45,000,000    |
| -----   |  |               |
| Net assets applicable to Common shares  |  | \$104,544,269 |
| =====   |  |               |
| Common shares outstanding   |  | 6,438,911     |
| =====   |  |               |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) |  | \$ 16.24      |
| =====   |  |               |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:  |  |               |
| -----   |  |               |
| Common shares, \$.01 par value per share  |  | \$ 64,389     |
| Paid-in surplus   |  | 89,092,270    |
| Undistributed net investment income   |  | 1,428,611     |
| Accumulated net realized gain (loss) from investments   |  | 576,331       |
| Net unrealized appreciation of investments  |  | 13,382,668    |
| -----   |  |               |
| Net assets applicable to Common shares  |  | \$104,544,269 |
| =====   |  |               |
| Authorized shares:  |  |               |
| Common  |  | 200,000,000   |
| Preferred   |  | 1,000,000     |
| =====   |  |               |

See accompanying notes to financial statements.

Statement of  
ASSETS AND LIABILITIES February 28, 2003 (Unaudited) (continued)

|            |             |             |
|------------|-------------|-------------|
| CALIFORNIA | CALIFORNIA  | CALIFORNIA  |
| DIVIDEND   | DIVIDEND    | DIVIDEND    |
| ADVANTAGE  | ADVANTAGE 2 | ADVANTAGE 3 |
| (NAC)      | (NVX)       | (NZH)       |

ASSETS

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|  |               |               |               |
|--|---------------|---------------|---------------|
| Investments in municipal securities,<br>at market value  | \$530,431,871 | \$325,667,617 | \$513,329,677 |
| Temporary investments in short-term securities,<br>at amortized cost, which approximates<br>market value                             | --            | --            | 5,655,000     |
| Cash   | --            | --            | 5,607,320     |
| Receivables:   |               |               |               |
| Interest   | 7,621,317     | 3,922,296     | 6,778,201     |
| Investments sold   | 10,200        | 8,968,885     | 14,850,478    |
| Other assets   | 28,415        | 6,739         | 2,587         |
| -----  |               |               |               |
| Total assets   | 538,091,803   | 338,565,537   | 546,223,263   |
| -----  |               |               |               |
| LIABILITIES  |               |               |               |
| Cash overdraft   | 943,664       | 1,169,964     | --            |
| Payable for investments purchased  | --            | 7,192,226     | 11,339,916    |
| Accrued expenses:  |               |               |               |
| Management fees  | 135,709       | 84,913        | 135,127       |
| Organization and offering costs  | --            | 4,542         | 180,296       |
| Other  | 178,239       | 59,883        | 60,673        |
| Preferred share dividends payable  | 11,760        | 9,504         | 11,749        |
| -----  |               |               |               |
| Total liabilities  | 1,269,372     | 8,521,032     | 11,727,761    |
| -----  |               |               |               |
| Preferred shares, at liquidation value   | 175,000,000   | 110,000,000   | 187,000,000   |
| -----  |               |               |               |
| Net assets applicable to Common shares   | \$361,822,431 | \$220,044,505 | \$347,495,502 |
| =====  |               |               |               |
| Common shares outstanding  | 23,412,013    | 14,790,660    | 24,112,833    |
| =====  |               |               |               |
| Net asset value per Common share outstanding<br>(net assets applicable to Common<br>shares, divided by Common<br>shares outstanding) | \$ 15.45      | \$ 14.88      | \$ 14.41      |
| =====  |               |               |               |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:   |               |               |               |
| -----  |               |               |               |
| Common shares, \$.01 par value per share   | \$ 234,120    | \$ 147,907    | \$ 241,128    |
| Paid-in surplus  | 332,500,716   | 210,030,236   | 342,306,672   |
| Undistributed net investment income  | 3,806,015     | 1,508,507     | 1,225,562     |
| Accumulated net realized gain (loss)<br>from investments   | (2,939,439)   | 1,486,640     | (5,657,643)   |
| Net unrealized appreciation of investments   | 28,221,019    | 6,871,215     | 9,379,783     |
| -----  |               |               |               |
| Net assets applicable to Common shares   | \$361,822,431 | \$220,044,505 | \$347,495,502 |
| =====  |               |               |               |
| Authorized shares:   |               |               |               |
| Common   | Unlimited     | Unlimited     | Unlimited     |
| Preferred  | Unlimited     | Unlimited     | Unlimited     |
| =====  |               |               |               |

See accompanying notes to financial statements.

INSURED  
CALIFORNIA  
PREMIUM INCOME  
(NPC)

|  |             |
|--|-------------|
| INVESTMENT INCOME  | \$3,881,087 |
| EXPENSES   |             |
| Management fees  | 478,316     |
| Preferred shares - auction fees  | 55,788      |
| Preferred shares - dividend disbursing agent fees  | 4,959       |
| Shareholders' servicing agent fees and expenses  | 6,931       |
| Custodian's fees and expenses  | 21,232      |
| Directors'/Trustees' fees and expenses   | 1,077       |
| Professional fees  | 5,648       |
| Shareholders' reports - printing and mailing expenses  | 5,906       |
| Stock exchange listing fees  | 5,837       |
| Investor relations expense   | 10,344      |
| Portfolio insurance expense  | 6,638       |
| Other expenses   | 6,965       |
| Total expenses before custodian fee credit and expense reimbursement                               | 609,641     |
| Custodian fee credit   | (7,962)     |
| Expense reimbursement  | --          |
| Net expenses   | 601,679     |
| Net investment income  | 3,279,408   |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS   |             |
| Net realized gain from investments   | 775,688     |
| Change in net unrealized appreciation<br>(depreciation) of investments                             | 392,092     |
| Net gain (loss) from investments   | 1,167,780   |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS  |             |
| From net investment income   | (224,366)   |
| From accumulated net realized gains from investments   | (42,365)    |
| Decrease in net assets applicable to Common shares<br>from distributions to Preferred shareholders | (266,731)   |
| Net increase in net assets applicable to Common shares<br>from operations                          | \$4,180,457 |

See accompanying notes to financial statements.

