

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
Form N-CSR  
May 08, 2013

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10197

Nuveen California Dividend Advantage Municipal Fund 2  
(Exact name of registrant as specified in charter)

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

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

Date of fiscal year end: February 28

Date of reporting period: February 28, 2013

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

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Chairman's  
Letter to Shareholders

Dear Shareholders,

Despite the global economy's ability to muddle through the many economic headwinds of recent years, investors continue to have good reason to remain cautious. The European Central Bank's commitment to "do what it takes" to support sovereign debt markets has stabilized the broader euro area financial markets. The larger member states of the European Union (EU) are working diligently to strengthen the framework for a tighter financial and banking union and meaningful progress has been made by agreeing to centralize large bank regulation under the European Central Bank. However, economic conditions in the southern tier members are not improving and the pressures on their political leadership remain intense. The jury is out on whether the respective populations will support the continuing austerity measures that are required to meet the EU fiscal targets.

In the U.S., the Fed's commitment to low interest rates through Quantitative Easing is the subject of increasing debate in its policy making deliberations and many independent economists are expressing concern about the economic distortions resulting from negative real interest rates. There are encouraging signs in Congress that both political parties are working toward compromises on previously irreconcilable social issues. It is too early to tell whether those efforts will produce meaningful results or pave the way for cooperation on the major fiscal issues that potentially loom ahead. Over the longer term, there are some positive trends for the U.S. economy: house prices are clearly recovering, banks and corporations continue to strengthen their financial positions and incentives for capital investment in the U.S. by domestic and foreign corporations are increasing due to more competitive energy and labor costs.

During the last eighteen months, U.S. investors have benefited from strong returns in the domestic equity markets and steady total returns in many fixed income markets. However, many macroeconomic risks remain unresolved, including negotiating through the many U.S. fiscal issues, managing the risks of another year of abnormally low U.S. interest rates, achieving a better balance between fiscal discipline and encouraging economic growth in the euro area and reducing the potential economic impact of geopolitical issues, particularly in the Middle East and East Asia. In the face of these uncertainties, the experienced investment professionals at Nuveen Investments seek out investments in companies that are enjoying positive economic conditions. At the same time they are always on the alert for risks in markets subject to excessive optimism. Monitoring this process is a critical function for the Fund Board as it oversees your Nuveen Fund on your behalf.

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

Sincerely,

Robert P. Bremner  
Chairman of the Board  
April 22, 2013



## Portfolio Manager's Comments

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 California AMT-Free Municipal Income Fund (NKX)  
(formerly Nuveen Insured California Tax-Free Advantage Municipal Fund)

Portfolio manager Scott Romans reviews economic and municipal market conditions at both the national and state levels, key investment strategies and the twelve-month performance of these Nuveen California Municipal Funds. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH and NKX since 2003.

## REORGANIZATIONS

Effective on May 7, 2012, the following Acquired Funds were merged into the Acquiring Fund.

| Acquired Funds  | Acquiring Fund   |
|---|--|
| • Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)   |  |
| • Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL) | Nuveen California AMT-Free Municipal Income Fund (NKX) |
| • Nuveen Insured California Dividend Advantage Municipal Fund (NKL)     |  |

Upon the closing of the reorganizations, the Acquired Funds transferred their assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of the liabilities of the Acquired Funds.

The Acquired Funds were then liquidated, dissolved and terminated in accordance with their Declaration of Trust.

What factors affected the U.S. economic and municipal market environments during the twelve-month reporting period ended February 28, 2013?

During this reporting period, the U.S. economy's progress toward recovery from recession continued at a moderate pace. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its March 2013 meeting (following the end of this reporting period), the central bank stated it expected that its "highly accommodative stance of monetary

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

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are

investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.



policy” would keep the fed funds rate in “this exceptionally low range” as long as the unemployment rate remained above 6.5% and the outlook for inflation was no higher than 2.5%. The Fed also decided to continue purchasing \$40 billion of mortgage-backed securities and \$45 billion of longer-term Treasury securities each month in an open-ended effort to bolster growth. Taken together, the goals of these actions are to put downward pressure on longer-term interest rates, make broader financial conditions more accommodative and support a stronger economic recovery as well as continued progress toward the Fed’s mandates of maximum employment and price stability.

In the fourth quarter of 2012, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 0.4%, bringing GDP growth for the calendar year 2012 to 2.2%, compared with 1.8% in 2011. The Consumer Price Index (CPI) rose 2.0% year-over-year as of February 2013, while the core CPI (which excludes food and energy) increased 2.0% during the period, staying within the Fed’s unofficial objective of 2.0% or lower for this inflation measure. Labor market conditions continued to show signs of improvement. As of February 2013, the national unemployment rate was 7.7%, the lowest level since December 2008, down from 8.3% in February 2012. The housing market, long a major weak spot in the economic recovery, also delivered some good news, as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 8.1% for the twelve months ended January 2013 (most recent data available at the time this report was prepared). This marked the largest twelve-month percentage gain for the index since the pre-recession summer of 2006, although housing prices continued to be off approximately 30% from their mid-2006 peak.

During this period, the outlook for the U.S. economy continued to be clouded by uncertainty about global financial markets and the outcome of the “fiscal cliff.” The tax consequences of the fiscal cliff situation which were scheduled to become effective in January 2013 were averted through a last-minute deal that raised payroll taxes but left in place a number of tax breaks, including the tax exemption on municipal bond interest. However, lawmakers postponed and then failed to reach a resolution on \$1.2 trillion in spending cuts, the “sequestration”, intended to address the federal budget deficit. As a result, automatic spending cuts affecting both defense and non-defense programs (excluding Social Security and Medicaid) took effect March 1, 2013, with potential implications for economic growth over the next decade.

Municipal bond prices generally rallied during this period, as strong demand and tight supply combined to create favorable market conditions for municipal bonds. Although the total volume of tax-exempt supply improved over that of the same period a year earlier, the issuance pattern remained light compared with long-term historical trends and new money issuance was relatively flat. This supply/demand dynamic served as a key driver of performance. Concurrent with rising prices, yields continued to decline across most maturities, especially at the longer end of the

municipal yield curve and the long end of the curve continued to flatten. In addition to the lingering effects of the Build America Bonds (BAB) program, which expired at the end of 2010 but impacted issuance well into 2012, the low level of municipal issuance reflected the current political distaste for additional borrowing by state and local governments facing fiscal constraints and the prevalent atmosphere of municipal budget austerity. During this reporting period, we continued to see borrowers come to market seeking to take advantage of the low rate environment through refunding activity, with approximately two-thirds of municipal paper issued by borrowers that were calling existing debt and refinancing at lower rates.

Over the twelve months ended February 28, 2013, municipal bond issuance nationwide totaled \$379.6 billion, an increase of 16% over the issuance for the twelve-month period ended February 29, 2012. As previously discussed, the majority of this supply was attributable to refunding issues, rather than new money issuance. During this period, demand for municipal bonds remained consistently strong, especially from individual investors, but also from mutual funds, banks and crossover buyers such as hedge funds.

How were the economic and market environments in California during this reporting period?

California's economic recovery has broadened, driven by consumer and tourism spending and expanding technology services. As of February 2013, California's unemployment rate was 9.6%, its lowest level since late 2008, down from 10.8% in February 2012. Recent improvements were expected to transform housing into a positive driver of the California economy. According to the S&P/Case-Shiller Index, home prices in San Diego, Los Angeles and San Francisco rose 9.8%, 12.1% and 17.5%, respectively, over the twelve months ended January 2013 (most recent data available at the time this report was prepared). This growth outpaced the average increase of 8.1% nationally for the same period. Recovering housing-related industries, including construction, should help employment numbers continue to improve.

On the fiscal front, the fiscal 2012 general fund budget totaled \$91.3 billion and closed a projected two-year budget gap of \$15.7 billion in part through spending reductions aimed at welfare and child care for the poor. Overall, continued budget problems, including persistent deficits and spending that outpaced revenues, posed the largest threat to the state's economic recovery over the near and long term. This risk was averted when voters approved temporary sales and personal income tax increases (Proposition 30) in November 2012. Proposition 30 raised the state sales tax rate from 7.25% to 7.50% through 2016 and increased the top marginal income tax rate to 13.3% through 2018. These increases eliminated the need for \$6 billion in cuts that would have affected K-12 and higher education spending. In addition, the new state sales tax rate combined with the new highest federal tax bracket of 39.6% has stimulated demand for municipal California tax-exempt paper. For fiscal 2013-2014,

the proposed general fund budget is expected to be structurally balanced, with general fund expenditures estimated at \$97.7 billion, a 5% increase over the revised fiscal 2013 estimates. Tempering the positive financial news at the state level was the number of local municipalities, including San Bernardino and Stockton, which filed for bankruptcy, as cities were increasingly squeezed by budget problems resulting from declines in property valuations and rising pension costs. In January 2013, S&P upgraded the rating on California general obligation (GO) debt to A from A-. Moody's and Fitch maintained their ratings of A1 and A, respectively, as of February 2013. All three rating agencies listed their outlooks for California as stable. For the twelve months ended February 28, 2013, municipal issuance in California totaled \$44.0 billion, an increase of 3% over the previous twelve months. For this period, California was the second largest state issuer in the nation (behind New York), representing approximately 11.6% of total issuance nationwide for the period.

How did the Funds perform during the twelve-month reporting period ended February 28, 2013? What strategies were used to manage the Funds during the reporting period and how did these strategies influence performance?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide total returns for the Funds for the one-year, five-year and ten-year period ended February 28, 2013. Each Fund's total returns are compared with the performance of a corresponding market index and Lipper classification average.

For the twelve months ended February 28, 2013, the total returns on common share net asset value (NAV) for all these California Funds exceeded the returns for the S&P Municipal Bond California Index and the S&P Municipal Bond Index. For this same period, NAC, NVX, NZH and NKX outperformed the average return for the Lipper California Municipal Debt Funds Classification Average, while NCU underperformed the Lipper average.

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

In an environment of declining rates and a flattening yield curve, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits at the longest end of the municipal yield curve posted the strongest returns during this period, while bonds at the shortest end produced the weakest results. The Funds' duration and yield curve positionings were the most important determinants of performance during this period. On the whole, NAC was the most advantageously positioned, with overweights in the longest parts of the yield curve that outperformed and an underweight to the shortest end. NVX, NZH and NKX also benefited in proportion to their allocations along the outperforming longer end of the curve. NCU was less advantageously positioned than the other four Funds, with a

shorter effective duration and an underweight in the longest end of the curve. In addition, the Funds were generally helped by their allocations of long duration bonds, many of which were zero coupon bonds, which generally outperformed the market as a whole during this period.

Credit exposure was another important factor in the Funds' performance during these twelve months, as lower quality bonds generally outperformed higher quality bonds. This outperformance was due in part to the greater demand for lower rated bonds as investors looked for investment vehicles offering higher yields. As investors became more comfortable taking on additional investment risk, credit spreads, or the difference in yield spreads between U.S. Treasury securities and comparable investments such as municipal bonds, narrowed through a variety of rating categories. As a result of this spread compression, the Funds generally benefited from their holdings of lower rated credits. Among these Funds, NVX and NZH had the largest allocations of bonds rated BBB and NAC was helped by its overweightings in sub-investment grade and non-rated bonds and an underweighting in bonds rated AAA. On the other hand, NCU was negatively impacted by its overexposure to bonds rated AAA and underexposure to BBB and sub-investment grade bonds. NKX, which was managed as an insured Fund until March 2012, has had a relatively short time to expand its exposure to lower rated credits, and its overall higher credit profile, overweight in bonds rated AA and underweighted in sub-investment grade credits, was negative for performance.

During this period, revenue bonds as a whole outperformed the general municipal market. Holdings that generally made positive contributions to the Funds' returns included industrial development revenue (IDR) credits, health care (together with hospitals), education, transportation and housing bonds. These Funds tended to have good weightings in health care, which boosted their performance, as did their overall sector allocations, including their exposure to redevelopment agency (RDA) bonds. Tobacco credits backed by the 1998 master tobacco settlement agreement were the top performing market sector in 2012, helped by their longer effective durations and the increased demand for higher yielding investments by investors who had become less risk-averse. In addition, based on recent data showing that cigarette sales had fallen less steeply than anticipated, the 46 states participating in the agreement, including California, stand to receive increased payments from the tobacco companies. During this period, as tobacco bonds rallied, all of these Funds benefited from their holdings of tobacco credits, with NZH having the heaviest weighting of tobacco bonds and NKX the smallest.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, were among the poorest performing market segments during this period. The under-performance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. As of February 28, 2013, NCU and NVX had the heaviest weightings in pre-refunded bonds, which hampered their performance, while

NAC and NKX held the smallest allocations of pre-refunded bonds. We continued to hold pre-refunded bonds in our portfolios due to the higher yields they provided. Also lagging the performance of the general municipal market for this period were general obligation (GO) bonds and electric utilities credits. All of these Funds were underweighted to varying degrees in the tax-supported sector, especially California state GOs, relative to the California market, which lessened the negative impact of these holdings. This underweighting was due to the fact that California state GOs comprise such a large portion of the tax-supported sector in California that it would be very difficult to match the market weighting in our portfolios.

In addition, NZH and NKX had exposure to California municipalities that are experiencing financial difficulties. NZH and NKX each held lease revenue bonds issued by the Stockton Public Finance Authority. These bonds were purchased at distressed levels and have improved in price since purchase. It is important to note that the Stockton lease bonds are insured, and the insurer, National Public Finance Guaranty, has stated that it will make payments on the bonds if required. As of April 1, 2013 (after the end of this reporting period), Stockton became the most populous U.S. city to declare bankruptcy and the case is expected to become an important test case of the federal bankruptcy code versus California state pension law. (NZH and NKX also hold insured GO bonds issued by the Stockton Unified School District, which were not affected by the city's bankruptcy filing). NKX also holds insured certificates of participation (COPs) issued by the city of San Bernardino. As with the Stockton lease bonds, the insurer of the San Bernardino COPs has indicated that it will make payments on the bonds if necessary.

In light of other recent events in the municipal marketplace, shareholders also should be aware of an issue involving some of the Funds' holdings, i.e., the downgrade of Puerto Rico bonds. In December 2012, Moody's downgraded Puerto Rico GO bonds to Baa3 from Baa1 based on Puerto Rico's ongoing economic problems, unfunded pension liabilities, elevated debt levels and structural budget gaps. Earlier in the year (July 2012), bonds issued by the Puerto Rico Sales Tax Financing Corporation (COFINA) also were downgraded by Moody's to Aa3 from Aa2. The downgrade of the COFINA bonds was due mainly to the performance of Puerto Rico's economy and its impact on the projected growth of sales tax revenues, and not to any sector or structural issues. In addition, the COFINA bonds were able to maintain a higher rating than the GOs because, unlike the revenue streams supporting some Puerto Rican issues, the sales taxes supporting the COFINA bonds cannot be diverted and used to support the commonwealth's GO bonds. Shareholders of the California Funds should note that NAC, NVX, NZH and NKX have limited exposure to Puerto Rico bonds, with holdings ranging from less than 1% in NAC to approximately 3% in NVX, while NCU does not have any Puerto Rico holdings. The majority of these holdings are the dedicated sales tax bonds issued by COFINA, which were added to NAC, NVX, NZH and NKX during this period based on their credit strength. NVX also has a small position in Puerto Rico

GO and appropriation bonds, and NZH holds Puerto Rico highway revenue credits. Holdings other than the COFINA credits were generally purchased in the past to help keep the Funds fully invested and were aimed to provide higher yields, added diversification and triple exemption (i.e., exemption from federal, state and local taxes). For the reporting period ended February 28, 2013, Puerto Rico paper generally underperformed the market as a whole. The impact on performance differed from Fund to Fund in line with the type and amount of its holdings. As we continue to emphasize Puerto Rico's stronger credits, we view the COFINA bonds as long-term holdings and note that the commonwealth's recent enforcement of sales tax collections has improved significantly.

As previously discussed, municipal bond prices generally rallied nationally during this period, driven by strong demand and tight supply of new issuance. At the same time, yields continued to be relatively low. California municipal paper also performed well, due in part to demand triggered by recent changes in the state tax code as well as improving economic conditions in the state. In this environment, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term and helped us keep our Funds fully invested.

Much of our investment activity during this period was opportunistic, with purchases driven by the timing of cash flows from refunding activity as well as called or maturing bonds. To find attractive opportunities for the Funds, we were focused largely on the secondary market, rather than new issuance, which remained below historical levels. In particular, we looked for bonds with call dates between 2019 and 2021, a structure that we believed offered value, specifically, attractive pricing and yields relative to the bonds' call dates. In addition, if these bonds are not called in 2019 to 2021, we stand to receive a higher yield by holding the bonds until they mature or are called. This type of bond is sometimes referred to as a "kicker bond" because of the additional yield, or "kick" to maturity, once the bond passes its initial call date.

We also continued to add exposure to RDA bonds in the secondary market. In 2011, as part of cost-saving measures to close gaps in the California state budget, all 400 RDAs in the state were ordered to dissolve by February 1, 2012, and successor agencies and oversight boards were created to manage obligations that were in place prior to the dissolution and take title to the RDAs' housing and other assets. The uncertainty surrounding the fate of the state's RDAs caused spreads on RDA bonds to widen substantially and prompted RDAs to issue their remaining capacity of bonds prior to the 2012 termination date, resulting in heavy issuance of these bonds offering attractive prices, higher coupons and very attractive structures, including 10-year call provisions. During this period as the market in general seemed to become more comfortable with these bonds, their spreads began to narrow, and we found fewer deals that we regarded as attractive as the period progressed. We continued to be very selective in

our purchases in this sector, performing the underlying credit work and evaluating issuers on a case-by-case basis.

During this period, we also took advantage of short-term market opportunities created by supply/demand dynamics in the municipal market. While demand for tax-exempt paper remained consistently strong throughout the period, supply fluctuated widely. We found that periods of substantial supply provided good short-term buying opportunities not only because of the increased number of issues available, but also because some investors became more hesitant in their buying as supply grew, causing spreads to widen temporarily. At times when supply was more plentiful, we focused on anticipating cash flows from bond calls and maturing bonds and closely monitored opportunities for reinvestment.

Cash for new purchases during this period was generated primarily by the proceeds from the increased number of bond calls resulting from the growth in refinancings. The elevated number of bond calls provided a meaningful source of liquidity, which drove much of our activity during this period as we worked to redeploy these proceeds, as well as those from maturing bonds, to keep the Funds fully invested and support their income streams. In addition, we sold selected bonds with short effective maturities on the occasions when we needed additional cash to take advantage of attractive opportunities.

As of February 28, 2013, all five of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

12 Nuveen Investments

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## Fund Leverage

## IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the return of the Funds relative to their benchmarks was the Funds' use of leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage had a positive impact on the performance of the Funds over this reporting period.

As of February 28, 2013, the Funds' percentages of effective and regulatory leverage are shown in the accompanying table.

| Fund | Effective<br>Leverage* | Regulatory<br>Leverage* |
|------|------------------------|-------------------------|
| NCU  | 35.35%                 | 27.85%                  |
| NAC  | 31.89%                 | 26.69%                  |
| NVX  | 36.05%                 | 28.86%                  |
| NZH  | 37.61%                 | 31.00%                  |
| NKX  | 35.91%                 | 30.92%                  |

\* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set forth in the Investment Company Act of 1940.



## THE FUNDS' REGULATORY LEVERAGE

As of February 28, 2013, the Funds have issued and outstanding MuniFund Term Preferred (MTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying tables.

## MTP Shares

| Fund | Series | MTP Shares Issued at Liquidation Value | Annual Interest Rate | NYSE Ticker |
|------|--------|--|----------------------|-------------|
| NCU  | 2015   | \$35,250,000                           | 2.00%                | NCU PrC     |
| NVX  | 2014   | \$42,846,300                           | 2.35%                | NVX PrA     |
| NVX  | 2015   | \$55,000,000                           | 2.05%                | NVX PrC     |
| NZH  | 2014   | \$27,000,000                           | 2.35%                | NZH PrA     |
| NZH  | 2014-1 | \$46,294,500                           | 2.25%                | NZH PrB     |
| NZH  | 2015   | \$86,250,000                           | 2.95%                | NZH PrC     |

## VRDP Shares

| Fund | VRDP Shares Issued at Liquidation Value |
|------|---|
| NAC  | \$136,200,000                           |
| NKX* | \$291,600,000                           |

\* \$221,100,000 VRDP Shares at Liquidation Value were issued in connection with the reorganization.

During the twelve month reporting period NKX issued \$35,000,000 VRDP Shares at Liquidation Value through a privately negotiated offering.

Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies for further details on MTP and VRDP Shares.

## Common Share Information

## COMMON SHARE DIVIDENDS

During the twelve-month reporting period ended February 28, 2013, the Funds' monthly dividends to common shareholders were as shown in the accompanying table.

|                             | Per Common Share Amounts |           |           |           |           |
|-----------------------------|--------------------------|-----------|-----------|-----------|-----------|
|                             | NCU                      | NAC       | NVX       | NZH       | NKX**     |
| March                       | \$ 0.0725                | \$ 0.0770 | \$ 0.0800 | \$ 0.0750 | \$ 0.0710 |
| April                       | 0.0725                   | 0.0770    | 0.0800    | 0.0750    | 0.0710    |
| May                         | 0.0725                   | 0.0770    | 0.0800    | 0.0750    | 0.0710    |
| June                        | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0710    |
| July                        | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0780    |
| August                      | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0780    |
| September                   | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0780    |
| October                     | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0780    |
| November                    | 0.0725                   | 0.0770    | 0.0800    | 0.0705    | 0.0780    |
| December                    | 0.0700                   | 0.0740    | 0.0750    | 0.0670    | 0.0700    |
| January                     | 0.0700                   | 0.0740    | 0.0750    | 0.0670    | 0.0700    |
| February                    | 0.0700                   | 0.0740    | 0.0750    | 0.0670    | 0.0700    |
| Market Yield***             | 5.32%                    | 5.62%     | 5.52%     | 5.64%     | 5.56%     |
| Taxable-Equivalent Yield*** | 8.15%                    | 8.61%     | 8.45%     | 8.64%     | 8.51%     |

\*\* NKX paid shareholders a capital gains distribution in December 2012 of \$0.0160 per share.

\*\*\* Market Yield is based on the Fund's current annualized monthly dividend divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of February 28, 2013, all of the Funds in this report had positive UNII balances for tax and financial reporting purposes.

## COMMON SHARE REPURCHASES

During November 2012, the Nuveen Funds Board of Directors/Trustees reauthorized the Funds' open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding common shares.

As of February 28, 2013, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired common shares as shown in the accompanying table. Since the inception of the Funds' repurchase programs, NAC and NKX have not repurchased any of their outstanding common shares.

| Fund | Common Shares<br>Repurchased and<br>Retired | % of Common Shares<br>Authorized for<br>Repurchase |
|------|---|--|
| NCU  | 44,500                                      | 7.7%   |
| NAC  | —   | —  |
| NVX  | 50,700                                      | 3.4%   |
| NZH  | 12,900                                      | 0.5%   |
| NKX  | —   | —  |

During the twelve-month reporting period, the Funds did not repurchase any of their outstanding common shares.

## SHELF EQUITY PROGRAMS

The following Funds filed a preliminary prospectus with the SEC for an equity shelf offering, which is not yet effective, pursuant to which the Fund may issue additional common shares as shown in the accompanying table.

| Fund | Additional<br>Common Shares |
|------|-----------------------------|
| NAC  | 2,300,000                   |
| NKX  | 4,100,000                   |

Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies for further details on the Funds' Shelf Equity Programs.

## COMMON SHARE OTHER INFORMATION

As of February 28, 2013, and during the twelve-month reporting period, the Funds were trading at a premium/(discount) to their common share net asset value (NAV) as shown in the accompanying table.

|  | NCU      | NAC      | NVX      | NZH      | NKX      |
|--|----------|----------|----------|----------|----------|
| Common Share NAV                           | \$ 15.93 | \$ 15.90 | \$ 16.35 | \$ 14.71 | \$ 15.57 |
| Common Share Price                         | \$ 15.78 | \$ 15.81 | \$ 16.30 | \$ 14.25 | \$ 15.12 |
| Premium/(Discount) to NAV                  | (0.94)%  | (0.57)%  | (0.31)%  | (3.13)%  | (2.89)%  |
| 12-Month Average Premium/(Discount) to NAV | (1.26)%  | (0.35)%  | (0.77)%  | (1.25)%  | (0.79)%  |



## Risk Considerations

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

**Investment, Market and Price Risk.** An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the municipal securities owned by the Fund, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like these Funds frequently trade at a discount to their net asset value (NAV). Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

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

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

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

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

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

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

**Inverse Floater Risk.** The Funds invest in inverse floaters. Due to their leveraged nature, these investments can greatly increase a Fund's exposure to interest rate risk and credit risk. In addition, investments in inverse floaters involve the risk that the Fund could lose more than its original principal investment.

Nuveen California Premium Income Municipal Fund (NCU)

Performance Overview and Holding Summaries as of February 28, 2013

Average Annual Total Returns as of February 28, 2013

|   | Average Annual |        |         |
|---|----------------|--------|---------|
|   | 1-Year         | 5-Year | 10-Year |
| NCU at Common Share NAV                                       | 9.89%          | 10.04% | 6.82%   |
| NCU at Common Share Price                                     | 10.10%         | 11.74% | 7.96%   |
| S&P California Municipal Bond Index                           | 6.77%          | 7.22%  | 5.38%   |
| S&P Municipal Bond Index                                      | 5.69%          | 6.81%  | 5.19%   |
| Lipper California Municipal Debt Funds Classification Average | 11.55%         | 9.29%  | 6.20%   |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance — Weekly Closing Price

Portfolio Composition<sup>1</sup>

(as a % of total investments)

|                        |       |
|------------------------|-------|
| Tax Obligation/Limited | 29.3% |
| Tax Obligation/General | 22.3% |
| Health Care            | 21.1% |
| U.S. Guaranteed        | 7.2%  |
| Water and Sewer        | 6.1%  |
| Other                  | 14.0% |

Credit Quality

(as a % of total investment exposure)<sup>1,2,3</sup>

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 15% |
| AA                  | 34% |
| A                   | 31% |
| BBB                 | 16% |
| BB or Lower         | 2%  |
| N/R                 | 2%  |

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

- 1 Holdings are subject to change.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of

such securities. Holdings designated N/R are not rated by these national rating agencies.

3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

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## Nuveen California Dividend Advantage Municipal Fund (NAC)

Performance Overview and Holding Summaries as of February 28, 2013

Average Annual Total Returns as of February 28, 2013

|   | Average Annual |        |         |
|---|----------------|--------|---------|
|   | 1-Year         | 5-Year | 10-Year |
| NAC at Common Share NAV                                       | 13.39%         | 9.81%  | 6.84%   |
| NAC at Common Share Price                                     | 10.80%         | 11.22% | 8.08%   |
| S&P California Municipal Bond Index                           | 6.77%          | 7.22%  | 5.38%   |
| S&P Municipal Bond Index                                      | 5.69%          | 6.81%  | 5.19%   |
| Lipper California Municipal Debt Funds Classification Average | 11.55%         | 9.29%  | 6.20%   |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

## Common Share Price Performance — Weekly Closing Price

Portfolio Composition<sup>1</sup>

(as a % of total investments)

|                                   |       |
|-----------------------------------|-------|
| Tax Obligation/Limited            | 26.6% |
| Tax Obligation/General            | 20.9% |
| Health Care                       | 19.7% |
| Water and Sewer                   | 11.8% |
| Consumer Staples                  | 5.7%  |
| Education and Civic Organizations | 4.7%  |
| Other                             | 10.6% |

## Credit Quality

(as a % of total investment exposure)<sup>1,2,3</sup>

|                    |     |
|--------------------|-----|
| AAA/U.S.Guaranteed | 4%  |
| AA                 | 42% |
| A                  | 26% |
| BBB                | 13% |
| BB or Lower        | 7%  |
| N/R                | 7%  |

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3

grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies. Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

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## Nuveen California Dividend Advantage Municipal Fund 2 (NVX)

Performance Overview and Holding Summaries as of February 28, 2013

Average Annual Total Returns as of February 28, 2013

|   | Average Annual |        |         |
|---|----------------|--------|---------|
|   | 1-Year         | 5-Year | 10-Year |
| NVX at Common Share NAV                                       | 11.94%         | 9.88%  | 7.08%   |
| NVX at Common Share Price                                     | 11.03%         | 12.03% | 8.41%   |
| S&P California Municipal Bond Index                           | 6.77%          | 7.22%  | 5.38%   |
| S&P Municipal Bond Index                                      | 5.69%          | 6.81%  | 5.19%   |
| Lipper California Municipal Debt Funds Classification Average | 11.55%         | 9.29%  | 6.20%   |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

## Common Share Price Performance — Weekly Closing Price

Portfolio Composition<sup>1</sup>

(as a % of total investments)

|                                   |       |
|-----------------------------------|-------|
| Tax Obligation/General            | 20.7% |
| Health Care                       | 18.5% |
| Tax Obligation/Limited            | 15.9% |
| Water and Sewer                   | 10.9% |
| U.S. Guaranteed                   | 8.8%  |
| Utilities                         | 5.9%  |
| Consumer Staples                  | 5.8%  |
| Education and Civic Organizations | 5.6%  |
| Other                             | 7.9%  |

## Credit Quality

(as a % of total investment exposure)<sup>1,2,3</sup>

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 12% |
| AA                  | 38% |
| A                   | 19% |
| BBB                 | 19% |
| BB or Lower         | 5%  |
| N/R                 | 6%  |

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BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

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## Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

Performance Overview and Holding Summaries as of February 28, 2013

Average Annual Total Returns as of February 28, 2013

|   | Average Annual |        |         |
|---|----------------|--------|---------|
|   | 1-Year         | 5-Year | 10-Year |
| NZH at Common Share NAV                                       | 12.15%         | 9.25%  | 6.41%   |
| NZH at Common Share Price                                     | 5.41%          | 9.93%  | 7.37%   |
| S&P California Municipal Bond Index                           | 6.77%          | 7.22%  | 5.38%   |
| S&P Municipal Bond Index                                      | 5.69%          | 6.81%  | 5.19%   |
| Lipper California Municipal Debt Funds Classification Average | 11.55%         | 9.29%  | 6.20%   |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

## Common Share Price Performance — Weekly Closing Price

Portfolio Composition<sup>1</sup>

(as a % of total investments)

|                        |       |
|------------------------|-------|
| Tax Obligation/Limited | 29.3% |
| Health Care            | 21.8% |
| Tax Obligation/General | 12.2% |
| Water and Sewer        | 8.5%  |
| U.S. Guaranteed        | 6.8%  |
| Consumer Staples       | 6.7%  |
| Other                  | 14.7% |

## Credit Quality

(as a % of total investment exposure)<sup>1,2,3</sup>

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 7%  |
| AA                  | 31% |
| A                   | 22% |
| BBB                 | 26% |
| BB or Lower         | 7%  |
| N/R                 | 8%  |

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

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are not rated by these national rating agencies.

- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

## Nuveen California AMT-Free Municipal Income Fund (NKX)

Performance Overview and Holding Summaries as of February 28, 2013

Average Annual Total Returns as of February 28, 2013

|   | Average Annual |        |         |
|---|----------------|--------|---------|
|   | 1-Year         | 5-Year | 10-Year |
| NKX at Common Share NAV                                       | 12.08%         | 8.82%  | 6.55%   |
| NKX at Common Share Price                                     | 6.53%          | 8.60%  | 6.38%   |
| S&P California Municipal Bond Index                           | 6.77%          | 7.22%  | 5.38%   |
| S&P Municipal Bond Index                                      | 5.69%          | 6.81%  | 5.19%   |
| S&P Municipal Bond Insured Index                              | 5.76%          | 7.10%  | 5.15%   |
| Lipper California Municipal Debt Funds Classification Average | 11.55%         | 9.29%  | 6.20%   |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

## Common Share Price Performance — Weekly Closing Price

Portfolio Composition<sup>1</sup>

(as a % of total investments)

|                        |       |
|------------------------|-------|
| Tax Obligation/Limited | 35.9% |
| Tax Obligation/General | 20.1% |
| Water and Sewer        | 13.5% |
| Health Care            | 11.7% |
| U.S. Guaranteed        | 8.3%  |
| Other                  | 10.5% |

## Credit Quality

(as a % of total investment exposure)<sup>1,2,3</sup>

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 10% |
| AA                  | 46% |
| A                   | 27% |
| BBB                 | 9%  |
| BB or Lower         | 4%  |
| N/R                 | 4%  |

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

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bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

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## NCU Shareholder Meeting Report

NAC

NVX

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 14, 2012; at this meeting the shareholders were asked to vote on the election of Board Members, to approve the elimination of the fundamental policies relating to the Fund's ability to make loans and to approve the new fundamental policy relating to the Fund's ability to make loans. Further information from the February 24, 2012 shareholder meeting for NKX to approve the issuance of additional common shares in connection with a Reorganization is included.

|  | NCU  |                     | NAC  |                     | NVX  |   |
|--|--|---------------------|--|---------------------|--|---|
|  | Common<br>and<br>Preferred<br>shares<br>voting<br>together<br>as a class | Preferred<br>Shares | Common<br>and<br>Preferred<br>shares<br>voting<br>together<br>as a class | Preferred<br>Shares | Common<br>and<br>Preferred<br>shares<br>voting<br>together<br>as a class | Preferred<br>shares<br>voting<br>together<br>as a class |
| To approve the elimination of the fundamental policies relating to the Fund's ability to make loans. |  |                     |  |                     |  |   |
| For  | —  | —                   | —  | —                   | —12,153,291  | 4,224,438   |
| Against  | —  | —                   | —  | —                   | — 737,606  | 171,651   |
| Abstain  | —  | —                   | —  | —                   | — 309,910  | 65,092  |
| Broker Non-Votes   | —  | —                   | —  | —                   | — 4,579,297  | 2,734,818   |
| Total  | —  | —                   | —  | —                   | —17,780,104  | 7,195,999   |
| To approve the new fundamental policy relating to the Fund's ability to make loans.                  |  |                     |  |                     |  |   |
| For  | —  | —                   | —  | —                   | —12,146,763  | 4,223,818   |
| Against  | —  | —                   | —  | —                   | — 735,592  | 173,251   |
| Abstain  | —  | —                   | —  | —                   | — 318,452  | 64,112  |
| Broker Non-Votes   | —  | —                   | —  | —                   | — 4,579,297  | 2,734,818   |
| Total  | —  | —                   | —  | —                   | —17,780,104  | 7,195,999   |
| To approve the issuance of additional common shares in connection with each Reorganization.          |  |                     |  |                     |  |   |
| For  | —  | —                   | —  | —                   | —  | —   |
| Against  | —  | —                   | —  | —                   | —  | —   |
| Abstain  | —  | —                   | —  | —                   | —  | —   |
| Broker Non-Votes   | —  | —                   | —  | —                   | —  | —   |
| Total  | —  | —                   | —  | —                   | —  | —   |
| Approval of the Board Members was reached as follows:  |  |                     |  |                     |  |   |
| Robert P. Bremner  |  |                     |  |                     |  |   |
| For  | 8,408,053  | —                   | —20,410,998  | —                   | —20,912,097  | —   |