Statement of  
OPERATIONS Six Months Ended February 28, 2003 (Unaudited) (co

|                                     |                                       |                                       |
|-------------------------------------|---------------------------------------|---------------------------------------|
| CALIFORNIA<br>DIVIDEND<br>ADVANTAGE | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2 | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3 |
|-------------------------------------|---------------------------------------|---------------------------------------|

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|   | (NAC)        | (NVX)       | (NZH)        |
|---|--------------|-------------|--------------|
| INVESTMENT INCOME   | \$13,672,948 | \$8,240,290 | \$13,169,215 |
| EXPENSES  |              |             |              |
| Management fees   | 1,671,881    | 1,041,273   | 1,670,598    |
| Preferred shares - auction fees   | 216,952      | 136,370     | 231,829      |
| Preferred shares - dividend disbursing agent fees   | 9,918        | 9,918       | 9,918        |
| Shareholders' servicing agent fees and expenses   | 5,561        | 2,455       | 3,124        |
| Custodian's fees and expenses   | 69,590       | 62,562      | 73,603       |
| Directors'/Trustees' fees and expenses  | 2,913        | 2,101       | 2,914        |
| Professional fees   | 9,770        | 7,323       | 9,062        |
| Shareholders' reports - printing and mailing expenses   | 17,541       | 10,551      | 14,609       |
| Stock exchange listing fees   | 8,186        | 1,073       | 1,748        |
| Investor relations expense  | 32,350       | 21,038      | 11,513       |
| Portfolio insurance expense   | --           | --          | --           |
| Other expenses  | 13,905       | 10,074      | 8,967        |
| Total expenses before custodian fee credit and expense reimbursement                            | 2,058,567    | 1,304,738   | 2,037,885    |
| Custodian fee credit  | (4,327)      | (6,068)     | (14,000)     |
| Expense reimbursement   | (792,315)    | (488,653)   | (791,686)    |
| Net expenses  | 1,261,925    | 810,017     | 1,232,199    |
| Net investment income   | 12,411,023   | 7,430,273   | 11,937,016   |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS  |              |             |              |
| Net realized gain from investments  | 650,046      | 2,220,080   | 811,216      |
| Change in net unrealized appreciation (depreciation) of investments                             | 3,552,335    | (828,519)   | 723,944      |
| Net gain (loss) from investments  | 4,202,381    | 1,391,561   | 1,535,160    |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS   |              |             |              |
| From net investment income  | (901,110)    | (564,814)   | (1,018,638)  |
| From accumulated net realized gains from investments  | --           | (49,489)    | --           |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (901,110)    | (614,303)   | (1,018,638)  |
| Net increase in net assets applicable to Common shares from operations                          | \$15,712,294 | \$8,207,531 | \$12,453,538 |

\* For the period November 22, 2002 (commencement of operations) through February 28, 2003.

See accompanying notes to financial statements.

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|   | PREMIUM INCOME (NPC)        |                       | PREMIUM INCOME 2 (NCL)      |                       |
|---|-----------------------------|-----------------------|-----------------------------|-----------------------|
|   | SIX MONTHS ENDED<br>2/28/03 | YEAR ENDED<br>8/31/02 | SIX MONTHS ENDED<br>2/28/03 | YEAR ENDED<br>8/31/02 |
| <b>OPERATIONS</b>   |                             |                       |                             |                       |
| Net investment income   | \$ 3,279,408                | \$ 6,729,063          | \$ 6,335,892                | \$ 12,715,9           |
| Net realized gain (loss)  |                             |                       |                             |                       |
| from investments  | 775,688                     | 2,870,032             | 863,708                     | 92,1                  |
| Change in net unrealized appreciation (depreciation) of investments                               | 392,092                     | (2,620,683)           | 683,705                     | (194,5                |
| Distributions to Preferred Shareholders:  |                             |                       |                             |                       |
| From net investment income  | (224,366)                   | (578,229)             | (502,524)                   | (1,211,4              |
| From accumulated net realized gains from investments  | (42,365)                    | --                    | --                          |                       |
| Net increase in net assets applicable to Common shares from operations                            | 4,180,457                   | 6,400,183             | 7,380,781                   | 11,402,1              |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>   |                             |                       |                             |                       |
| From net investment income  | (3,281,838)                 | (5,538,554)           | (5,544,120)                 | (10,503,8             |
| From accumulated net realized gains from investments  | (490,993)                   | --                    | --                          |                       |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders      | (3,772,831)                 | (5,538,554)           | (5,544,120)                 | (10,503,8             |
| <b>CAPITAL SHARE TRANSACTIONS</b>   |                             |                       |                             |                       |
| Common shares:  |                             |                       |                             |                       |
| Net proceeds from sale of shares  | --                          | --                    | --                          |                       |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions              | --                          | 207,189               | 119,270                     | 338,6                 |
| Preferred shares offering costs   | --                          | --                    | --                          |                       |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | --                          | 207,189               | 119,270                     | 338,6                 |
| Net increase (decrease) in net assets applicable to Common shares                                 | 407,626                     | 1,068,818             | 1,955,931                   | 1,236,9               |
| Net assets applicable to Common shares at the beginning of period                                 | 104,136,643                 | 103,067,825           | 190,869,930                 | 189,633,0             |
| Net assets applicable to Common shares at the end of period                                       | \$104,544,269               | \$104,136,643         | \$192,825,861               | \$190,869,9           |
| Undistributed net investment income at the end of period  | \$ 1,428,611                | \$ 1,830,679          | \$ 2,112,704                | \$ 1,761,5            |

See accompanying notes to financial statements.