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|                      |           |           |            |     |            |           |
|----------------------|-----------|-----------|------------|-----|------------|-----------|
| Withhold             | 303,637   | —         | 588,830    | —   | 725,516    | —         |
| Total                | 8,711,690 | —         | 20,999,828 | —   | 21,637,613 | —         |
| Jack B. Evans        |           |           |            |     |            |           |
| For                  | 8,361,534 | —         | 20,388,279 | —   | 20,916,097 | —         |
| Withhold             | 350,156   | —         | 611,549    | —   | 721,516    | —         |
| Total                | 8,711,690 | —         | 20,999,828 | —   | 21,637,613 | —         |
| William C. Hunter    |           |           |            |     |            |           |
| For                  | —         | 3,266,302 | —          | 600 | —          | 9,126,862 |
| Withhold             | —         | 141,126   | —          | —   | —          | 343,374   |
| Total                | —         | 3,407,428 | —          | 600 | —          | 9,470,236 |
| William J. Schneider |           |           |            |     |            |           |
| For                  | —         | 3,266,302 | —          | 600 | —          | 9,126,862 |
| Withhold             | —         | 141,126   | —          | —   | —          | 343,374   |
| Total                | —         | 3,407,428 | —          | 600 | —          | 9,470,236 |

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NZH  
NKX

Shareholder Meeting Report (continued)

|  | NZH  |   | NKX  |   |                  |
|--|--|---|--|---|------------------|
|  | Common<br>and<br>Preferred<br>shares<br>voting<br>together as<br>a class | Preferred<br>Shares<br>voting<br>together as<br>a class | Common<br>and<br>Preferred<br>shares<br>voting<br>together as<br>a class | Preferred<br>Shares<br>voting<br>together<br>as a class | Common<br>Shares |
| To approve the elimination of the fundamental policies relating to the Fund's ability to make loans. |  |   |  |   |                  |
| For  | —  | —   | —  | —   | —                |
| Against  | —  | —   | —  | —   | —                |
| Abstain  | —  | —   | —  | —   | —                |
| Broker Non-Votes   | —  | —   | —  | —   | —                |
| Total  | —  | —   | —  | —   | —                |
| To approve the new fundamental policy relating to the Fund's ability to make loans.                  |  |   |  |   |                  |
| For  | —  | —   | —  | —   | —                |
| Against  | —  | —   | —  | —   | —                |
| Abstain  | —  | —   | —  | —   | —                |
| Broker Non-Votes   | —  | —   | —  | —   | —                |
| Total  | —  | —   | —  | —   | —                |
| To approve the issuance of additional common shares in connection with each Reorganization.          |  |   |  |   |                  |
| For  | —  | —   | 2,617,715  | —   | 2,617,360        |
| Against  | —  | —   | 183,929  | —   | 183,929          |
| Abstain  | —  | —   | 105,422  | —   | 105,422          |
| Broker Non-Votes   | —  | —   | 888,385  | —   | 888,385          |
| Total  | —  | —   | 3,795,451  | —   | 3,795,096        |
| Approval of the Board Members was reached as follows:  |  |   |  |   |                  |
| Robert P. Bremner  |  |   |  |   |                  |
| For  | 35,577,002   | —   | 36,607,839   | —   | —                |
| Withhold   | 1,443,441  | —   | 1,464,776  | —   | —                |
| Total  | 37,020,443   | —   | 38,072,615   | —   | —                |
| Jack B. Evans  |  |   |  |   |                  |
| For  | 35,587,511   | —   | 36,516,638   | —   | —                |
| Withhold   | 1,432,932  | —   | 1,555,977  | —   | —                |
| Total  | 37,020,443   | —   | 38,072,615   | —   | —                |
| William C. Hunter  |  |   |  |   |                  |
| For  | —  | 15,184,060  | —  | 2,477   | —                |
| Withhold   | —  | 418,288   | —  | 89  | —                |

|                      |   |            |   |       |   |
|----------------------|---|------------|---|-------|---|
| Total                | — | 15,602,348 | — | 2,566 | — |
| William J. Schneider |   |            |   |       |   |
| For                  | — | 15,184,060 | — | 2,477 | — |
| Withhold             | — | 418,288    | — | 89    | — |
| Total                | — | 15,602,348 | — | 2,566 | — |

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Report of Independent  
Registered Public Accounting Firm

The Board of Trustees and Shareholders  
Nuveen California Premium Income Municipal Fund  
Nuveen California Dividend Advantage Municipal Fund  
Nuveen California Dividend Advantage Municipal Fund 2  
Nuveen California Dividend Advantage Municipal Fund 3  
Nuveen California AMT-Free Municipal Income Fund  
(formerly Nuveen Insured California Tax-Free Advantage Municipal Fund)

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, and Nuveen California AMT-Free Municipal Income Fund (the "Funds") as of February 28, 2013, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of February 28, 2013, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, and Nuveen California AMT-Free Municipal Income Fund at February 28, 2013, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois  
April 25, 2013



NCU Nuveen California Premium Income Municipal Fund  
Portfolio of Investments

February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Consumer Staples – 6.3% (4.4% of Total Investments)   |                                    |             |              |
| \$ 1,500                  | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 5/13 at 100.00                     | BBB+        | \$ 1,541,220 |
| 190                       | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21        | 6/15 at 100.00                     | BB+         | 184,954      |
| 2,795                     | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29                         | 5/13 at 100.00                     | BBB         | 2,749,609    |
| 485                       | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.750%, 6/01/47   | 6/17 at 100.00                     | B           | 454,741      |
| 865                       | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37   | 6/22 at 100.00                     | B           | 789,079      |
| 5,835                     | Total Consumer Staples  |                                    |             | 5,719,603    |
|                           | Education and Civic Organizations – 6.0% (4.2% of Total Investments)  |                                    |             |              |
| 70                        | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35  | 10/15 at 100.00                    | A3          | 72,834       |
| 45                        | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: 5.000%, 11/01/21  | 11/15 at 100.00                    | A2          | 48,863       |
| 60                        | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: 5.000%, 11/01/25  | 11/15 at 100.00                    | A2          | 64,718       |
| 1,112                     | California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 9.376%, 3/01/33 (IF)                               | 3/18 at 100.00                     | Aa2         | 1,366,781    |
| 2,000                     | California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 – NPMF Insured  | 11/15 at 100.00                    | Aa2         | 2,207,320    |

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|       |   |                    |     |           |
|-------|---|--------------------|-----|-----------|
| 185   | California Statewide Communities Development Authority, Charter School Revenue Bonds, Rocketship 4 – Mosaic Elementary Charter School, Series 2011A, 8.500%, 12/01/41 | 12/21 at<br>100.00 | N/R | 214,210   |
| 300   | California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46           | 7/21 at<br>100.00  | BBB | 341,586   |
| 1,190 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 – AMBAC Insured  | 5/13 at<br>100.00  | Aa1 | 1,202,447 |
| 4,962 | Total Education and Civic Organizations<br>Health Care – 30.1% (21.1% of Total Investments)   |                    |     | 5,518,759 |
| 335   | California Health Facilities Financing Authority, Revenue Bonds, Rady Children’s Hospital – San Diego, Series 2011, 5.250%, 8/15/41                                   | 8/21 at<br>100.00  | A+  | 371,023   |
| 3,525 | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (UB)   | 11/16 at<br>100.00 | AA– | 3,848,701 |
| 685   | California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/46                      | 2/17 at<br>100.00  | BBB | 718,716   |
| 1,000 | California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35                                    | 3/15 at<br>100.00  | A   | 1,062,660 |
| 815   | California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31  | 7/17 at<br>100.00  | N/R | 842,800   |
| 1,740 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/30                                | 7/15 at<br>100.00  | BBB | 1,835,700 |
| 730   | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31  | 8/16 at<br>100.00  | A+  | 818,527   |
| 2,680 | California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38   | 8/19 at<br>100.00  | Aa2 | 3,257,138 |
| 2,100 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured                        | No Opt. Call       | A1  | 2,325,015 |
| 1,690 | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43  | 11/15 at<br>100.00 | AA– | 1,816,209 |

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | Health Care (continued)  |                                    |             |            |
| \$ 377                    | California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.398%, 7/01/47 – AGM Insured (IF) | 7/18 at 100.00                     | AA-         | \$ 567,807 |
| 760                       | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38                               | 12/17 at 100.00                    | BBB         | 885,552    |
| 2,600                     | Marysville, California, Revenue Bonds, The Fremont-Rideout Health Group, Series 2011, 5.250%, 1/01/42  | 1/21 at 100.00                     | A           | 2,861,794  |
| 1,450                     | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41                                    | 11/20 at 100.00                    | Baa3        | 1,578,441  |
| 1,000                     | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/38                | 7/17 at 100.00                     | Baa2        | 1,025,610  |
| 850                       | San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41                                       | 12/21 at 100.00                    | BB          | 1,039,380  |
| 1,415                     | Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 – AMBAC Insured       | 8/17 at 100.00                     | A+          | 1,564,891  |
| 1,000                     | The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2009E, 5.000%, 5/15/38                                    | 5/17 at 101.00                     | Aa2         | 1,074,010  |
| 24,752                    | Total Health Care  |                                    |             | 27,493,974 |
|                           | Housing/Multifamily – 1.2% (0.8% of Total Investments)   |                                    |             |            |
| 495                       | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45                             | 8/20 at 100.00                     | BBB         | 547,777    |
| 155                       | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47                             | 8/22 at 100.00                     | BBB         | 165,481    |
| 350                       | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47                             | 8/22 at 100.00                     | A1          | 370,227    |
| 1,000                     | Total Housing/Multifamily  |                                    |             | 1,083,485  |
|                           | Housing/Single Family – 2.1% (1.5% of Total Investments)   |                                    |             |            |
| 1,770                     | California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008L, 5.500%, 8/01/38  | 2/18 at 100.00                     | BBB         | 1,814,657  |



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|        |   |                 |     |            |
|--------|---|-----------------|-----|------------|
| 70     | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)                | 2/16 at 100.00  | BBB | 73,273     |
| 1,840  | Total Housing/Single Family Tax Obligation/General – 31.9% (22.3% of Total Investments)   |                 |     | 1,887,930  |
|        | California State, General Obligation Bonds, Various Purpose Series 2009:  |                 |     |            |
| 2,350  | 6.000%, 11/01/39  | 11/19 at 100.00 | A1  | 2,876,142  |
| 1,300  | 5.500%, 11/01/39  | 11/19 at 100.00 | A1  | 1,530,906  |
| 3,500  | California State, General Obligation Bonds, Various Purpose Series 2012, 5.000%, 4/01/42  | 4/22 at 100.00  | A1  | 3,950,765  |
| 4,475  | Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 – AGM Insured                    | 8/18 at 100.00  | Aa1 | 4,617,887  |
| 6,000  | Hartnell Community College District, California, General Obligation Bonds, Series 2006B, 5.000%, 6/01/29 – AGM Insured (UB)                           | 6/16 at 100.00  | Aa2 | 6,445,860  |
| 3,000  | Los Angeles Unified School District, California, General Obligation Bonds, Series 2005A-2, 5.000%, 7/01/24 – NPMG Insured                             | 7/15 at 100.00  | Aa2 | 3,292,440  |
| 15     | Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 – NPMG Insured                              | 8/14 at 100.00  | AA  | 16,060     |
| 135    | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 – FGIC Insured         | 8/15 at 100.00  | AA  | 147,417    |
| 1,355  | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 – NPMG Insured | 9/15 at 100.00  | Aa1 | 1,495,974  |
| 8,345  | Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42         | No Opt. Call    | Aa2 | 3,601,619  |
| 1,000  | Yuba Community College District, California, General Obligation Bonds, Election 2006 Series 2011C, 5.250%, 8/01/47                                    | 8/21 at 100.00  | Aa2 | 1,130,680  |
| 31,475 | Total Tax Obligation/General  |                 |     | 29,105,750 |

Nuveen Investments 27

NCU Nuveen California Premium Income Municipal Fund (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|---|------------------------------------|-------------|------------|
|                           | Tax Obligation/Limited – 41.9% (29.3% of Total Investments)   |                                    |             |            |
| \$ 1,000                  | Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 – RAAI Insured  | 10/13 at 100.00                    | N/R         | \$ 955,370 |
|                           | California Infrastructure and Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:  |                                    |             |            |
| 1,695                     | 5.000%, 12/01/22 – AMBAC Insured  | 12/13 at 100.00                    | AA+         | 1,753,867  |
| 1,865                     | 5.000%, 12/01/24 – AMBAC Insured  | 12/13 at 100.00                    | AA+         | 1,929,771  |
| 5,920                     | California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home – Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 – AMBAC Insured                | 5/13 at 100.00                     | A2          | 5,944,568  |
| 1,000                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30  | 10/19 at 100.00                    | A2          | 1,179,380  |
| 2,000                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009-I, 6.375%, 11/01/34   | 11/19 at 100.00                    | A2          | 2,464,660  |
| 535                       | California State, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15  | 7/14 at 100.00                     | Aa3         | 569,727    |
| 165                       | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 – FGIC Insured  | 9/15 at 100.00                     | N/R         | 170,453    |
| 500                       | Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured  | 9/16 at 101.00                     | A–          | 507,955    |
| 260                       | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project 2, As Amended, Refunding Series 2001, 5.000%, 9/01/31 – NPFGE Insured | 9/13 at 100.00                     | BBB+        | 261,001    |
| 350                       |   |                                    | A–          | 350,452    |

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|       |  |                   |      |           |
|-------|--|-------------------|------|-----------|
|       | Fontana, California, Redevelopment Agency, Jurupa Hills Redevelopment Project, Tax Allocation Refunding Bonds, 1997 Series A, 5.500%, 10/01/27                   | 4/13 at<br>100.00 |      |           |
| 425   | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured                                   | 9/15 at<br>100.00 | BB+  | 414,902   |
| 320   | Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/24 – AMBAC Insured | 5/17 at<br>100.00 | BBB+ | 329,443   |
|       | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:  |                   |      |           |
| 75    | 5.000%, 9/01/26  | 9/16 at<br>100.00 | N/R  | 77,609    |
| 175   | 5.125%, 9/01/36  | 9/16 at<br>100.00 | N/R  | 179,197   |
| 3,500 | Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 – NPPFG Insured    | 8/13 at<br>100.00 | BBB+ | 3,537,617 |
| 310   | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured    | 9/15 at<br>100.00 | A1   | 322,853   |
| 2,000 | Los Angeles Municipal Improvement Corporation, California, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%, 1/01/31 – FGIC Insured                | 1/17 at<br>100.00 | A+   | 2,093,080 |
| 475   | Lynwood Redevelopment Agency, California, Project A Revenue Bonds, Subordinate Lien Series 2011A, 7.250%, 9/01/38  | 9/21 at<br>100.00 | A–   | 575,852   |
| 3,230 | Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2005, 5.000%, 8/01/35 – NPPFG Insured  | 8/15 at<br>100.00 | A–   | 3,269,923 |
| 170   | National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24              | 8/21 at<br>100.00 | A–   | 212,592   |
| 65    | Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40                                | 9/21 at<br>100.00 | BBB+ | 76,247    |
|       | Perris Union High School District Financing Authority, Riverside County, California, Revenue Bonds, Series 2011:   |                   |      |           |
| 60    | 6.000%, 9/01/33  | 9/13 at<br>103.00 | N/R  | 62,158    |
| 135   | 6.125%, 9/01/41  | 9/13 at<br>103.00 | N/R  | 139,771   |
| 540   |  |                   | BBB– | 591,619   |

|     |  |                   |      |         |
|-----|--|-------------------|------|---------|
|     | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 | 9/18 at<br>100.00 |      |         |
| 210 | Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30                                      | 9/21 at<br>100.00 | BBB+ | 242,504 |
| 155 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured              | 9/15 at<br>100.00 | A-   | 156,837 |