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

|  | CALIFORNIA<br>DIVIDEND ADVANTAGE (NAC) |                       | CALIFORNIA<br>DIVIDEND ADVANTAGE 2 (NVX) |                       |
|--|--|-----------------------|--|-----------------------|
|  | SIX MONTHS ENDED<br>2/28/03            | YEAR ENDED<br>8/31/02 | SIX MONTHS ENDED<br>2/28/03              | YEAR ENDED<br>8/31/02 |
| <b>OPERATIONS</b>  |  |                       |  |                       |
| Net investment income  | \$ 12,411,023                          | \$ 24,981,916         | \$ 7,430,273                             | \$ 15,663,500         |
| Net realized gain (loss)<br>from investments   | 650,046                                | 3,991,908             | 2,220,080                                | 351,140               |
| Change in net unrealized<br>appreciation (depreciation)<br>of investments                                | 3,552,335                              | (3,853,349)           | (828,519)                                | (6,268,120)           |
| Distributions to<br>Preferred Shareholders:<br>From net investment income                                | (901,110)                              | (2,424,510)           | (564,814)                                | (1,578,720)           |
| From accumulated net realized<br>gains from investments  | --                                     | --                    | (49,489)                                 | --                    |
| Net increase in net assets<br>applicable to Common shares<br>from operations                             | 15,712,294                             | 22,695,965            | 8,207,531                                | 8,167,810             |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>  |  |                       |  |                       |
| From net investment income   | (10,710,997)                           | (20,156,545)          | (6,568,967)                              | (12,867,310)          |
| From accumulated net realized<br>gains from investments  | --                                     | --                    | (430,161)                                | --                    |
| Decrease in net assets<br>applicable to<br>Common shares from<br>distributions to<br>Common shareholders | (10,710,997)                           | (20,156,545)          | (6,999,128)                              | (12,867,310)          |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |  |                       |  |                       |
| Common shares:   |  |                       |  |                       |
| Net proceeds from sale of shares   | --                                     | --                    | --                                       | --                    |
| Net proceeds from shares issued<br>to shareholders due to<br>reinvestment of distributions               | --                                     | 84,644                | --                                       | 73,480                |
| Preferred shares offering costs  | --                                     | --                    | 21,719                                   | --                    |
| Net increase (decrease) in net assets<br>applicable to Common shares from<br>capital share transactions  | --                                     | 84,644                | 21,719                                   | 73,480                |
| Net increase (decrease)  |  |                       |  |                       |

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|   |               |               |               |              |
|---|---------------|---------------|---------------|--------------|
| in net assets applicable to Common shares                         | 5,001,297     | 2,624,064     | 1,230,122     | (4,626,01    |
| Net assets applicable to Common shares at the beginning of period | 356,821,134   | 354,197,070   | 218,814,383   | 223,440,39   |
| Net assets applicable to Common shares at the end of period       | \$361,822,431 | \$356,821,134 | \$220,044,505 | \$218,814,38 |
| Undistributed net investment income at the end of period          | \$ 3,806,015  | \$ 2,840,186  | \$ 1,508,507  | \$ 1,221,03  |

See accompanying notes to financial statements.

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|  | INSURED<br>DIVIDEND        |
|--|----------------------------|
|  | SIX MONTHS ENDED<br>2/28/0 |
| -----  |                            |
| OPERATIONS   |                            |
| Net investment income  | \$ 7,731,69                |
| Net realized gain (loss) from investments  | 3,219,09                   |
| Change in net unrealized appreciation (depreciation) of investments                          | 789,69                     |
| Distributions to Preferred Shareholders:   |                            |
| From net investment income   | (619,86                    |
| From accumulated net realized gains from investments   | (87,51                     |
| -----  |                            |
| Net increase in net assets applicable to Common shares from operations                       | 11,033,10                  |
| -----  |                            |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS   |                            |
| From net investment income   | (6,958,45                  |
| From accumulated net realized gains from investments   | (784,73                    |
| -----  |                            |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (7,743,18                  |
| -----  |                            |
| 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   | (7,63)       |
| -----   |              |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (7,63)       |
| -----   |              |
| Net increase (decrease) in net assets applicable to Common shares                                 | 3,282,28     |
| Net assets applicable to Common shares at the beginning of period                                 | 231,062,21   |
| -----   |              |
| Net assets applicable to Common shares at the end of period                                       | \$234,344,49 |
| =====   |              |
| Undistributed net investment income at the end of period  | \$ 296,68    |
| =====   |              |

See accompanying notes to financial statements.

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). 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 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.

Prior to the commencement of operations of California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), and the recording of the organization expenses (\$11,500 per Fund) and their reimbursement by Nuveen Investments, LLC (formerly, Nuveen Investments), also a wholly owned subsidiary of Nuveen Investments, Inc.

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 accounting principles generally accepted in the United States.

#### Securities 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 and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Directors/Trustees of the Funds or its designee may establish a fair value for the security. 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 or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At February 28, 2003, 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) had outstanding when-issued purchase commitments of \$2,299,005, \$2,389,860, \$11,339,916, \$7,192,226 and \$4,853,455, 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.

#### Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. 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.

#### Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared and paid monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually.

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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 accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

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

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

|                   | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) |
|-------------------|-------------------------------------|---------------------------------------|---------------------------------------|---|
| Number of shares: |                                     |                                       |                                       |   |
| Series M          | --                                  | 2,200                                 | 3,740                                 | --  |
| Series T          | --                                  | --                                    | --                                    | 2,360                                       |
| Series TH         | 3,500                               | --                                    | 3,740                                 | --  |
| Series F          | 3,500                               | 2,200                                 | --                                    | 2,360                                       |
| Total             | 7,000                               | 4,400                                 | 7,480                                 | 4,720                                       |

Effective January 17, 2003, Insured California Tax-Free Advantage (NKX) issued 1,800 Series TH, \$25,000 stated value Preferred shares.

Insurance

Insured California Premium Income (NPC), Insured California Premium Income 2

(NCL) and Insured California Dividend Advantage (NKL) 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 in municipal securities that are covered by insurance. Each Fund may also invest up to 20% of its net assets 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.

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 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.

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Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the period ended February 28, 2003.

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.

Offering Costs

Nuveen Investments, LLC has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX). California Dividend Advantage 3's (NZH), Insured California Dividend Advantage's (NKL) and Insured California Tax-Free Advantage's (NKX) share of offering costs (\$723,000, \$457,500 and \$176,250, respectively) were recorded as a reduction of the proceeds from the sale of

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Common shares.

Costs incurred by California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) in connection with their offering of Preferred shares (\$2,141,103, \$1,370,824 and \$1,052,500, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 and Preferred shares were as follows:

|  | INSURED CALIFORNIA<br>PREMIUM INCOME (NPC) |                       | INSURED CALIFORNIA<br>PREMIUM INCOME 2 (NCL) |                       | CALIFORNIA D<br>PREMIUM INCOM |
|--|--|-----------------------|--|-----------------------|-------------------------------|
|  | SIX MONTHS<br>ENDED 2/28/03                | YEAR ENDED<br>8/31/02 | SIX MONTHS<br>ENDED 2/28/03                  | YEAR ENDED<br>8/31/02 | SIX MONTHS<br>ENDED 2/28/03   |
| Common shares:   |  |                       |  |                       |                               |
| Shares sold  | --   | --                    | --   | --                    | --                            |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | --   | 13,079                | 7,769  | 22,774                | --                            |
|  | --   | 13,079                | 7,769  | 22,774                | --                            |
| Preferred shares sold  | --   | --                    | --   | --                    | --                            |

|  | CALIFORNIA DIVIDEND<br>ADVANTAGE (NAC) |                       | CALIFORNIA DIVIDEND<br>ADVANTAGE 2 (NVX) |                       | CALIFORNIA D<br>ADVANTAGE 3 |
|--|--|-----------------------|--|-----------------------|-----------------------------|
|  | SIX MONTHS<br>ENDED 2/28/03            | YEAR ENDED<br>8/31/02 | SIX MONTHS<br>ENDED 2/28/03              | YEAR ENDED<br>8/31/02 | SIX MONTHS<br>ENDED 2/28/03 |
| Common shares:   |  |                       |  |                       |                             |
| Shares sold  | --                                     | --                    | --                                       | --                    | --                          |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | --                                     | 5,665                 | --                                       | 3,644                 | --                          |
|  | --                                     | 5,665                 | --                                       | 3,644                 | --                          |
| Preferred shares sold  | --                                     | --                    | --                                       | --                    | --                          |

|  | INSURED<br>CALIFORNIA DIVIDEND<br>ADVANTAGE (NKL)            | INSUR<br>CALIFORNIA<br>ADVANTAGE |
|--|--|----------------------------------|
|  | FOR THE<br>PERIOD 3/27/02<br>(COMMENCEMENT<br>OF OPERATIONS) | PERIOD<br>(COM<br>OF O           |
|  | SIX MONTHS<br>ENDED 2/28/03                                  | THROUGH<br>8/31/02               |
| -----  |  |                                  |
| Common shares:   |  |                                  |
| Shares sold  | -- 15,250,000  |                                  |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | -- 2,759   |                                  |
|  | -- 15,252,759  |                                  |
| =====  |  |                                  |
| Preferred shares sold  | -- 4,720   |                                  |
| =====  |  |                                  |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities and short-term securities during the six months ended February 28, 2003, were as follows:

|                                | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CA  |
|--------------------------------|---|---|-----|
| -----                          |   |   |     |
| Purchases:                     |   |   |     |
| Long-term municipal securities | \$ 1,856,158  | \$ 2,926,821  | \$8 |
| Short-term securities          | 6,700,000   | 7,500,000   | 1   |
| Sales and maturities:          |   |   |     |
| Long-term municipal securities | 12,339,230  | 16,960,350  | 9   |
| Short-term securities          | 5,000,000   | --  | 2   |
| =====                          |   |   |     |

|                                | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) |     |
|--------------------------------|--|--|--|---|-----|
| -----                          |  |  |  |   |     |
| Purchases:                     |  |  |  |   |     |
| Long-term municipal securities | \$26,774,666                                 | \$81,845,059                                   | \$171,029,218                                  | \$84,908,300  | \$1 |
| Short-term securities          | 1,000,000                                    | 3,700,000                                      | 28,345,000                                     | 6,600,000   |     |
| Sales and maturities:          |  |  |  |   |     |

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|                                |            |            |             |            |
|--------------------------------|------------|------------|-------------|------------|
| Long-term municipal securities | 25,639,844 | 72,840,779 | 171,087,733 | 90,520,209 |
| Short-term securities          | 1,000,000  | 13,200,000 | 30,690,000  | --         |

\* For the period November 22, 2002 (commencement of operations) through February 28, 2003.