28 Nuveen Investments

| Principal<br>Amount (000)   | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value     |
|---|---|------------------------------------|-------------|-----------|
| Tax Obligation/Limited (continued)  |   |                                    |             |           |
| \$ 40   | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25                             | 10/21 at 100.00                    | A-          | \$ 45,738 |
| 190   | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured  | 8/13 at 100.00                     | AA-         | 192,844   |
| 1,500   | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 – NPMFG Insured                                  | No Opt. Call                       | A           | 1,729,440 |
| 3,000   | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20  | No Opt. Call                       | A           | 3,458,880 |
| 1,000   | San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Series 2012A, 5.000%, 4/01/42   | 4/22 at 100.00                     | AAA         | 1,148,220 |
| 2,000   | San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.200%, 4/01/26                  | 4/19 at 100.00                     | AA-         | 2,286,320 |
| 30  | San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 | 2/21 at 100.00                     | A-          | 36,131    |
| San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D: |   |                                    |             |           |
| 30  | 7.000%, 8/01/33   | 2/21 at 100.00                     | BBB         | 35,267    |
| 40  | 7.000%, 8/01/41   | 2/21 at 100.00                     | BBB         | 46,400    |
| San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C:                                 |   |                                    |             |           |
| 100   | 5.000%, 8/01/24 – NPMFG Insured   | 8/17 at 100.00                     | BBB         | 104,469   |
| 275   | 5.000%, 8/01/25 – NPMFG Insured   | 8/17 at 100.00                     | BBB         | 286,611   |
| 360   | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006D, 5.000%, 8/01/23 – AMBAC Insured               | 8/17 at 100.00                     | BBB         | 370,192   |
| 50  | Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011,  | 4/21 at 100.00                     | N/R         | 55,810    |

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|        |  |                 |         |            |
|--------|--|-----------------|---------|------------|
|        | 7.000%, 10/01/26   |                 |         |            |
| 95     | Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.000%, 9/01/26       | 9/21 at 100.00  | A-      | 110,688    |
| 35,845 | Total Tax Obligation/Limited Transportation – 2.5% (1.8% of Total Investments)   |                 |         | 38,276,418 |
| 220    | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2008, Trust 3211, 13.640%, 10/01/32 (IF)  | 4/18 at 100.00  | AA      | 320,635    |
| 2,000  | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35  | 7/13 at 100.00  | BBB-    | 1,999,920  |
| 2,220  | Total Transportation U.S. Guaranteed – 10.3% (7.2% of Total Investments) (4)   |                 |         | 2,320,555  |
| 780    | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (Pre-refunded 4/01/16) (UB)                                  | 4/16 at 100.00  | AA (4)  | 889,356    |
| 3,000  | California Infrastructure and Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 – AGM Insured (ETM)           | No Opt. Call    | Aaa     | 3,854,700  |
| 370    | California State, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 (Pre-refunded 7/01/14)  | 7/14 at 100.00  | Aaa     | 393,758    |
| 3,495  | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 (Pre-refunded 8/01/13) – FGIC Insured                                   | 8/13 at 100.00  | AAA     | 3,570,737  |
| 325    | San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured | 12/17 at 100.00 | AA- (4) | 390,302    |
| 255    | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A: 5.125%, 5/15/17 (Pre-refunded 5/15/13) – AMBAC Insured  | 5/13 at 100.00  | Aa1 (4) | 257,678    |
| 55     | 5.125%, 5/15/17 (Pre-refunded 5/15/13) – AMBAC Insured   | 5/13 at 100.00  | Aa1 (4) | 55,587     |
| 8,280  | Total U.S. Guaranteed  |                 |         | 9,412,118  |

Nuveen Investments 29

NCU Nuveen California Premium Income Municipal Fund (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value         |
|---------------------------|--|------------------------------------|-------------|---------------|
|                           | Utilities – 1.8% (1.3% of Total Investments)   |                                    |             |               |
| \$ 890                    | Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37  | No Opt. Call                       | A           | \$ 1,083,798  |
| 275                       | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 – NPFPG Insured   | 7/13 at 100.00                     | AA–         | 279,560       |
| 295                       | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 – SYNCORA GTY Insured  | 9/15 at 100.00                     | N/R         | 303,912       |
| 1,460                     | Total Utilities  |                                    |             | 1,667,270     |
|                           | Water and Sewer – 8.7% (6.1% of Total Investments)   |                                    |             |               |
| 1,125                     | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 – AMBAC Insured  | 6/14 at 100.00                     | AA+         | 1,189,620     |
| 1,275                     | California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside Desalination Project, Series 2012, 5.000%, 11/21/45 (Alternative Minimum Tax) | No Opt. Call                       | Baa3        | 1,322,124     |
| 205                       | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFPG Insured  | 4/16 at 100.00                     | AA–         | 225,080       |
| 670                       | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 18.355%, 7/01/35 (IF) (5)  | 7/19 at 100.00                     | AAA         | 1,097,889     |
| 1,500                     | Orange County Water District, California, Revenue Certificates of Participation, Tender Option Bond Trust 11782-1, 17.966%, 2/15/35 (IF)   | 8/19 at 100.00                     | AAA         | 2,319,120     |
| 1,795                     | Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33   | 7/13 at 100.00                     | A+          | 1,804,137     |
| 6,570                     | Total Water and Sewer  |                                    |             | 7,957,970     |
| \$ 124,239                | Total Investments (cost \$116,968,208) – 142.8%  |                                    |             | 130,443,832   |
|                           | Floating Rate Obligations – (6.0)%   |                                    |             | (5,525,000)   |
|                           | MuniFund Term Preferred Shares, at Liquidation Value – (38.6)% (6)   |                                    |             | (35,250,000)  |
|                           | Other Assets Less Liabilities – 1.8%   |                                    |             | 1,668,626     |
|                           | Net Assets Applicable to Common Shares – 100%  |                                    |             | \$ 91,337,458 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
  - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
  - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
  - (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 27.0%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.



NAC Nuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments

February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | Consumer Staples – 8.1% (5.7% of Total Investments)  |                                    |             |            |
| \$ 810                    | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100.00                     | BB+         | \$ 788,486 |
|                           | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:  |                                    |             |            |
| 20,615                    | 5.750%, 6/01/47  | 6/17 at 100.00                     | B           | 19,328,830 |
| 2,895                     | 5.125%, 6/01/47  | 6/17 at 100.00                     | B           | 2,458,318  |
| 8,255                     | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37                                    | 6/22 at 100.00                     | B           | 7,530,459  |
| 32,575                    | Total Consumer Staples   |                                    |             | 30,106,093 |
|                           | Education and Civic Organizations – 6.7% (4.7% of Total Investments)   |                                    |             |            |
| 2,500                     | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 2010, 5.000%, 2/01/40   | 2/20 at 100.00                     | Aa3         | 2,789,800  |
| 290                       | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35   | 10/15 at 100.00                    | A3          | 301,739    |
| 10,000                    | California Educational Facilities Authority, Revenue Bonds, University of Southern California, Series 2007A, 4.500%, 10/01/33 (UB)                                     | 10/17 at 100.00                    | Aa1         | 11,065,500 |
|                           | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:  |                                    |             |            |
| 200                       | 5.000%, 11/01/21   | 11/15 at 100.00                    | A2          | 217,168    |
| 265                       | 5.000%, 11/01/25   | 11/15 at 100.00                    | A2          | 285,837    |
| 4,685                     | California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 9.376%, 3/01/33 (IF)                        | 3/18 at 100.00                     | Aa2         | 5,758,427  |
| 1,250                     |  |                                    | BBB         | 1,423,275  |

|        |   |                    |     |            |
|--------|---|--------------------|-----|------------|
|        | California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46 | 7/21 at<br>100.00  |     |            |
| 565    | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23                          | 10/13 at<br>100.00 | N/R | 569,882    |
| 2,775  | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 – AMBAC Insured  | 5/13 at<br>100.00  | Aa1 | 2,804,027  |
| 22,530 | Total Education and Civic Organizations Health Care – 28.0% (19.7% of Total Investments)  |                    |     | 25,215,655 |
| 3,815  | California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2008J, 5.625%, 7/01/32                                    | 7/15 at<br>100.00  | A   | 4,215,728  |
| 2,500  | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2009, 5.000%, 8/15/39                                  | 8/19 at<br>100.00  | A+  | 2,758,550  |
| 1,420  | California Health Facilities Financing Authority, Revenue Bonds, Rady Children’s Hospital – San Diego, Series 2011, 5.250%, 8/15/41                         | 8/21 at<br>100.00  | A+  | 1,572,693  |
| 14,895 | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (UB)   | 11/16 at<br>100.00 | AA– | 16,262,808 |
| 6,530  | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42   | 8/20 at<br>100.00  | AA– | 8,008,980  |
| 1,120  | California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35                          | 3/15 at<br>100.00  | A   | 1,190,179  |
| 5,500  | California Statewide Communities Development Authority, Revenue Bonds, Sutter Health, Series 2011A, 6.000%, 8/15/42   | 8/20 at<br>100.00  | AA– | 6,745,695  |
| 3,325  | California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31                              | 7/17 at<br>100.00  | N/R | 3,438,416  |

NAC Nuveen California Dividend Advantage Municipal Fund (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Health Care (continued)  |                                    |             |              |
|                           | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:                             |                                    |             |              |
| \$ 1,760                  | 5.250%, 7/01/24  | 7/15 at 100.00                     | BBB         | \$ 1,887,248 |
| 3,870                     | 5.250%, 7/01/30  | 7/15 at 100.00                     | BBB         | 4,082,850    |
| 150                       | 5.250%, 7/01/35  | 7/15 at 100.00                     | BBB         | 157,692      |
| 10,140                    | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41                        | 3/16 at 100.00                     | A+          | 10,865,923   |
| 3,095                     | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31                       | 8/16 at 100.00                     | A+          | 3,470,331    |
| 9,980                     | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41 – BHAC Insured (UB)    | 3/16 at 100.00                     | AA+         | 10,929,198   |
| 2,010                     | California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38                      | 8/19 at 100.00                     | Aa2         | 2,442,854    |
| 1,586                     | California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.398%, 7/01/47 – AGM Insured (IF) | 7/18 at 100.00                     | AA–         | 2,391,878    |
| 1,000                     | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2005A, 5.000%, 12/01/23                               | 12/15 at 100.00                    | BBB         | 1,022,840    |
| 2,860                     | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38                               | 12/17 at 100.00                    | BBB         | 3,332,472    |
| 1,000                     | Madera County, California, Certificates of Participation, Children’s Hospital Central California, Series 2010, 5.375%, 3/15/36                     | 3/20 at 100.00                     | A+          | 1,113,220    |
| 1,725                     | Newport Beach, California, Revenue Bonds, Hoag Memorial Hospital Presbyterian, Series 2011A, 6.000%, 12/01/40                                      | 12/21 at 100.00                    | AA          | 2,115,678    |
| 675                       | Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%,  | 11/20 at 100.00                    | BB+         | 710,046      |

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|        |  |                 |      |             |
|--------|--|-----------------|------|-------------|
|        | 11/01/29   |                 |      |             |
| 5,450  | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41                                | 11/20 at 100.00 | Baa3 | 5,932,761   |
| 2,570  | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/38            | 7/17 at 100.00  | Baa2 | 2,635,818   |
| 3,300  | San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41                                   | 12/21 at 100.00 | BB   | 4,035,240   |
| 3,000  | Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 – AMBAC Insured   | 8/17 at 100.00  | A+   | 3,317,790   |
| 93,276 | Total Health Care  |                 |      | 104,636,888 |
|        | Housing/Multifamily – 2.0% (1.4% of Total Investments)   |                 |      |             |
| 1,995  | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45                         | 8/20 at 100.00  | BBB  | 2,207,707   |
| 4,600  | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.125%, 8/15/32                         | 8/22 at 100.00  | BBB  | 4,910,868   |
| 320    | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41 | 5/16 at 100.00  | N/R  | 327,670     |
| 6,915  | Total Housing/Multifamily  |                 |      | 7,446,245   |
|        | Housing/Single Family – 0.7% (0.5% of Total Investments)   |                 |      |             |
| 270    | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)         | 2/16 at 100.00  | BBB  | 282,623     |
| 2,395  | California Housing Finance Agency, Home Mortgage Revenue Bonds, Tender Option Bond Trust 3206, 8.485%, 2/01/29 (Alternative Minimum Tax) (IF)  | 2/17 at 100.00  | BBB  | 2,385,348   |
| 2,665  | Total Housing/Single Family  |                 |      | 2,667,971   |

32 Nuveen Investments

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | <b>Industrials – 0.1% (0.1% of Total Investments)</b>  |                                    |             |            |
| \$ 5,120                  | California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax) (4) | No Opt. Call                       | D           | \$ 305,869 |
|                           | <b>Long-Term Care – 0.3% (0.2% of Total Investments)</b>   |                                    |             |            |
| 1,000                     | California Municipal Finance Authority, Revenue Bonds, Harbor Regional Center Project, Series 2009, 8.000%, 11/01/29   | 11/19 at<br>100.00                 | Baa1        | 1,224,340  |
|                           | <b>Tax Obligation/General – 29.7% (20.9% of Total Investments)</b>   |                                    |             |            |
|                           | Alvord Unified School District, Riverside County, California, General Obligation Bonds, 2007 Election Series 2011B:  |                                    |             |            |
| 21,000                    | 0.000%, 8/01/41 – AGM Insured  | No Opt. Call                       | AA–         | 5,157,600  |
| 16,840                    | 0.000%, 8/01/43 – AGM Insured  | No Opt. Call                       | AA–         | 3,724,671  |
| 10,000                    | California State, General Obligation Bonds, Various Purpose Series 2009, 6.000%, 11/01/39  | 11/19 at<br>100.00                 | A1          | 12,238,900 |
|                           | California State, General Obligation Bonds, Various Purpose Series 2010:   |                                    |             |            |
| 5,000                     | 6.000%, 3/01/33  | 3/20 at<br>100.00                  | A1          | 6,211,250  |
| 8,000                     | 5.500%, 3/01/40  | 3/20 at<br>100.00                  | A1          | 9,474,800  |
| 1,000                     | 5.250%, 11/01/40   | 11/20 at<br>100.00                 | A1          | 1,175,280  |
|                           | California State, General Obligation Bonds, Various Purpose Series 2011:   |                                    |             |            |
| 1,650                     | 5.000%, 9/01/41  | 9/21 at<br>100.00                  | A1          | 1,852,043  |
| 4,330                     | 5.000%, 10/01/41   | 10/21 at<br>100.00                 | A1          | 4,864,582  |
|                           | California State, General Obligation Bonds, Various Purpose Series 2012:   |                                    |             |            |
| 2,000                     | 5.250%, 2/01/28  | 2/22 at<br>100.00                  | A1          | 2,411,740  |
| 5,000                     | 5.250%, 2/01/29  | 2/22 at<br>100.00                  | A1          | 5,994,150  |
| 2,000                     | 5.000%, 4/01/42  | 4/22 at<br>100.00                  | A1          | 2,257,580  |
| 4,435                     | California State, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 – AMBAC Insured   | No Opt. Call                       | A1          | 5,182,076  |
| 3,425                     |  |                                    | Aa1         | 3,534,360  |

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|         |   |                    |     |             |
|---------|---|--------------------|-----|-------------|
|         | Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 – AGM Insured                                  | 8/18 at<br>100.00  |     |             |
| 5,150   | Hacienda La Puente Unified School District Facilities Financing Authority, California, General Obligation Revenue Bonds, Series 2007, 5.000%, 8/01/26 – AGM Insured | No Opt. Call       | AA– | 6,263,997   |
| 3,000   | Los Angeles Unified School District, California, General Obligation Bonds, Series 2005A-2, 5.000%, 7/01/24 – NPFQ Insured   | 7/15 at<br>100.00  | Aa2 | 3,292,440   |
| 5,210   | Oak Valley Hospital District, Stanislaus County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/35 – FGIC Insured                                  | 7/14 at<br>101.00  | A1  | 5,400,426   |
| 575     | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 – FGIC Insured                       | 8/15 at<br>100.00  | AA  | 627,889     |
| 4,000   | San Diego Community College District, California, General Obligation Bonds, Refunding Series 2011, 5.000%, 8/01/41  | 8/21 at<br>100.00  | AA+ | 4,606,040   |
| 5,000   | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 – AGM Insured                              | 7/13 at<br>101.00  | AA– | 5,130,950   |
| 50,070  | Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42                       | No Opt. Call       | Aa2 | 21,609,711  |
| 157,685 | Total Tax Obligation/General Tax Obligation/Limited – 37.7% (26.6% of Total Investments)  |                    |     | 111,010,485 |
|         | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D:   |                    |     |             |
| 1,000   | 5.500%, 9/01/24   | 9/14 at<br>102.00  | N/R | 1,035,650   |
| 615     | 5.800%, 9/01/35   | 9/14 at<br>102.00  | N/R | 633,641     |
| 1,910   | Borrego Water District, California, Community Facilities District 2007-1 Montesorro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25 (4)                            | 8/17 at<br>102.00  | N/R | 516,311     |
| 1,000   | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30  | 10/19 at<br>100.00 | A2  | 1,179,380   |

Nuveen Investments 33

NAC Nuveen California Dividend Advantage Municipal Fund (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)  |                                    |             |              |
| \$ 2,000                  | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009-I, 6.375%, 11/01/34   | 11/19 at 100.00                    | A2          | \$ 2,464,660 |
| 2,000                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/31  | No Opt. Call                       | A2          | 2,289,360    |
| 2,000                     | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 – Talega, Series 2003, 6.000%, 9/01/33   | 9/13 at 100.00                     | N/R         | 2,016,800    |
| 710                       | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 – FGIC Insured  | 9/15 at 100.00                     | N/R         | 733,466      |
| 1,225                     | Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured  | 9/16 at 101.00                     | A–          | 1,244,490    |
| 1,480                     | Commerce Joint Power Financing Authority, California, Tax Allocation Bonds, Redevelopment Projects 2 and 3, Refunding Series 2003A, 5.000%, 8/01/28 – RAAI Insured  | 8/13 at 100.00                     | BBB         | 1,484,721    |
| 1,040                     | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project 2, As Amended, Refunding Series 2001, 5.000%, 9/01/31 – NPMFG Insured | 9/13 at 100.00                     | BBB+        | 1,044,004    |
| 1,430                     | Fontana, California, Redevelopment Agency, Jurupa Hills Redevelopment Project, Tax Allocation Refunding Bonds, 1997 Series A, 5.500%, 10/01/27  | 4/13 at 100.00                     | A–          | 1,431,845    |
| 3,490                     | Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2, Series 1998A, 5.250%, 9/01/17 – NPMFG Insured  | 9/13 at 100.00                     | Baa2        | 3,543,327    |
| 1,125                     | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34   | 9/14 at 100.00                     | N/R         | 1,144,080    |
| 3,980                     | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A,   | 3/14 at 100.00                     | A           | 4,016,775    |



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|        |   |                |      |            |
|--------|---|----------------|------|------------|
|        | 5.500%, 3/01/22 – AMBAC Insured   |                |      |            |
| 31,090 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/35 – FGIC Insured | 6/15 at 100.00 | AA–  | 32,697,655 |
| 2,850  | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured                                    | 9/15 at 100.00 | BB+  | 2,782,284  |
| 4,500  | Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Refunding Series 1998A, 5.250%, 5/01/23 – AMBAC Insured           | No Opt. Call   | N/R  | 5,034,060  |
| 1,285  | Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/25 – AMBAC Insured  | 5/17 at 100.00 | BBB+ | 1,318,474  |
|        | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:   |                |      |            |
| 325    | 5.000%, 9/01/26   | 9/16 at 100.00 | N/R  | 336,307    |
| 755    | 5.125%, 9/01/36   | 9/16 at 100.00 | N/R  | 773,105    |
| 675    | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35  | 9/16 at 100.00 | N/R  | 680,704    |
| 2,000  | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24         | 9/13 at 102.00 | N/R  | 2,063,900  |
| 1,000  | Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 – RAAI Insured   | 8/17 at 100.00 | BBB+ | 1,012,420  |
| 1,290  | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured     | 9/15 at 100.00 | A1   | 1,343,483  |
| 1,530  | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/24 – AGM Insured                    | 3/14 at 100.00 | AA–  | 1,593,021  |
| 3,500  | Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/37 – NPMFG Insured  | 8/17 at 100.00 | A–   | 3,568,670  |
| 695    | National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24               | 8/21 at 100.00 | A–   | 869,125    |





| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)   |                                    |             |              |
| \$ 9,200                  | Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 – NCFG Insured                                  | 5/13 at 100.00                     | A           | \$ 9,217,848 |
|                           | North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D:  |                                    |             |              |
| 535                       | 5.000%, 9/01/26  | 9/14 at 102.00                     | N/R         | 545,850      |
| 245                       | 5.000%, 9/01/33  | 9/14 at 102.00                     | N/R         | 247,114      |
| 260                       | Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40                                    | 9/21 at 100.00                     | BBB+        | 304,988      |
| 3,290                     | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 – FGIC Insured | 5/13 at 100.00                     | A–          | 3,301,416    |
| 1,000                     | Palmdale Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project Areas, Series 2004, 5.000%, 12/01/24 – AMBAC Insured         | 12/14 at 100.00                    | A–          | 1,058,550    |
|                           | Perris Union High School District Financing Authority, Riverside County, California, Revenue Bonds, Series 2011:   |                                    |             |              |
| 245                       | 6.000%, 9/01/33  | 9/13 at 103.00                     | N/R         | 253,810      |
| 530                       | 6.125%, 9/01/41  | 9/13 at 103.00                     | N/R         | 548,730      |
| 8,250                     | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32   | 6/13 at 101.00                     | N/R         | 8,335,470    |
| 2,130                     | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28                 | 9/18 at 100.00                     | BBB–        | 2,333,607    |
| 1,570                     | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 – NCFG Insured                    | 5/13 at 100.00                     | Baa2        | 1,571,633    |
| 2,000                     | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 0.000%, 8/01/32  | 8/26 at 100.00                     | A+          | 2,120,020    |
| 845                       | Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30  | 9/21 at 100.00                     | BBB+        | 975,789      |

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|       |   |                 |     |           |
|-------|---|-----------------|-----|-----------|
| 620   | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured                         | 9/15 at 100.00  | A–  | 627,347   |
| 150   | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25                             | 10/21 at 100.00 | A–  | 171,519   |
| 1,860 | Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 – NPMFG Insured                  | 8/13 at 100.00  | A–  | 1,891,825 |
| 770   | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured  | 8/13 at 100.00  | AA– | 781,527   |
| 2,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 – AMBAC Insured                                  | No Opt. Call    | A   | 2,882,400 |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33   | 9/14 at 100.00  | N/R | 1,170,919 |
| 120   | San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 | 2/21 at 100.00  | A–  | 144,526   |
|       | San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:               |                 |     |           |
| 125   | 7.000%, 8/01/33   | 2/21 at 100.00  | BBB | 146,944   |
| 155   | 7.000%, 8/01/41   | 2/21 at 100.00  | BBB | 179,800   |
| 2,695 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 – AMBAC Insured                    | 5/13 at 100.00  | AA  | 2,707,208 |
| 1,000 | San Jose Redevelopment Agency, California, Housing Set-Aside Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2010A-1, 5.500%, 8/01/35           | 8/20 at 100.00  | A   | 1,098,870 |

NAC Nuveen California Dividend Advantage Municipal Fund (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000)  | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|--|--|------------------------------------|-------------|--------------|
| Tax Obligation/Limited (continued)   |  |                                    |             |              |
| San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C:  |  |                                    |             |              |
| \$ 1,100   | 5.000%, 8/01/24 – NPFPG Insured  | 8/17 at<br>100.00                  | BBB         | \$ 1,149,159 |
| 1,235  | 5.000%, 8/01/25 – NPFPG Insured  | 8/17 at<br>100.00                  | BBB         | 1,287,142    |
| 1,000  | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/27 – NPFPG Insured            | 8/15 at<br>100.00                  | BBB         | 1,015,230    |
| 5,000  | Santa Ana Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2011A, 6.750%, 9/01/28                 | 3/21 at<br>100.00                  | A+          | 6,138,100    |
| 205  | Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26                                    | 4/21 at<br>100.00                  | N/R         | 228,821      |
| 1,200  | Turlock Public Financing Authority, California, Tax Allocation Revenue Bonds, Series 2011, 7.500%, 9/01/39                                     | 3/21 at<br>100.00                  | BBB+        | 1,375,776    |
| 1,000  | Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 – AMBAC Insured       | 8/17 at<br>100.00                  | A           | 1,059,110    |
| 600  | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Refunding Series 2009A, 8.625%, 9/01/39 | 9/14 at<br>105.00                  | N/R         | 648,546      |
| 2,810  | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38           | 9/13 at<br>103.00                  | N/R         | 2,872,551    |
| 2,000  | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39           | 9/13 at<br>102.00                  | N/R         | 1,984,260    |
| 1,350  | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39         | 9/13 at<br>103.00                  | N/R         | 1,351,998    |
| Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A: |  |                                    |             |              |
| 150  | 6.000%, 9/01/26  | 9/21 at<br>100.00                  | A–          | 174,771      |

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|         |  |                    |         |             |
|---------|--|--------------------|---------|-------------|
| 210     | 6.500%, 9/01/32  | 9/21 at<br>100.00  | A-      | 249,127     |
| 135,605 | Total Tax Obligation/Limited<br>Transportation – 3.0% (2.1% of Total Investments)  |                    |         | 141,004,019 |
| 11,150  | Foothill/Eastern Transportation Corridor Agency,<br>California, Toll Road Revenue Refunding Bonds,<br>Series 1999, 5.750%, 1/15/40   | 7/13 at<br>100.00  | BBB-    | 11,155,352  |
| 120     | Palm Springs Financing Authority, California,<br>Palm Springs International Airport Revenue Bonds,<br>Series 2006, 5.450%, 7/01/20 (Alternative<br>Minimum Tax)                      | 7/14 at<br>102.00  | N/R     | 121,193     |
| 11,270  | Total Transportation<br>U.S. Guaranteed – 5.9% (4.1% of Total Investments)<br>(5)  |                    |         | 11,276,545  |
| 1,430   | Bay Area Toll Authority, California, Revenue<br>Bonds, San Francisco Bay Area Toll Bridge, Series<br>2006F, 5.000%, 4/01/31 (Pre-refunded 4/01/16)<br>(UB)                           | 4/16 at<br>100.00  | AA (5)  | 1,630,486   |
| 655     | California Statewide Community Development<br>Authority, Revenue Bonds, Thomas Jefferson<br>School of Law, Series 2005A, 4.875%, 10/01/31<br>(Pre-refunded 10/01/15)                 | 10/15 at<br>100.00 | N/R (5) | 714,336     |
| 2,625   | Golden State Tobacco Securitization Corporation,<br>California, Tobacco Settlement Asset-Backed<br>Bonds, Series 2003A-1, 6.250%, 6/01/33<br>(Pre-refunded 6/01/13)                  | 6/13 at<br>100.00  | Aaa     | 2,666,239   |
| 3,630   | Imperial Irrigation District, California, Certificates<br>of Participation, Electric System Revenue Bonds,<br>Series 2003, 5.250%, 11/01/23 (Pre-refunded<br>11/01/13) – AGM Insured | 11/13 at<br>100.00 | AA- (5) | 3,753,892   |
| 1,335   | Lincoln, California, Special Tax Bonds, Lincoln<br>Crossing Community Facilities District 03-1, Series<br>2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)                               | 9/13 at<br>102.00  | N/R (5) | 1,398,426   |

36 Nuveen Investments

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | U.S. Guaranteed (5) (continued)   |                                    |             |              |
| \$ 5,840                  | Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 (ETM)  | No Opt. Call                       | N/R (5)     | \$ 8,170,919 |
| 1,725                     | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 (Pre-refunded 9/15/13)      | 9/13 at<br>100.00                  | A+ (5)      | 1,777,009    |
| 1,120                     | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 (Pre-refunded 9/15/13) | 9/13 at<br>100.00                  | N/R (5)     | 1,158,808    |
|                           | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A:  |                                    |             |              |
| 600                       | 5.125%, 5/15/17 (Pre-refunded 5/15/13) – AMBAC Insured  | 5/13 at<br>100.00                  | Aa1 (5)     | 606,300      |
| 125                       | 5.125%, 5/15/17 (Pre-refunded 5/15/13) – AMBAC Insured  | 5/13 at<br>100.00                  | Aa1 (5)     | 126,335      |
| 19,085                    | Total U.S. Guaranteed   |                                    |             | 22,002,750   |
|                           | Utilities – 3.1% (2.2% of Total Investments)  |                                    |             |              |
| 3,775                     | Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35   | No Opt. Call                       | A           | 4,335,097    |
| 5,500                     | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 – AGM Insured (UB)                           | 7/15 at<br>100.00                  | AA–         | 5,998,465    |
| 1,270                     | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 – SYNCORA GTY Insured                                       | 9/15 at<br>100.00                  | N/R         | 1,308,367    |
| 10,545                    | Total Utilities   |                                    |             | 11,641,929   |
|                           | Water and Sewer – 16.7% (11.8% of Total Investments)  |                                    |             |              |
|                           | California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside Desalination Project, Series 2012:             |                                    |             |              |
| 1,265                     | 5.000%, 7/01/37 (Alternative Minimum Tax)   | No Opt. Call                       | Baa3        | 1,321,571    |
| 6,475                     | 5.000%, 11/21/45 (Alternative Minimum Tax)  | No Opt. Call                       | Baa3        | 6,714,316    |
| 875                       | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFPG Insured                                       | 4/16 at<br>100.00                  | AA–         | 960,706      |
| 2,500                     | Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 – AMBAC Insured  | 4/16 at<br>100.00                  | A           | 2,753,775    |
| 9,955                     |   |                                    | AA          | 11,626,743   |

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|        |  |                   |     |            |
|--------|--|-------------------|-----|------------|
|        | Los Angeles Department of Water and Power,<br>California, Waterworks Revenue Bonds, Series<br>2011A, 5.250%, 7/01/39                     | 1/21 at<br>100.00 |     |            |
| 835    | Marina Coast Water District, California, Enterprise<br>Certificate of Participation, Series 2006, 5.000%,<br>6/01/31 – NPFG Insured      | 6/16 at<br>100.00 | AA– | 878,863    |
| 2,250  | Sacramento County Sanitation District Financing<br>Authority, California, Revenue Bonds, Series 2006,<br>5.000%, 12/01/31 – FGIC Insured | 6/16 at<br>100.00 | AA  | 2,509,133  |
| 11,000 | San Diego Public Facilities Financing Authority,<br>California, Sewerage Revenue Bonds, Refunding<br>Series 2010A, 5.250%, 5/15/26       | 5/20 at<br>100.00 | AA  | 13,232,780 |
| 5,580  | San Francisco City and County Public Utilities<br>Commission, California, Water Revenue Bonds,<br>Series 2011A, 5.000%, 11/01/41         | No Opt. Call      | AA– | 6,451,987  |

Nuveen Investments 37

NAC Nuveen California Dividend Advantage Municipal Fund (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value          |
|---------------------------|---|------------------------------------|-------------|----------------|
|                           | Water and Sewer (continued)   |                                    |             |                |
| \$ 12,000                 | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2012A, 5.000%, 11/01/43            | 5/22 at 100.00                     | AA-         | \$ 13,751,400  |
| 2,000                     | West Basin Municipal Water District, California, Certificates of Participation, Refunding Series 2008B, 5.000%, 8/01/28 – AGC Insured | 8/18 at 100.00                     | AA-         | 2,296,000      |
| 54,735                    | Total Water and Sewer   |                                    |             | 62,497,274     |
| \$ 553,006                | Total Investments (cost \$475,458,019) – 142.0%   |                                    |             | 531,036,063    |
|                           | Floating Rate Obligations – (6.9)%  |                                    |             | (25,920,000)   |
|                           | Variable Rate Demand Preferred Shares, at Liquidation Value – (36.4)% (6)   |                                    |             | (136,200,000)  |
|                           | Other Assets Less Liabilities – 1.3%  |                                    |             | 5,179,588      |
|                           | Net Assets Applicable to Common Shares – 100%   |                                    |             | \$ 374,095,651 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 25.6%.

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



- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

38 Nuveen Investments

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NVX Nuveen California Dividend Advantage Municipal Fund 2  
Portfolio of Investments

February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | Consumer Staples – 8.4% (5.8% of Total Investments)  |                                    |             |            |
| \$ 500                    | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100.00                     | BB+         | \$ 486,720 |
| 3,635                     | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33   | 5/13 at 100.00                     | Baa1        | 3,649,904  |
|                           | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:  |                                    |             |            |
| 12,540                    | 5.750%, 6/01/47  | 6/17 at 100.00                     | B           | 11,757,629 |
| 1,270                     | 5.125%, 6/01/47  | 6/17 at 100.00                     | B           | 1,078,433  |
| 3,660                     | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37                                    | 6/22 at 100.00                     | B           | 3,338,762  |
| 21,605                    | Total Consumer Staples   |                                    |             | 20,311,448 |
|                           | Education and Civic Organizations – 8.1% (5.6% of Total Investments)   |                                    |             |            |
| 1,775                     | ABAG Finance Authority for Non-Profit Corporations, California, Revenue Bonds, The Jackson Laboratory, Series 2012, 5.000%, 7/01/37                                    | 7/22 at 100.00                     | A1          | 1,987,769  |
| 2,745                     | California Educational Facilities Authority, Revenue Bonds, University of Southern California, Tender Option Bond Trust 09-11B, 18.456%, 10/01/38 (IF) (4)             | 10/18 at 100.00                    | Aa1         | 4,489,502  |
|                           | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:  |                                    |             |            |
| 125                       | 5.000%, 11/01/21   | 11/15 at 100.00                    | A2          | 135,730    |
| 165                       | 5.000%, 11/01/25   | 11/15 at 100.00                    | A2          | 177,974    |
| 1,915                     | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 – NPMFG Insured                               | 9/13 at 100.00                     | Baa2        | 1,918,313  |

| (Alternative Minimum Tax) |   |                 |      |            |
|---------------------------|---|-----------------|------|------------|
| 2,500                     | California Municipal Finance Authority, Revenue Bonds, University of La Verne, Series 2010A, 6.250%, 6/01/40  | 6/20 at 100.00  | BBB+ | 2,886,025  |
| 2,945                     | California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 9.376%, 3/01/33 (IF)             | 3/18 at 100.00  | Aa2  | 3,619,758  |
| 850                       | California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46 | 7/21 at 100.00  | BBB  | 967,827    |
| 565                       | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23                          | 10/13 at 100.00 | N/R  | 569,882    |
| 2,680                     | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/33 – AMBAC Insured  | 5/13 at 100.00  | Aa1  | 2,705,514  |
| 16,265                    | Total Education and Civic Organizations Health Care – 26.6% (18.5% of Total Investments)  |                 |      | 19,458,294 |
| 2,000                     | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22   | 5/13 at 100.00  | BBB  | 2,004,440  |
| 2,500                     | California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2008J, 5.625%, 7/01/32                                    | 7/15 at 100.00  | A    | 2,762,600  |
| 895                       | California Health Facilities Financing Authority, Revenue Bonds, Rady Children’s Hospital – San Diego, Series 2011, 5.250%, 8/15/41                         | 8/21 at 100.00  | A+   | 991,239    |
| 3,000                     | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46  | 11/16 at 100.00 | AA–  | 3,275,490  |
| 9,260                     | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (UB)   | 11/16 at 100.00 | AA–  | 10,110,346 |
| 4,215                     | California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27            | 2/17 at 100.00  | BBB  | 4,493,569  |
| 2,520                     | California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35                          | 3/15 at 100.00  | A    | 2,677,903  |
| 2,225                     | California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31                              | 7/17 at 100.00  | N/R  | 2,300,895  |