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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 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, 2003, the cost of investments were as follows:

|                     | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) |     |
|---------------------|---|---|-----|
| Cost of investments | \$130,489,672                                       | \$255,676,027   | \$1 |

|                     | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) |     |
|---------------------|--|--|--|---|-----|
| Cost of investments | \$502,030,065                                | \$318,781,394                                  | \$509,600,450                                  | \$338,875,772   | \$1 |

Gross unrealized appreciation and gross unrealized depreciation on investments at February 28, 2003, were as follows:

|                                   | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) |    |
|-----------------------------------|---|---|----|
| Gross unrealized:<br>Appreciation | \$13,665,428  | \$22,919,802  | \$ |
| Depreciation                      | --  | --  |    |

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|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) |
|--|--|--|--|---|
| Net unrealized appreciation on investments |  |  | \$13,665,428                                   | \$22,919,802  |
| Gross unrealized:                          |  |  |  |   |
| Appreciation                               | \$29,306,965                                 | \$12,869,821                                   | \$11,598,941                                   | \$14,525,580  |
| Depreciation                               | (905,159)                                    | (5,983,598)                                    | (2,214,714)                                    | (52,496)  |
| Net unrealized appreciation on investments | \$28,401,806                                 | \$ 6,886,223                                   | \$ 9,384,227                                   | \$14,473,084  |

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The tax components of undistributed net investment income and net realized gains at August 31, 2002, the Funds' last fiscal year end, were as follows:

|   | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) |
|---|---|---|
| Undistributed tax-exempt income           | \$1,393,182   | \$2,577,506   |
| Undistributed ordinary income *           | 459,740   | --  |
| Undistributed net long-term capital gains | 334,001   | --  |

|   | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) |
|---|--|--|--|
| Undistributed tax-exempt income           | \$4,585,890                                  | \$2,298,682                                    | \$2,477,722                                    |
| Undistributed ordinary income *           | --   | --   | --   |
| Undistributed net long-term capital gains | --   | --   | --   |

The tax character of distributions paid during the period ended August 31, 2002, the Funds' last fiscal year end, were designated for purposes of the dividends paid deduction as follows:

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|  | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CA  |
|--|---|---|-----|
| Distributions from tax-exempt income           | \$6,096,991   | \$11,644,088  | \$5 |
| Distributions from ordinary income *           | --  | --  |     |
| Distributions from net long-term capital gains | --  | --  |     |

|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | CA  |
|--|--|--|--|-----|
| Distributions from tax-exempt income           | \$22,478,680                                 | \$14,436,589                                   | \$17,562,240                                   | \$3 |
| Distributions from ordinary income *           | --   | --   | --   |     |
| Distributions from net long-term capital gains | --   | --   | --   |     |

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

At August 31, 2002, the Funds' last fiscal year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration year: | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CA<br>ADV |
|------------------|---|--|--|-----------|
| 2003             | \$ 323,810  | \$ 329,551                               | \$ --  |           |
| 2004             | 4,345,091   | 2,742,449                                | --   |           |
| 2005             | 1,283,948   | 1,049,994                                | --   |           |
| 2006             | --  | --                                       | --   |           |
| 2007             | --  | --                                       | --   |           |
| 2008             | --  | --                                       | --   |           |
| 2009             | 2,185,870   | --                                       | 3,589,485                                    |           |
| 2010             | 440,509   | --                                       | --   |           |
| Total            | \$ 8,579,228  | \$4,121,994                              | \$3,589,485                                  |           |

FINANCIAL STATEMENTS (Unaudited) (continued)

California Dividend Advantage 3 (NZH) has elected to defer net realized losses from investments incurred from November 1, 2001 through August 31, 2002 ("post-October losses") in accordance with Federal income tax regulations. The post-October losses of \$6,468,859 are treated as having arisen in the following year.

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Insured California Premium Income's (NPC), Insured California Premium Income 2's (NCL) and California Premium Income's (NCU) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are 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) | MANAGEMENT FEE |
|--|----------------|
| 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          |

Under California Dividend Advantage's (NAC), California Dividend Advantage 2's (NVX), California Dividend Advantage 3's (NZH), Insured California Dividend Advantage's (NKL) and Insured California Tax-Free Advantage (NKX) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are 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) | MANAGEMENT FEE |
|--|----------------|
| 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          |

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<br>JULY 31, |      | YEAR ENDING<br>JULY 31, |      |
|-------------------------|------|-------------------------|------|
| 1999*                   | .30% | 2005                    | .25% |
| 2000                    | .30  | 2006                    | .20  |
| 2001                    | .30  | 2007                    | .15  |
| 2002                    | .30  | 2008                    | .10  |

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|      |     |      |     |
|------|-----|------|-----|
| 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.

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

\* From the commencement of operations.

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

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

| YEAR ENDING |  | YEAR ENDING |  |
|-------------|--|-------------|--|
|-------------|--|-------------|--|

| MARCH 31, |      | 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<br>NOVEMBER 30, |      | YEAR ENDING<br>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.

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.

6. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid April 1, 2003, to shareholders of record on March 15, 2003, as follows:

|   |   |
|---|---|
| INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) |
|---|---|

-----  
 Dividend per share \$.0760 \$.0760  
 =====

|  |  |  |  |   |         |
|--|--|--|--|---|---------|
|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | CA<br>A |
|--|--|--|--|---|---------|

-----  
 Dividend per share \$.0800 \$.0740 \$.0720 \$.0760  
 =====

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Financial  
 HIGHLIGHTS (Unaudited)

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Financial  
 HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

|  |                             | Investment Operations                                       |   |   |     |  |  |
|--|-----------------------------|---|---|---|-----|--|--|
| Beginning<br>Common<br>Share<br>Net Asset<br>Value | Net<br>Investment<br>Income | Net<br>Realized/<br>Unrealized<br>Investment<br>Gain (Loss) | Distributions<br>from Net<br>Investment<br>Income to<br>Preferred<br>Share-<br>holders+ | Distributions<br>from<br>Capital<br>Gains to<br>Preferred<br>Share-<br>holders+ | Tot |  |  |
| -----  |                             |   |   |   |     |  |  |

INSURED CALIFORNIA  
 PREMIUM INCOME (NPC)

|                  |         |        |        |          |          |      |
|------------------|---------|--------|--------|----------|----------|------|
| Year Ended 8/31: |         |        |        |          |          |      |
| 2003 (a)         | \$16.17 | \$ .51 | \$ .19 | \$ (.03) | \$ (.01) | \$ . |
| 2002             | 16.04   | 1.05   | .03    | (.09)    | --       | .    |
| 2001             | 15.08   | 1.04   | .99    | (.21)    | --       | 1.   |
| 2000             | 14.81   | 1.09   | .30    | (.24)    | --       | 1.   |
| 1999             | 16.31   | 1.09   | (1.56) | (.20)    | --       | (.   |
| 1998             | 15.39   | 1.03   | .92    | (.22)    | --       | 1.   |

INSURED CALIFORNIA  
 PREMIUM INCOME 2 (NCL)

|                  |       |     |     |       |    |   |
|------------------|-------|-----|-----|-------|----|---|
| Year Ended 8/31: |       |     |     |       |    |   |
| 2003 (a)         | 15.08 | .50 | .13 | (.04) | -- | . |

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|      |       |      |        |       |    |    |
|------|-------|------|--------|-------|----|----|
| 2002 | 15.01 | 1.02 | (.02)  | (.10) | -- | .  |
| 2001 | 14.09 | 1.01 | .91    | (.22) | -- | 1. |
| 2000 | 13.70 | 1.02 | .41    | (.24) | -- | 1. |
| 1999 | 14.82 | 1.01 | (1.14) | (.21) | -- | (. |
| 1998 | 14.06 | .98  | .77    | (.24) | -- | 1. |

CALIFORNIA PREMIUM INCOME (NCU)

Year Ended 8/31:

|          |       |      |        |       |    |    |
|----------|-------|------|--------|-------|----|----|
| 2003 (a) | 14.42 | .49  | (.02)  | (.04) | -- | .  |
| 2002     | 14.22 | .99  | .13    | (.10) | -- | 1. |
| 2001     | 13.34 | 1.00 | .90    | (.23) | -- | 1. |
| 2000     | 13.19 | 1.03 | .14    | (.23) | -- | .  |
| 1999     | 14.30 | 1.00 | (1.13) | (.21) | -- | (. |
| 1998     | 13.60 | .98  | .70    | (.24) | -- | 1. |

Total Returns

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

INSURED CALIFORNIA PREMIUM INCOME (NPC)

Year Ended 8/31:

|          |      |         |           |       |        |
|----------|------|---------|-----------|-------|--------|
| 2003 (a) | \$-- | \$16.24 | \$15.8000 | 3.45% | 4.13%  |
| 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   |
| 1999     | --   | 14.81   | 15.3750   | 1.62  | (4.35) |
| 1998     | --   | 16.31   | 15.9375   | 15.85 | 11.51  |

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

|          |    |       |         |       |        |
|----------|----|-------|---------|-------|--------|
| 2003 (a) | -- | 15.23 | 15.0000 | 4.36  | 3.96   |
| 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   |
| 1999     | -- | 13.70 | 14.3750 | 2.27  | (2.50) |
| 1998     | -- | 14.82 | 14.8125 | 15.70 | 10.95  |

CALIFORNIA PREMIUM INCOME (NCU)

Year Ended 8/31:

|          |    |       |         |        |        |
|----------|----|-------|---------|--------|--------|
| 2003 (a) | -- | 14.41 | 13.3500 | (1.59) | 3.00   |
| 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   |
| 1999     | -- | 13.19 | 13.3750 | .81    | (2.57) |
| 1998     | -- | 14.30 | 14.0000 | 12.54  | 10.83  |

Ratios/Supplemental Data

|  | Before Credit/Reimbursement                         |   | After Credit/Reimbursement   |   |
|--|---|---|--|---|
|  | 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: |           |        |        |        |
|------------------|-----------|--------|--------|--------|
| 2003 (a)         | \$104,544 | 1.18%* | 6.35%* | 1.17%* |
| 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   |
| 1999             | 95,091    | 1.22   | 6.81   | 1.22   |
| 1998             | 104,478   | 1.22   | 6.49   | 1.22   |

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

| Year Ended 8/31: |         |       |       |       |
|------------------|---------|-------|-------|-------|
| 2003 (a)         | 192,826 | 1.21* | 6.68* | 1.21* |
| 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  |
| 1999             | 172,833 | 1.24  | 6.86  | 1.24  |
| 1998             | 186,399 | 1.25  | 6.79  | 1.25  |