NVX Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Health Care (continued)  |                                    |             |              |
| \$ 5,250                  | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/35 | 7/15 at 100.00                     | BBB         | \$ 5,519,220 |
| 425                       | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31           | 8/16 at 100.00                     | A+          | 476,540      |
| 1,035                     | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2004D, 5.050%, 8/15/38 – AGM Insured        | 8/18 at 100.00                     | AA          | 1,166,186    |
|                           | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A:                                      |                                    |             |              |
| 2,705                     | 5.000%, 11/15/43   | 11/15 at 100.00                    | AA–         | 2,907,009    |
| 3,315                     | 5.000%, 11/15/43 (UB) (4)  | 11/15 at 100.00                    | AA–         | 3,562,564    |
|                           | California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554:                         |                                    |             |              |
| 1,325                     | 18.365%, 7/01/47 – AGM Insured (IF)  | 7/18 at 100.00                     | AA–         | 1,996,987    |
| 998                       | 18.398%, 7/01/47 – AGM Insured (IF)  | 7/18 at 100.00                     | AA–         | 1,504,350    |
| 2,000                     | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38                   | 12/17 at 100.00                    | BBB         | 2,330,400    |
| 1,610                     | Madera County, California, Certificates of Participation, Children’s Hospital Central California, Series 2010, 5.375%, 3/15/36         | 3/20 at 100.00                     | A+          | 1,792,284    |
| 455                       | Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%, 11/01/29                             | 11/20 at 100.00                    | BB+         | 478,624      |
| 4,800                     | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41                        | 11/20 at 100.00                    | Baa3        | 5,225,184    |
| 5,785                     | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/38    | 7/17 at 100.00                     | Baa2        | 5,933,154    |
| 2,250                     | San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011,  | 12/21 at 100.00                    | BB          | 2,751,300    |

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|        |  |                |     |            |
|--------|--|----------------|-----|------------|
|        | 7.500%, 12/01/41   |                |     |            |
| 58,568 | Total Health Care  |                |     | 64,260,284 |
|        | Housing/Multifamily – 3.8% (2.6% of Total Investments)   |                |     |            |
| 1,320  | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45   | 8/20 at 100.00 | BBB | 1,460,738  |
| 410    | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47   | 8/22 at 100.00 | BBB | 437,724    |
| 940    | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47   | 8/22 at 100.00 | A1  | 994,323    |
| 5,962  | California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16) (Alternative Minimum Tax) | 6/13 at 100.00 | AA+ | 6,021,978  |
| 205    | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41   | 5/16 at 100.00 | N/R | 209,914    |
| 8,837  | Total Housing/Multifamily  |                |     | 9,124,677  |
|        | Housing/Single Family – 3.0% (2.1% of Total Investments)   |                |     |            |
| 1,490  | California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2007G, 5.050%, 2/01/29 (Alternative Minimum Tax)  | 2/17 at 100.00 | BBB | 1,484,129  |
| 160    | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)   | 2/16 at 100.00 | BBB | 167,480    |
| 5,775  | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006M, 4.650%, 8/01/31 (Alternative Minimum Tax)  | 2/16 at 100.00 | BBB | 5,567,620  |
| 7,425  | Total Housing/Single Family  |                |     | 7,219,229  |
|        | Industrials – 0.1% (0.1% of Total Investments)   |                |     |            |
| 3,175  | California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax) (5)   | No Opt. Call   | D   | 189,675    |

40 Nuveen Investments

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Long-Term Care – 0.6% (0.4% of Total Investments)  |                                    |             |              |
| \$ 1,550                  | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation – Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 5/13 at 100.00                     | A           | \$ 1,556,448 |
|                           | Tax Obligation/General – 29.9% (20.7% of Total Investments)  |                                    |             |              |
| 10,000                    | California State, General Obligation Bonds, Series 2006CD, 4.600%, 12/01/32 (Alternative Minimum Tax)  | 12/15 at 100.00                    | AA          | 10,207,900   |
| 13,850                    | California State, General Obligation Bonds, Various Purpose Series 2009, 6.000%, 4/01/38   | 4/19 at 100.00                     | A1          | 16,742,569   |
|                           | California State, General Obligation Bonds, Various Purpose Series 2010:   |                                    |             |              |
| 2,000                     | 6.000%, 3/01/33  | 3/20 at 100.00                     | A1          | 2,484,500    |
| 1,000                     | 5.250%, 11/01/40   | 11/20 at 100.00                    | A1          | 1,175,280    |
|                           | California State, General Obligation Bonds, Various Purpose Series 2011:   |                                    |             |              |
| 3,650                     | 5.000%, 9/01/41  | 9/21 at 100.00                     | A1          | 4,096,943    |
| 2,190                     | 5.000%, 10/01/41   | 10/21 at 100.00                    | A1          | 2,460,377    |
|                           | California State, General Obligation Bonds, Various Purpose Series 2012:   |                                    |             |              |
| 4,850                     | 5.250%, 2/01/29  | 2/22 at 100.00                     | A1          | 5,814,326    |
| 2,000                     | 5.000%, 4/01/42  | 4/22 at 100.00                     | A1          | 2,257,580    |
| 1,285                     | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2009D, 5.000%, 7/01/27   | 7/19 at 100.00                     | Aa2         | 1,517,277    |
| 13,530                    | New Haven Unified School District, Alameda County, California, General Obligation Bonds, Series 2004A, 0.000%, 8/01/24 – NPMG Insured  | No Opt. Call                       | Aa3         | 7,966,870    |
| 1,265                     | Palomar Pomerado Health, California, General Obligation Bonds, Election of 2004, Series 2007A, 5.000%, 8/01/32 – NPMG Insured  | 8/17 at 100.00                     | A+          | 1,421,443    |
| 2,000                     | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2002A, 5.500%, 7/01/20 – NPMG Insured   | No Opt. Call                       | BBB+        | 2,189,780    |
| 355                       |  |                                    | AA          | 387,653      |

|        |  |                |      |            |
|--------|--|----------------|------|------------|
|        | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 – FGIC Insured  | 8/15 at 100.00 |      |            |
| 1,000  | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2008, Series 2011C, 5.250%, 8/01/36   | 8/21 at 100.00 | Aa2  | 1,167,600  |
|        | Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D:  |                |      |            |
| 6,480  | 0.000%, 8/01/31  | No Opt. Call   | Aa2  | 2,882,628  |
| 17,510 | 0.000%, 8/01/42  | No Opt. Call   | Aa2  | 7,557,141  |
| 1,600  | Yuba Community College District, California, General Obligation Bonds, Election 2006 Series 2011C, 5.250%, 8/01/47   | 8/21 at 100.00 | Aa2  | 1,809,088  |
| 84,565 | Total Tax Obligation/General Tax Obligation/Limited – 23.0% (15.9% of Total Investments)   |                |      | 72,138,955 |
|        | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D:  |                |      |            |
| 650    | 5.500%, 9/01/24  | 9/14 at 102.00 | N/R  | 673,173    |
| 385    | 5.800%, 9/01/35  | 9/14 at 102.00 | N/R  | 396,669    |
| 1,190  | Borrego Water District, California, Community Facilities District 2007-1 Montesoro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25 (5)  | 8/17 at 102.00 | N/R  | 321,681    |
| 1,245  | California State, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15   | 7/14 at 100.00 | Aa3  | 1,325,813  |
| 1,200  | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 – Talega, Series 2003, 6.000%, 9/01/33  | 9/13 at 100.00 | N/R  | 1,210,080  |
| 435    | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 – FGIC Insured   | 9/15 at 100.00 | N/R  | 449,377    |
| 700    | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project 2, As Amended, Series 2003, 5.000%, 9/01/33 – NCFG Insured | 9/13 at 102.00 | BBB+ | 712,117    |
| 960    | Fontana, California, Redevelopment Agency, Jurupa Hills Redevelopment Project, Tax Allocation Refunding Bonds, 1997 Series A, 5.500%, 10/01/27   | 4/13 at 100.00 | A–   | 961,238    |
| 750    | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34  | 9/14 at 100.00 | N/R  | 762,720    |





NVX Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)  |                                    |             |              |
| \$ 1,500                  | Gilroy School Facilities Financing Authority, Santa Clara County, California, Revenue Bonds, Series 2013A, 5.000%, 8/01/46 (WI/DD, Settling 3/13/13)                  | 8/23 at 100.00                     | Aa3         | \$ 1,619,745 |
| 1,200                     | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 – AGC Insured      | 6/15 at 100.00                     | AA–         | 1,259,088    |
| 1,785                     | Hawthorne Community Redevelopment Agency, California, Project Area 2 Tax Allocation Bonds, Series 2006, 5.250%, 9/01/36 – SYNCORA GTY Insured                         | 9/16 at 100.00                     | N/R         | 1,845,244    |
| 1,800                     | Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007, 5.000%, 2/01/41 – AMBAC Insured | 2/17 at 100.00                     | A–          | 1,834,200    |
| 870                       | Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/23 – AMBAC Insured      | 5/17 at 100.00                     | BBB+        | 901,068      |
|                           | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:   |                                    |             |              |
| 205                       | 5.000%, 9/01/26   | 9/16 at 100.00                     | N/R         | 212,132      |
| 470                       | 5.125%, 9/01/36   | 9/16 at 100.00                     | N/R         | 481,271      |
| 2,000                     | Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20  | 10/13 at 102.00                    | N/R         | 2,063,940    |
| 415                       | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35      | 9/16 at 100.00                     | N/R         | 418,507      |
| 1,265                     | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24             | 9/13 at 102.00                     | N/R         | 1,305,417    |
| 800                       | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester   | 9/15 at 100.00                     | A1          | 833,168      |

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|       |   |                    |      |           |
|-------|---|--------------------|------|-----------|
|       | Social Services Project, Series 2005, 5.000%,<br>9/01/37 – AMBAC Insured  |                    |      |           |
| 750   | Lynwood Redevelopment Agency, California,<br>Project A Revenue Bonds, Subordinate Lien Series<br>2011A, 7.000%, 9/01/31                                       | 9/21 at<br>100.00  | A–   | 901,313   |
| 475   | National City Community Development<br>Commission, California, Tax Allocation Bonds,<br>National City Redevelopment Project, Series 2011,<br>6.500%, 8/01/24  | 8/21 at<br>100.00  | A–   | 594,007   |
| 485   | North Natomas Community Facilities District 4,<br>Sacramento, California, Special Tax Bonds, Series<br>2006D, 5.000%, 9/01/33                                 | 9/14 at<br>102.00  | N/R  | 489,186   |
| 175   | Novato Redevelopment Agency, California, Tax<br>Allocation Bonds, Hamilton Field Redevelopment<br>Project, Series 2011, 6.750%, 9/01/40                       | 9/21 at<br>100.00  | BBB+ | 205,280   |
| 2,000 | Orange County, California, Special Tax Bonds,<br>Community Facilities District 02-1 of Ladera<br>Ranch, Series 2003A, 5.550%, 8/15/33                         | 8/13 at<br>100.00  | N/R  | 2,011,760 |
|       | Perris Union High School District Financing<br>Authority, Riverside County, California, Revenue<br>Bonds, Series 2011:  |                    |      |           |
| 165   | 6.000%, 9/01/33   | 9/13 at<br>103.00  | N/R  | 170,933   |
| 360   | 6.125%, 9/01/41   | 9/13 at<br>103.00  | N/R  | 372,722   |
| 3,085 | Pittsburg Redevelopment Agency, California, Tax<br>Allocation Bonds, Los Medanos Community<br>Development Project, Refunding Series 2008A,<br>6.500%, 9/01/28 | 9/18 at<br>100.00  | BBB– | 3,379,895 |
| 5,000 | Puerto Rico Sales Tax Financing Corporation,<br>Sales Tax Revenue Bonds, First Subordinate Series<br>2009A, 0.000%, 8/01/32                                   | 8/26 at<br>100.00  | A+   | 5,300,050 |
| 550   | Rancho Santa Fe CSD Financing Authority,<br>California, Revenue Bonds, Superior Lien Series<br>2011A, 5.750%, 9/01/30   | 9/21 at<br>100.00  | BBB+ | 635,129   |
| 385   | Rialto Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Project Area, Series<br>2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured                 | 9/15 at<br>100.00  | A–   | 389,562   |
| 100   | Riverside County Redevelopment Agency,<br>California, Tax Allocation Bonds, Jurupa Valley<br>Project Area, Series 2011B, 6.500%, 10/01/25                     | 10/21 at<br>100.00 | A–   | 114,346   |
| 475   | Roseville, California, Certificates of Participation,<br>Public Facilities, Series 2003A, 5.000%, 8/01/25 –<br>AMBAC Insured                                  | 8/13 at<br>100.00  | AA–  | 482,111   |
| 700   | Sacramento, California, Special Tax Bonds, North<br>Natomas Community Facilities District 4, Series<br>2003C, 6.000%, 9/01/33                                 | 9/14 at<br>100.00  | N/R  | 712,733   |



| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)   |                                    |             |              |
|                           | San Buenaventura Redevelopment Agency,<br>California, Merged Project Areas Tax Allocation<br>Bonds, Series 2008:   |                                    |             |              |
| \$ 1,000                  | 7.750%, 8/01/28  | 8/16 at<br>102.00                  | A           | \$ 1,159,530 |
| 1,325                     | 8.000%, 8/01/38  | 8/16 at<br>102.00                  | A           | 1,512,249    |
| 990                       | San Diego, California, Special Tax Community<br>Facilities District 4 Black Mountain Ranch Villages<br>Bonds, Series 2008A, 6.000%, 9/01/37                              | 9/13 at<br>103.00                  | N/R         | 1,026,769    |
| 80                        | San Francisco Redevelopment Finance Authority,<br>California, Tax Allocation Revenue Bonds,<br>Mission Bay North Redevelopment Project, Series<br>2011C, 6.750%, 8/01/41 | 2/21 at<br>100.00                  | A-          | 96,350       |
|                           | San Francisco Redevelopment Financing Authority,<br>California, Tax Allocation Revenue Bonds,<br>Mission Bay South Redevelopment Project, Series<br>2011D:               |                                    |             |              |
| 85                        | 7.000%, 8/01/33  | 2/21 at<br>100.00                  | BBB         | 99,922       |
| 105                       | 7.000%, 8/01/41  | 2/21 at<br>100.00                  | BBB         | 121,800      |
|                           | San Jose Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Area Redevelopment<br>Project, Series 2006C:  |                                    |             |              |
| 1,100                     | 5.000%, 8/01/24 – NPFPG Insured  | 8/17 at<br>100.00                  | BBB         | 1,149,159    |
| 765                       | 5.000%, 8/01/25 – NPFPG Insured  | 8/17 at<br>100.00                  | BBB         | 797,298      |
| 995                       | San Jose Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Area Redevelopment<br>Project, Series 2006D, 5.000%, 8/01/23 – AMBAC<br>Insured               | 8/17 at<br>100.00                  | BBB         | 1,023,168    |
| 1,530                     | San Marcos Public Facilities Authority, California,<br>Tax Allocation Bonds, Project Areas 2 and 3,<br>Series 2005C, 5.000%, 8/01/35 – AMBAC Insured                     | 8/15 at<br>100.00                  | A-          | 1,558,076    |
| 140                       | Signal Hill Redevelopment Agency, California,<br>Project 1 Tax Allocation Bonds, Series 2011,<br>7.000%, 10/01/26  | 4/21 at<br>100.00                  | N/R         | 156,268      |
| 6,500                     | Ventura County Public Financing Authority,<br>California, Lease Revenue Bonds Series 2013A,<br>5.000%, 11/01/38 (WI/DD, Settling 3/07/13)                                | 11/22 at<br>100.00                 | AA          | 7,313,930    |
| 415                       | West Patterson Financing Authority, California,<br>Special Tax Bonds, Community Facilities District  | 9/14 at<br>105.00                  | N/R         | 448,578      |

|        |  |                    |         |            |
|--------|--|--------------------|---------|------------|
|        | 01-1, Refunding Series 2009A, 8.625%, 9/01/39  |                    |         |            |
| 1,930  | West Patterson Financing Authority, California,<br>Special Tax Bonds, Community Facilities District<br>01-1, Series 2003B, 6.750%, 9/01/30   | 9/13 at<br>103.00  | N/R     | 1,975,838  |
| 500    | West Patterson Financing Authority, California,<br>Special Tax Bonds, Community Facilities District<br>01-1, Series 2004B, 6.000%, 9/01/39   | 9/13 at<br>102.00  | N/R     | 496,065    |
| 850    | West Patterson Financing Authority, California,<br>Special Tax Bonds, Community Facilities District<br>2001-1, Series 2004A, 6.125%, 9/01/39   | 9/13 at<br>103.00  | N/R     | 851,258    |
| 240    | Yorba Linda Redevelopment Agency, Orange<br>County, California, Tax Allocation Revenue Bonds,<br>Yorba Linda Redevelopment Project, Subordinate<br>Lien Series 2011A, 6.500%, 9/01/32          | 9/21 at<br>100.00  | A-      | 284,717    |
| 53,080 | Total Tax Obligation/Limited<br>Transportation – 3.8% (2.7% of Total Investments)  |                    |         | 55,416,650 |
| 1,430  | Bay Area Toll Authority, California, Revenue<br>Bonds, San Francisco Bay Area Toll Bridge, Series<br>2008, Trust 3211, 13.640%, 10/01/32 (IF)  | 4/18 at<br>100.00  | AA      | 2,084,125  |
| 7,000  | Foothill/Eastern Transportation Corridor Agency,<br>California, Toll Road Revenue Refunding Bonds,<br>Series 1999, 5.875%, 1/15/27   | 1/14 at<br>101.00  | BBB-    | 7,208,950  |
| 8,430  | Total Transportation<br>U.S. Guaranteed – 12.7% (8.8% of Total<br>Investments) (6)   |                    |         | 9,293,075  |
| 1,930  | Bay Area Toll Authority, California, Revenue<br>Bonds, San Francisco Bay Area Toll Bridge, Series<br>2006F, 5.000%, 4/01/31 (Pre-refunded 4/01/16)<br>(UB)                                     | 4/16 at<br>100.00  | AA (6)  | 2,200,586  |
| 4,900  | California State Public Works Board, Lease<br>Revenue Bonds, Department of Corrections, Series<br>2003C, 5.500%, 6/01/16 (Pre-refunded 12/01/13)   | 12/13 at<br>100.00 | AAA     | 5,093,158  |
| 860    | California State, Economic Recovery Revenue<br>Bonds, Series 2004A, 5.000%, 7/01/15<br>(Pre-refunded 7/01/14)  | 7/14 at<br>100.00  | Aaa     | 915,221    |
| 415    | California Statewide Community Development<br>Authority, Revenue Bonds, Thomas Jefferson<br>School of Law, Series 2005A, 4.875%, 10/01/31<br>(Pre-refunded 10/01/15)                           | 10/15 at<br>100.00 | N/R (6) | 452,595    |
| 4,000  | Daly City Housing Development Finance Agency,<br>California, Mobile Home Park Revenue Bonds,<br>Franciscan Mobile Home Park Project, Series<br>2002A, 5.850%, 12/15/32 (Pre-refunded 12/15/13) | 12/13 at<br>102.00 | A (6)   | 4,256,680  |

NVX Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | U.S. Guaranteed (6) (continued)   |                                    |             |              |
| \$ 1,620                  | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)  | 6/13 at 100.00                     | Aaa         | \$ 1,645,450 |
| 1,170                     | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 (Pre-refunded 9/01/13)   | 9/13 at 102.00                     | N/R (6)     | 1,228,547    |
| 885                       | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)  | 9/13 at 102.00                     | N/R (6)     | 927,046      |
| 2,000                     | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 (ETM)   | No Opt. Call                       | AA+ (6)     | 2,867,700    |
| 1,055                     | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 (Pre-refunded 9/15/13)  | 9/13 at 100.00                     | A+ (6)      | 1,086,808    |
| 700                       | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 (Pre-refunded 9/15/13)   | 9/13 at 100.00                     | N/R (6)     | 724,255      |
| 1,700                     | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 (Pre-refunded 3/01/14) – NPMG Insured  | 3/14 at 100.00                     | AA– (6)     | 1,779,883    |
| 2,330                     | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: 5.250%, 5/01/18 (Pre-refunded 5/01/13) – FGIC Insured (Alternative Minimum Tax) | 5/13 at 100.00                     | A+ (6)      | 2,350,131    |
| 2,555                     | 5.250%, 5/01/19 (Pre-refunded 5/01/13) – FGIC Insured (Alternative Minimum Tax)   | 5/13 at 100.00                     | A+ (6)      | 2,577,075    |
| 825                       | San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured                                | 12/17 at 100.00                    | AA– (6)     | 990,767      |
| 1,315                     | University of California, Limited Project Revenue Bonds, Series 2007D, 5.000%, 5/15/41 (Pre-refunded 5/15/16) – FGIC Insured  | 5/16 at 101.00                     | Aa2 (6)     | 1,470,643    |
| 28,260                    | Total U.S. Guaranteed   |                                    |             | 30,566,545   |

|  |   |                    |      |            |
|--|---|--------------------|------|------------|
| Utilities – 8.5% (5.9% of Total Investments)         |   |                    |      |            |
| 5,000  | Anaheim Public Finance Authority, California,<br>Second Lien Electric Distribution Revenue Bonds,<br>Series 2004, 5.250%, 10/01/21 – NPFG Insured   | 10/14 at<br>100.00 | AA–  | 5,316,050  |
| 2,355  | Long Beach Bond Finance Authority, California,<br>Natural Gas Purchase Revenue Bonds, Series<br>2007A, 5.000%, 11/15/35   | No Opt. Call       | A    | 2,704,411  |
| 1,000  | Los Angeles Department of Water and Power,<br>California, Power System Revenue Bonds, Series<br>2003A-2, 5.000%, 7/01/23 – NPFG Insured   | 7/13 at<br>100.00  | AA–  | 1,016,510  |
| 500  | Los Angeles Department of Water and Power,<br>California, Power System Revenue Bonds, Series<br>2005A-1, 5.000%, 7/01/31 – AGM Insured (UB)<br>Merced Irrigation District, California, Electric<br>System Revenue Bonds, Series 2005: | 7/15 at<br>100.00  | AA–  | 545,315    |
| 790  | 5.125%, 9/01/31 – SYNCORA GTY Insured   | 9/15 at<br>100.00  | N/R  | 813,866    |
| 1,500  | 5.250%, 9/01/36 – SYNCORA GTY Insured   | 9/15 at<br>100.00  | N/R  | 1,543,245  |
| 2,000  | Santa Clara, California, Subordinate Electric<br>Revenue Bonds, Series 2003A, 5.250%, 7/01/20 –<br>NPFG Insured   | 7/13 at<br>100.00  | A+   | 2,033,960  |
| 1,500  | Southern California Public Power Authority,<br>California, Milford Wind Corridor Phase I Revenue<br>Bonds, Series 2010-1, 5.000%, 7/01/28   | 1/20 at<br>100.00  | AA–  | 1,765,890  |
| 4,000  | Southern California Public Power Authority,<br>Natural Gas Project 1 Revenue Bonds, Series<br>2007A, 5.000%, 11/01/33   | No Opt. Call       | Baa1 | 4,721,800  |
| 18,645   | Total Utilities   |                    |      | 20,461,047 |
| Water and Sewer – 15.7% (10.9% of Total Investments) |   |                    |      |            |
| 5,240  | California Pollution Control Financing Authority,<br>Water Furnishing Revenue Bonds, Poseidon<br>Resources Channelside Desalination Project, Series<br>2012, 5.000%, 11/21/45 (Alternative Minimum<br>Tax)                            | No Opt. Call       | Baa3 | 5,433,670  |
| 1,400  | Castaic Lake Water Agency, California,<br>Certificates of Participation, Series 2006C, 5.000%,<br>8/01/36 – NPFG Insured  | 8/16 at<br>100.00  | AA–  | 1,538,390  |
| 545  | Healdsburg Public Financing Authority, California,<br>Wastewater Revenue Bonds, Series 2006, 5.000%,<br>4/01/36 – NPFG Insured  | 4/16 at<br>100.00  | AA–  | 598,383    |



| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value          |
|---------------------------|--|------------------------------------|-------------|----------------|
|                           | Water and Sewer (continued)  |                                    |             |                |
| \$ 2,000                  | Metropolitan Water District of Southern California, Water Revenue Bonds, 2006 Authorization Series 2007A, 5.000%, 7/01/37                | 7/17 at 100.00                     | AAA         | \$ 2,284,520   |
| 1,160                     | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 18.355%, 7/01/35 (IF) (4)  | 7/19 at 100.00                     | AAA         | 1,900,822      |
| 1,500                     | Orange County Water District, California, Revenue Certificates of Participation, Tender Option Bond Trust 11782-1, 17.966%, 2/15/35 (IF) | 8/19 at 100.00                     | AAA         | 2,319,120      |
| 750                       | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 – FGIC Insured       | 6/16 at 100.00                     | AA          | 836,378        |
| 20,000                    | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2012A, 5.000%, 11/01/43               | 5/22 at 100.00                     | AA–         | 22,919,000     |
| 32,595                    | Total Water and Sewer  |                                    |             | 37,830,283     |
| \$ 343,000                | Total Investments (cost \$316,350,562) – 144.2%  |                                    |             | 347,826,610    |
|                           | Floating Rate Obligations – (3.9)%   |                                    |             | (9,380,000)    |
|                           | MuniFund Term Preferred Shares, at Liquidation Value – (40.6)% (7)   |                                    |             | (97,846,300)   |
|                           | Other Assets Less Liabilities – 0.3%   |                                    |             | 636,342        |
|                           | Net Assets Applicable to Common Shares – 100%  |                                    |             | \$ 241,236,652 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor’s Group (“Standard & Poor’s”), Moody’s Investors Service, Inc. (“Moody’s”) or Fitch, Inc. (“Fitch”) rating. Ratings below BBB by Standard & Poor’s, Baa by Moody’s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (5) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund’s Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund’s custodian to cease accruing additional income on the Fund’s records.
- (6) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by



U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

- (7) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 28.1%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Investments 45

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NZH Nuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments

February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | Consumer Staples – 9.8% (6.7% of Total Investments)  |                                    |             |            |
| \$ 815                    | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100.00                     | BB+         | \$ 793,354 |
|                           | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:  |                                    |             |            |
| 24,485                    | 5.750%, 6/01/47  | 6/17 at 100.00                     | B           | 22,957,381 |
| 6,325                     | 5.125%, 6/01/47  | 6/17 at 100.00                     | B           | 5,370,937  |
| 6,265                     | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37                                    | 6/22 at 100.00                     | B           | 5,715,121  |
| 37,890                    | Total Consumer Staples   |                                    |             | 34,836,793 |
|                           | Education and Civic Organizations – 5.2% (3.6% of Total Investments)   |                                    |             |            |
| 290                       | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35   | 10/15 at 100.00                    | A3          | 301,739    |
| 2,160                     | California Educational Facilities Authority, Revenue Bonds, University of San Francisco, Series 2011, 6.125%, 10/01/36   | 10/21 at 100.00                    | A3          | 2,683,930  |
|                           | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:  |                                    |             |            |
| 200                       | 5.000%, 11/01/21   | 11/15 at 100.00                    | A2          | 217,168    |
| 270                       | 5.000%, 11/01/25   | 11/15 at 100.00                    | A2          | 291,230    |
| 1,000                     | 5.000%, 11/01/30   | 11/15 at 100.00                    | A2          | 1,047,980  |
| 1,275                     | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 – NPMG Insured (Alternative Minimum Tax)      | 9/13 at 100.00                     | Baa2        | 1,277,206  |
| 6,000                     | California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 – NPMG   | 11/15 at 100.00                    | Aa2         | 6,621,960  |

| Insured |   |                 |     |            |
|---------|---|-----------------|-----|------------|
| 1,300   | California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46 | 7/21 at 100.00  | BBB | 1,480,206  |
| 560     | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23                          | 10/13 at 100.00 | N/R | 564,838    |
| 4,000   | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/23 – AMBAC Insured  | 5/13 at 100.00  | Aa1 | 4,039,480  |
| 17,055  | Total Education and Civic Organizations   |                 |     | 18,525,737 |
|         | Health Care – 31.8% (21.8% of Total Investments)  |                 |     |            |
|         | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001:   |                 |     |            |
| 4,000   | 6.000%, 4/01/22   | 5/13 at 100.00  | BBB | 4,008,880  |
| 2,000   | 6.125%, 4/01/32   | 5/13 at 100.00  | BBB | 2,003,620  |
| 2,500   | California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2008J, 5.625%, 7/01/32                                    | 7/15 at 100.00  | A   | 2,762,600  |
| 1,445   | California Health Facilities Financing Authority, Revenue Bonds, Rady Children’s Hospital – San Diego, Series 2011, 5.250%, 8/15/41                         | 8/21 at 100.00  | A+  | 1,600,381  |
| 1,765   | California Health Facilities Financing Authority, Revenue Bonds, St. Joseph Health System, Series 2009A, 5.750%, 7/01/39                                    | 7/19 at 100.00  | AA– | 2,094,296  |
| 4,050   | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46  | 11/16 at 100.00 | AA– | 4,421,912  |
| 3,530   | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42   | 8/20 at 100.00  | AA– | 4,329,510  |
| 3,735   | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Tender Option Bonds Trust 3765, 19.206%, 5/15/39 (IF) (4)                   | 11/16 at 100.00 | AA– | 5,106,006  |
| 3,850   | California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35                          | 3/15 at 100.00  | A   | 4,091,241  |

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Health Care (continued)  |                                    |             |              |
| \$ 1,650                  | California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2007B, 5.000%, 3/01/37 – AGC Insured                   | 3/18 at 100.00                     | AA–         | \$ 1,785,036 |
| 1,594                     | California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.398%, 7/01/47 – AGM Insured (IF)                 | 7/18 at 100.00                     | AA–         | 2,403,189    |
| 8,875                     | California Statewide Communities Development Authority, Revenue Bonds, Sutter Health, Series 2011A, 6.000%, 8/15/42  | 8/20 at 100.00                     | AA–         | 10,885,099   |
| 3,435                     | California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31                                     | 7/17 at 100.00                     | N/R         | 3,552,168    |
| 4,500                     | California Statewide Community Development Authority, Insured Health Facility Revenue Bonds, Catholic Healthcare West, Series 2008K, 5.500%, 7/01/41 – AGC Insured | 7/17 at 100.00                     | AA–         | 5,004,765    |
| 7,065                     | California Statewide Community Development Authority, Insured Mortgage Hospital Revenue Bonds, Mission Community Hospital, Series 2001, 5.375%, 11/01/21           | 5/13 at 100.00                     | A           | 7,081,461    |
| 2,330                     | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/35                             | 7/15 at 100.00                     | BBB         | 2,449,482    |
| 645                       | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31                                       | 8/16 at 100.00                     | A+          | 723,219      |
| 3,860                     | California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 – FGIC Insured                        | 7/18 at 100.00                     | AA–         | 4,460,925    |
| 2,575                     | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43   | 11/15 at 100.00                    | AA–         | 2,767,301    |
| 5,600                     | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3102, 18.959%, 11/15/46 (IF) (4)                      | 11/16 at 100.00                    | AA–         | 7,656,208    |
| 2,950                     | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38   | 12/17 at 100.00                    | BBB         | 3,437,340    |
| 4,000                     | Marysville, California, Revenue Bonds, The Fremont-Rideout Health Group, Series 2011,  | 1/21 at 100.00                     | A           | 4,402,760    |

|        |  |                 |      |             |
|--------|--|-----------------|------|-------------|
|        | 5.250%, 1/01/42  |                 |      |             |
| 2,330  | Newport Beach, California, Revenue Bonds, Hoag Memorial Hospital Presbyterian, Series 2011A, 6.000%, 12/01/40                                  | 12/21 at 100.00 | AA   | 2,857,698   |
| 695    | Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%, 11/01/29                                     | 11/20 at 100.00 | BB+  | 731,084     |
| 1,000  | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39                                | 11/19 at 100.00 | Baa3 | 1,131,790   |
| 7,650  | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41                                | 11/20 at 100.00 | Baa3 | 8,327,637   |
|        | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A:                            |                 |      |             |
| 5,790  | 5.000%, 7/01/38  | 7/17 at 100.00  | Baa2 | 5,938,282   |
| 2,500  | 5.000%, 7/01/47  | 7/17 at 100.00  | Baa2 | 2,561,025   |
| 3,400  | San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41                                   | 12/21 at 100.00 | BB   | 4,157,520   |
| 99,319 | Total Health Care Housing/Multifamily – 1.3% (0.9% of Total Investments)   |                 |      | 112,732,435 |
| 2,025  | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45                         | 8/20 at 100.00  | BBB  | 2,240,906   |
| 2,020  | California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47                         | 8/22 at 100.00  | BBB  | 2,156,592   |
| 325    | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41 | 5/16 at 100.00  | N/R  | 332,790     |
| 4,370  | Total Housing/Multifamily  |                 |      | 4,730,288   |

NZH Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|--|------------------------------------|-------------|------------|
|                           | Housing/Single Family – 3.8% (2.6% of Total Investments)   |                                    |             |            |
| \$ 275                    | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)   | 2/16 at 100.00                     | BBB         | \$ 287,856 |
|                           | California Housing Finance Agency, Home Mortgage Revenue Bonds, Tender Option Bond Trust 3206:   |                                    |             |            |
| 10,180                    | 8.106%, 8/01/25 (Alternative Minimum Tax) (IF)   | 2/16 at 100.00                     | BBB         | 9,266,243  |
| 3,805                     | 8.485%, 8/01/29 (Alternative Minimum Tax) (IF)   | 2/17 at 100.00                     | BBB         | 3,789,666  |
| 14,260                    | Total Housing/Single Family  |                                    |             | 13,343,765 |
|                           | Industrials – 1.6% (1.1% of Total Investments)   |                                    |             |            |
| 5,000                     | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2005C, 5.125%, 11/01/23 (Alternative Minimum Tax)                                    | 11/15 at 101.00                    | BBB         | 5,354,550  |
| 5,205                     | California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax) (5)                                 | No Opt. Call                       | D           | 310,947    |
| 10,205                    | Total Industrials  |                                    |             | 5,665,497  |
|                           | Long-Term Care – 1.8% (1.2% of Total Investments)  |                                    |             |            |
| 2,450                     | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation – Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 5/13 at 100.00                     | A           | 2,460,192  |
|                           | California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly Project, Series 2002A:   |                                    |             |            |
| 1,500                     | 5.125%, 3/01/22  | 5/13 at 100.00                     | A           | 1,502,970  |
| 1,315                     | 5.250%, 3/01/32  | 5/13 at 100.00                     | A           | 1,316,460  |
| 1,000                     | California Municipal Finance Authority, Revenue Bonds, Harbor Regional Center Project, Series 2009, 8.000%, 11/01/29   | 11/19 at 100.00                    | Baa1        | 1,224,340  |
| 6,265                     | Total Long-Term Care   |                                    |             | 6,503,962  |