CALIFORNIA PREMIUM  
INCOME (NCU)

| Year Ended 8/31: |        |       |       |       |
|------------------|--------|-------|-------|-------|
| 2003 (a)         | 83,233 | 1.26* | 6.81* | 1.25* |
| 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  |
| 1999             | 75,877 | 1.30  | 7.08  | 1.30  |
| 1998             | 82,066 | 1.32  | 7.02  | 1.32  |

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)

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|                  |          |          |          |
|------------------|----------|----------|----------|
| Year Ended 8/31: |          |          |          |
| 2003 (a)         | \$45,000 | \$25,000 | \$83,080 |
| 2002             | 45,000   | 25,000   | 82,854   |
| 2001             | 45,000   | 25,000   | 82,260   |
| 2000             | 45,000   | 25,000   | 78,835   |
| 1999             | 45,000   | 25,000   | 77,828   |
| 1998             | 45,000   | 25,000   | 83,043   |

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

|                  |        |        |        |
|------------------|--------|--------|--------|
| Year Ended 8/31: |        |        |        |
| 2003 (a)         | 95,000 | 25,000 | 75,744 |
| 2002             | 95,000 | 25,000 | 75,229 |
| 2001             | 95,000 | 25,000 | 74,903 |
| 2000             | 95,000 | 25,000 | 71,836 |
| 1999             | 95,000 | 25,000 | 70,482 |
| 1998             | 95,000 | 25,000 | 74,052 |

CALIFORNIA PREMIUM  
INCOME (NCU)

|                  |        |        |        |
|------------------|--------|--------|--------|
| Year Ended 8/31: |        |        |        |
| 2003 (a)         | 43,000 | 25,000 | 73,391 |
| 2002             | 43,000 | 25,000 | 73,400 |
| 2001             | 43,000 | 25,000 | 72,714 |
| 2000             | 43,000 | 25,000 | 69,696 |
| 1999             | 43,000 | 25,000 | 69,115 |
| 1998             | 43,000 | 25,000 | 72,713 |

\* Annualized.

\*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common Share net asset value per share. 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, 2003.

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 Distributions

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|  | Beginning<br>Common<br>Share<br>Net Asset<br>Value | Net<br>Investment<br>Income | Net<br>Realized/<br>Unrealized<br>Investment<br>Gain (Loss) | from Net<br>Investment<br>Income to<br>Preferred<br>Share-<br>holders+ | from<br>Capital<br>Gains to<br>Preferred<br>Share-<br>holders+ | Tot  |
|--|--|-----------------------------|---|--|--|------|
| CALIFORNIA DIVIDEND<br>ADVANTAGE (NAC)         |  |                             |   |  |  |      |
| Year Ended 8/31:                               |  |                             |   |  |  |      |
| 2002 (f)                                       | \$15.24  | \$ .53                      | \$ .18  | \$ (.04)   | \$--   | \$ . |
| 2002   | 15.13  | 1.07                        | --  | (.10)  | --   | .    |
| 2001   | 13.82  | 1.07                        | 1.28  | (.23)  | --   | 2.   |
| 2000   | 13.33  | 1.07                        | .52   | (.26)  | --   | 1.   |
| 1999 (a)                                       | 14.33  | .20                         | (.92)   | (.03)  | --   | (.   |
| CALIFORNIA DIVIDEND<br>ADVANTAGE 2 (NVX)       |  |                             |   |  |  |      |
| Year Ended 8/31:                               |  |                             |   |  |  |      |
| 2003 (f)                                       | 14.79  | .50                         | .10   | (.04)  | --   | .    |
| 2002   | 15.11  | 1.06                        | (.40)   | (.11)  | --   | .    |
| 2001 (b)                                       | 14.33  | .34                         | .90   | (.05)  | --   | 1.   |
| CALIFORNIA DIVIDEND<br>ADVANTAGE 3 (NZH)       |  |                             |   |  |  |      |
| Year Ended 8/31:                               |  |                             |   |  |  |      |
| 2003 (f)                                       | 14.33  | .50                         | .05   | (.04)  | --   | .    |
| 2002 (c)                                       | 14.33  | .83                         | .09   | (.08)  | --   | .    |
| INSURED CALIFORNIA<br>DIVIDEND ADVANTAGE (NKL) |  |                             |   |  |  |      |
| Year Ended 8/31:                               |  |                             |   |  |  |      |
| 2003 (f)                                       | 15.14  | .51                         | .27   | (.04)  | (.01)  | .    |
| 2002 (d)                                       | 14.33  | .34                         | .92   | (.03)  | --   | 1.   |
| INSURED CALIFORNIA<br>TAX-FREE ADVANTAGE (NKX) |  |                             |   |  |  |      |
| Year Ended 8/31:                               |  |                             |   |  |  |      |
| 2003 (e)                                       | 14.33  | .17                         | .36   | (.01)  | --   | .    |

|  | Offering<br>Costs and<br>Preferred<br>Share<br>Underwriting<br>Discounts | Ending<br>Common<br>Share<br>Net Asset<br>Value | Ending<br>Market<br>Value | Total Returns<br>Based<br>on<br>Market<br>Value** | Based<br>on<br>Common<br>Share<br>Net<br>Asset<br>Value** |
|--|--|---|---------------------------|---|---|
|--|--|---|---------------------------|---|---|

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

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|                  |       |         |           |        |        |
|------------------|-------|---------|-----------|--------|--------|
| Year Ended 8/31: |       |         |           |        |        |
| 2002 (f)         | \$--  | \$15.45 | \$14.1100 | .10%   | 4.45%  |
| 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  |
| 1999 (a)         | (.11) | 13.33   | 15.0000   | .96    | (5.99) |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

|                  |       |       |         |        |      |
|------------------|-------|-------|---------|--------|------|
| Year Ended 8/31: |       |       |         |        |      |
| 2003 (f)         | --    | 14.88 | 13.5900 | (1.55) | 3.87 |
| 2002             | --    | 14.79 | 14.2800 | (.27)  | 3.90 |
| 2001 (b)         | (.12) | 15.11 | 15.2100 | 3.40   | 7.55 |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

|                  |       |       |         |        |      |
|------------------|-------|-------|---------|--------|------|
| Year Ended 8/31: |       |       |         |        |      |
| 2003 (f)         | --    | 14.41 | 13.1400 | (3.09) | 3.63 |
| 2002 (c)         | (.12) | 14.33 | 14.0000 | (1.68) | 5.32 |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

|                  |       |       |         |      |      |
|------------------|-------|-------|---------|------|------|
| Year Ended 8/31: |       |       |         |      |      |
| 2003 (f)         | --    | 15.36 | 14.6800 | 1.29 | 4.88 |
| 2002 (d)         | (.12) | 15.14 | 15.0000 | 2.05 | 7.84 |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

|                  |       |       |         |        |      |
|------------------|-------|-------|---------|--------|------|
| Year Ended 8/31: |       |       |         |        |      |
| 2003 (e)         | (.21) | 14.49 | 14.6000 | (1.66) | 2.19 |

Ratios/Supplemental Data

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

|                  |           |        |        |       |
|------------------|-----------|--------|--------|-------|
| Year Ended 8/31: |           |        |        |       |
| 2002 (f)         | \$361,822 | 1.16%* | 6.55%* | .71%* |
| 2002             | 356,821   | 1.18   | 6.76   | .72   |
| 2001             | 354,197   | 1.19   | 7.03   | .72   |
| 2000             | 323,326   | 1.24   | 7.93   | .75   |
| 1999 (a)         | 311,367   | .93*   | 5.06*  | .55*  |

CALIFORNIA DIVIDEND

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ADVANTAGE 2 (NVX)

| Year Ended 8/31: |         |       |       |      |
|------------------|---------|-------|-------|------|
| 2003 (f)         | 220,045 | 1.20* | 6.40* | .75* |
| 2002             | 218,814 | 1.19  | 6.82  | .73  |
| 2001 (b)         | 223,440 | 1.05* | 5.23* | .62* |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

| Year Ended 8/31: |         |       |       |      |
|------------------|---------|-------|-------|------|
| 2003 (f)         | 347,496 | 1.19* | 6.50* | .72* |
| 2002 (c)         | 345,470 | 1.15* | 6.01* | .69* |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

| Year Ended 8/31: |         |       |       |      |
|------------------|---------|-------|-------|------|
| 2003 (f)         | 234,344 | 1.18* | 6.25* | .70* |
| 2002 (d)         | 231,062 | 1.10* | 4.98* | .60* |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

| Year Ended 8/31: |        |       |       |      |
|------------------|--------|-------|-------|------|
| 2003 (e)         | 85,249 | 1.00* | 4.06* | .58* |

Preferred Shares at End of Period

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

| Year Ended 8/31: |           |          |          |
|------------------|-----------|----------|----------|
| 2002 (f)         | \$175,000 | \$25,000 | \$76,689 |
| 2002             | 175,000   | 25,000   | 75,974   |
| 2001             | 175,000   | 25,000   | 75,600   |
| 2000             | 175,000   | 25,000   | 71,189   |
| 1999 (a)         | 175,000   | 25,000   | 69,481   |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2003 (f)         | 110,000 | 25,000 | 75,010 |
| 2002             | 110,000 | 25,000 | 74,731 |
| 2001 (b)         | 110,000 | 25,000 | 75,782 |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2003 (f)         | 187,000 | 25,000 | 71,457 |
| 2002 (c)         | 187,000 | 25,000 | 71,186 |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2003 (f)         | 118,000 | 25,000 | 74,649 |
| 2002 (d)         | 118,000 | 25,000 | 73,954 |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

| Year Ended 8/31: |        |        |        |
|------------------|--------|--------|--------|
| 2003 (e)         | 45,000 | 25,000 | 72,361 |

- \* Annualized.
- \*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common Share net asset value per share. 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 May 26, 1999 (commencement of operations) through August 31, 1999.
- (b) For the period March 27, 2001 (commencement of operations) through August 31, 2001.
- (c) For the period September 25, 2001 (commencement of operations) through August 31, 2002.
- (d) For the period March 27, 2002 (commencement of operations) through August 31, 2002.
- (e) For the period November 22, 2002 (commencement of operations) through February 28, 2003.
- (f) For the six months ended February 28, 2003.

See accompanying notes to financial statements.

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Build Your Wealth  
AUTOMATICALLY

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 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.

#### FLEXIBILITY

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.

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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Washington, D.C.

INDEPENDENT AUDITORS

Ernst & Young LLP  
Chicago, IL

POLICY CHANGE

On November 14, 2002, the Board adopted a policy that allows these Funds, in addition to investments in municipal bonds, to invest up to 5% of its net assets (including assets attributable to preferred shares, if any) in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided Nuveen Advisory determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer. This policy is a non-fundamental policy of each Fund which means that it can be changed at any time by the Board of Directors without vote of the shareholders.

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 (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance 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 a bond or bond fund's sensitivity to changes in interest rates. 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 generally longer than the duration of the actual portfolio of individual bonds that make up the Fund

**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 NAV is calculated by subtracting the liabilities of 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.

-----  
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 six-month period ended February 28, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors  
FOR GENERATIONS

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.

A premier asset management firm managing \$80 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 tax-free 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

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