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Tax Obligation/General – 17.8% (12.2% of Total Investments)

| California State, General Obligation Bonds, Various Purpose Series 2009: |  |                 |     |  |           |
|--|--|-----------------|-----|--|-----------|
| 3,040  | 6.000%, 11/01/39   | 11/19 at 100.00 | A1  |  | 3,720,626 |
| 3,500  | 5.500%, 11/01/39   | 11/19 at 100.00 | A1  |  | 4,121,670 |
| California State, General Obligation Bonds, Various Purpose Series 2010: |  |                 |     |  |           |
| 1,960  | 5.500%, 3/01/40  | 3/20 at 100.00  | A1  |  | 2,321,326 |
| 1,000  | 5.250%, 11/01/40   | 11/20 at 100.00 | A1  |  | 1,175,280 |
| California State, General Obligation Bonds, Various Purpose Series 2011: |  |                 |     |  |           |
| 7,000  | 5.000%, 9/01/41  | 9/21 at 100.00  | A1  |  | 7,857,150 |
| 4,315  | 5.000%, 10/01/41   | 10/21 at 100.00 | A1  |  | 4,847,730 |
| California State, General Obligation Bonds, Various Purpose Series 2012: |  |                 |     |  |           |
| 2,970  | 5.250%, 2/01/28  | 2/22 at 100.00  | A1  |  | 3,581,434 |
| 5,000  | 5.250%, 2/01/29  | 2/22 at 100.00  | A1  |  | 5,994,150 |
| 4,000  | 5.000%, 4/01/42  | 4/22 at 100.00  | A1  |  | 4,515,160 |
| 15   | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NPFG Insured (Alternative Minimum Tax)                                    | 6/13 at 100.00  | AA  |  | 15,030    |
| 18,500   | Poway Unified School District, San Diego County, California, School Facilities Improvement District 2007-1 General Obligation Bonds, Series 2011A, 0.000%, 8/01/46 | No Opt. Call    | Aa2 |  | 3,827,095 |
| 575  | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 – FGIC Insured                      | 8/15 at 100.00  | AA  |  | 627,889   |
| 2,715  | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 – NPFG Insured              | 9/15 at 100.00  | Aa1 |  | 2,997,469 |
| 2,115  | San Mateo Union High School District, San Mateo County, California, General Obligation Bonds, Election 2010 Series 2011A, 5.000%, 9/01/42                          | 9/21 at 100.00  | Aa1 |  | 2,384,007 |
| 5,530  | Stockton Unified School District, San Joaquin County, California, General Obligation Bonds, Election 2008 Series 2011D, 0.000%, 8/01/50 – AGM Insured              | 8/37 at 100.00  | AA– |  | 3,077,998 |
|  | Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation,   |                 |     |  |           |

Election 2004, Series 2010D:

|        |                              |              |     |            |
|--------|------------------------------|--------------|-----|------------|
| 15,000 | 0.000%, 8/01/31              | No Opt. Call | Aa2 | 6,672,750  |
| 12,520 | 0.000%, 8/01/42              | No Opt. Call | Aa2 | 5,403,507  |
| 89,755 | Total Tax Obligation/General |              |     | 63,140,271 |

48 Nuveen Investments

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| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|---|------------------------------------|-------------|------------|
|                           | Tax Obligation/Limited – 42.7% (29.3% of Total Investments)   |                                    |             |            |
| \$ 1,960                  | Borrego Water District, California, Community Facilities District 2007-1 Montesorro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25 (5)  | 8/17 at 102.00                     | N/R         | \$ 529,827 |
| 4,000                     | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 – AMBAC Insured   | 5/13 at 100.00                     | A2          | 4,012,240  |
| 4,510                     | California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 – AMBAC Insured  | 12/13 at 100.00                    | A2          | 4,569,081  |
| 1,000                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30  | 10/19 at 100.00                    | A2          | 1,179,380  |
| 2,260                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2010A-1, 5.750%, 3/01/30   | 3/20 at 100.00                     | A2          | 2,644,742  |
| 4,000                     | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/31  | No Opt. Call                       | A2          | 4,578,720  |
| 1,750                     | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 – Talega, Series 2003: 5.875%, 9/01/23   | 9/13 at 100.00                     | N/R         | 1,769,338  |
| 550                       | 6.000%, 9/01/33   | 9/13 at 100.00                     | N/R         | 554,620    |
| 715                       | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 – FGIC Insured  | 9/15 at 100.00                     | N/R         | 738,631    |
| 2,160                     | Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured  | 9/16 at 101.00                     | A–          | 2,194,366  |
| 1,050                     | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project 2, As Amended, Series 2003, 5.000%, 9/01/33 – NPFPG Insured | 9/13 at 102.00                     | BBB+        | 1,068,176  |
| 1,445                     | Fontana, California, Redevelopment Agency, Jurupa Hills Redevelopment Project, Tax Allocation Refunding Bonds, 1997 Series A, 5.500%, 10/01/27  | 4/13 at 100.00                     | A–          | 1,446,864  |

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|       |  |                 |      |           |
|-------|--|-----------------|------|-----------|
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34  | 9/14 at 100.00  | N/R  | 1,144,080 |
| 3,500 | Fremont, California, Special Tax Bonds, Community Facilities District 1, Pacific Commons, Series 2005, 6.300%, 9/01/31   | 9/13 at 100.00  | N/R  | 3,527,440 |
| 1,000 | Gilroy School Facilities Financing Authority, Santa Clara County, California, Revenue Bonds, Series 2013A, 5.000%, 8/01/46 (WI/DD, Settling 3/13/13)             | 8/23 at 100.00  | Aa3  | 1,079,830 |
| 1,310 | Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/23 – AMBAC Insured | 5/17 at 100.00  | BBB+ | 1,356,780 |
|       | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:  |                 |      |           |
| 330   | 5.000%, 9/01/26  | 9/16 at 100.00  | N/R  | 341,481   |
| 760   | 5.125%, 9/01/36  | 9/16 at 100.00  | N/R  | 778,225   |
| 3,000 | Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20   | 10/13 at 102.00 | N/R  | 3,095,910 |
| 685   | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35 | 9/16 at 100.00  | N/R  | 690,788   |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24        | 9/13 at 102.00  | N/R  | 2,063,900 |
| 1,000 | Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 – RAAI Insured  | 8/17 at 100.00  | BBB+ | 1,012,420 |
| 1,310 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured    | 9/15 at 100.00  | A1   | 1,364,313 |
|       | Los Angeles Community Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Bunker Hill Redevelopment Project, Series 2004L:                  |                 |      |           |
| 1,715 | 5.000%, 3/01/18  | 5/13 at 100.00  | BBB– | 1,731,224 |
| 1,350 | 5.100%, 3/01/19  | 5/13 at 100.00  | BBB– | 1,362,893 |

NZH Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)   |                                    |             |              |
| \$ 1,675                  | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/26 – AGM Insured                       | 3/14 at 100.00                     | AA–         | \$ 1,740,526 |
| 725                       | National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24                  | 8/21 at 100.00                     | A–          | 906,642      |
|                           | North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D:  |                                    |             |              |
| 535                       | 5.000%, 9/01/26  | 9/14 at 102.00                     | N/R         | 545,850      |
| 245                       | 5.000%, 9/01/33  | 9/14 at 102.00                     | N/R         | 247,114      |
| 270                       | Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40                                    | 9/21 at 100.00                     | BBB+        | 316,718      |
| 3,000                     | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 – FGIC Insured | 5/13 at 100.00                     | A–          | 3,008,430    |
| 2,000                     | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33                                      | 8/13 at 100.00                     | N/R         | 2,011,760    |
| 11,165                    | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 – NPFQ Insured                     | 4/14 at 100.00                     | Baa2        | 11,226,854   |
|                           | Perris Union High School District Financing Authority, Riverside County, California, Revenue Bonds, Series 2011:   |                                    |             |              |
| 245                       | 6.000%, 9/01/33  | 9/13 at 103.00                     | N/R         | 253,810      |
| 540                       | 6.125%, 9/01/41  | 9/13 at 103.00                     | N/R         | 559,084      |
| 3,000                     | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32   | 6/13 at 101.00                     | N/R         | 3,031,080    |
| 2,185                     | Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28                 | 9/18 at 100.00                     | BBB–        | 2,393,864    |

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|       |  |                 |      |           |
|-------|--|-----------------|------|-----------|
| 3,250 | Pomona Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 – NPFG Insured   | 8/13 at 100.00  | Baa2 | 3,251,170 |
| 995   | Poway Unified School District, San Diego County, California, Special Tax Bonds, Community Facilities District 14 Del Sur, Series 2006, 5.125%, 9/01/26   | 9/16 at 100.00  | N/R  | 1,017,567 |
| 6,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/39 – FGIC Insured  | No Opt. Call    | BBB  | 6,038,040 |
| 6,000 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 0.000%, 8/01/32  | 8/26 at 100.00  | A+   | 6,360,060 |
| 865   | Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30  | 9/21 at 100.00  | BBB+ | 998,885   |
| 625   | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured  | 9/15 at 100.00  | A–   | 632,406   |
| 3,375 | Riverside County Redevelopment Agency, California, Interstate 215 Corridor Redevelopment Project Area Tax Allocation Bonds, Series 2010E, 6.500%, 10/01/40   | 10/20 at 100.00 | A–   | 3,804,840 |
| 155   | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25<br>Riverside County, California, Special Tax Bonds, Community Facilities District 04-2 Lake Hill Crest, Series 2012: | 10/21 at 100.00 | A–   | 177,236   |
| 995   | 5.000%, 9/01/29  | 9/22 at 100.00  | N/R  | 1,052,073 |
| 2,625 | 5.000%, 9/01/35  | 9/22 at 100.00  | N/R  | 2,713,305 |
| 780   | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured   | 8/13 at 100.00  | AA–  | 791,677   |
| 1,145 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33  | 9/14 at 100.00  | N/R  | 1,165,828 |
| 3,100 | San Diego County, California, Certificates of Participation, Burnham Institute, Series 2006, 5.000%, 9/01/34   | 9/15 at 102.00  | Baa2 | 3,193,186 |

50 Nuveen Investments

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value         |
|---------------------------|--|------------------------------------|-------------|---------------|
|                           | Tax Obligation/Limited (continued)   |                                    |             |               |
| \$ 14,505                 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2001A, 5.000%, 9/01/26 – AGM Insured                  | 9/13 at 100.00                     | AA–         | \$ 14,625,962 |
| 125                       | San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41      | 2/21 at 100.00                     | A–          | 150,548       |
| 125                       | San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:<br>7.000%, 8/01/33 | 2/21 at 100.00                     | BBB         | 146,944       |
| 160                       | 7.000%, 8/01/41  | 2/21 at 100.00                     | BBB         | 185,600       |
| 1,160                     | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C, 5.000%, 8/01/25 – NPMF Insured                     | 8/17 at 100.00                     | BBB         | 1,208,975     |
| 1,500                     | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006D, 5.000%, 8/01/23 – AMBAC Insured                    | 8/17 at 100.00                     | BBB         | 1,542,465     |
| 6,000                     | San Marcos Public Facilities Authority, California, Tax Allocation Bonds, Project Areas 1 and 3, Series 2005A, 5.000%, 8/01/34 – AMBAC Insured                       | 8/15 at 102.00                     | A           | 6,205,260     |
| 215                       | Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26  | 4/21 at 100.00                     | N/R         | 239,983       |
| 1,250                     | Solana Beach School District Public Financing Authority, San Diego County, California, Special Tax Revenue Bonds, Series 2012, 5.000%, 9/01/42                       | 9/22 at 100.00                     | BBB         | 1,303,313     |
| 8,710                     | South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, Ladera Ranch, Series 2005A, 5.000%, 8/15/32 – AMBAC Insured                   | 8/15 at 100.00                     | BBB+        | 8,902,056     |
| 1,500                     | Stockton Public Financing Authority, California, Lease Revenue Bonds, Series 2004, 5.250%, 9/01/34 – FGIC Insured  | 9/14 at 100.00                     | BB          | 1,358,355     |
| 1,165                     | Temecula Redevelopment Agency, California, Redevelopment Project 1 Tax Allocation Housing Bonds Series 2011A, 7.000%, 8/01/39  | 8/21 at 100.00                     | A           | 1,412,376     |
| 1,950                     |  |                                    | AA          | 2,194,179     |

|         |   |                    |         |             |
|---------|---|--------------------|---------|-------------|
|         | Ventura County Public Financing Authority, California, Lease Revenue Bonds Series 2013A, 5.000%, 11/01/38 (WI/DD, Settling 3/07/13)   | 11/22 at<br>100.00 |         |             |
| 600     | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Refunding Series 2009A, 8.625%, 9/01/39                                | 9/14 at<br>105.00  | N/R     | 648,546     |
| 2,810   | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38  | 9/13 at<br>103.00  | N/R     | 2,872,551   |
| 2,000   | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39  | 9/13 at<br>102.00  | N/R     | 1,984,260   |
| 1,375   | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39  | 9/13 at<br>103.00  | N/R     | 1,377,035   |
| 370     | Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.500%, 9/01/32  | 9/21 at<br>100.00  | A-      | 438,938     |
| 2,500   | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, Certificates of Participation, Refunding Series 2001A, 5.000%, 10/01/26 – NPMG Insured     | 4/13 at<br>100.00  | A2      | 2,507,675   |
| 148,000 | Total Tax Obligation/Limited<br>Transportation – 3.4% (2.3% of Total Investments)   |                    |         | 151,578,295 |
| 11,750  | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.875%, 1/15/28  | 1/14 at<br>101.00  | BBB-    | 12,090,398  |
|         | U.S. Guaranteed – 10.0% (6.8% of Total Investments) (6)   |                    |         |             |
| 1,690   | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (Pre-refunded 4/01/16) (UB)                             | 4/16 at<br>100.00  | AA (6)  | 1,926,938   |
| 8,210   | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 (Pre-refunded 12/01/13)                                    | 12/13 at<br>100.00 | AAA     | 8,533,638   |
| 2,450   | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 (Pre-refunded 6/01/13) – AGM Insured | 6/13 at<br>100.00  | AA- (6) | 2,481,826   |

Nuveen Investments 51



NZH Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value      |
|---------------------------|---|------------------------------------|-------------|------------|
|                           | U.S. Guaranteed (6) (continued)   |                                    |             |            |
| \$ 660                    | California Statewide Community Development Authority, Revenue Bonds, Thomas Jefferson School of Law, Series 2005A, 4.875%, 10/01/31 (Pre-refunded 10/01/15)                             | 10/15 at 100.00                    | N/R (6)     | \$ 719,789 |
| 2,000                     | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.800%, 12/15/25 (Pre-refunded 12/15/13)   | 12/13 at 102.00                    | A (6)       | 2,127,540  |
| 3,080                     | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)                              | 6/13 at 100.00                     | Aaa         | 3,128,387  |
| 1,940                     | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 (Pre-refunded 9/01/13)                                       | 9/13 at 102.00                     | N/R (6)     | 2,037,078  |
| 1,335                     | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)  | 9/13 at 102.00                     | N/R (6)     | 1,398,426  |
| 1,735                     | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 (Pre-refunded 9/15/13)                              | 9/13 at 100.00                     | A+ (6)      | 1,787,310  |
| 1,125                     | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 (Pre-refunded 9/15/13)                         | 9/13 at 100.00                     | N/R (6)     | 1,163,981  |
| 1,000                     | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 (Pre-refunded 3/01/14) – NPMFG Insured                                     | 3/14 at 100.00                     | AA– (6)     | 1,046,990  |
| 4,110                     | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 (Pre-refunded 5/01/13) – FGIC Insured | 5/13 at 100.00                     | A+ (6)      | 4,146,045  |
| 3,315                     | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/18 (Pre-refunded 4/01/13) – NPMFG Insured       | 4/13 at 100.00                     | AA– (6)     | 3,330,514  |
| 1,345                     | San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30  | 12/17 at 100.00                    | AA– (6)     | 1,615,251  |

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|        |   |                 |      |            |
|--------|---|-----------------|------|------------|
|        | (Pre-refunded 12/15/17) – AMBAC Insured   |                 |      |            |
| 33,995 | Total U.S. Guaranteed Utilities – 4.3% (3.0% of Total Investments)  |                 |      | 35,443,713 |
| 3,815  | Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35   | No Opt. Call    | A    | 4,381,032  |
| 2,000  | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005: 5.000%, 9/01/26 – SYNCORA GTY Insured   | 9/15 at 100.00  | N/R  | 2,072,420  |
| 1,285  | 5.125%, 9/01/31 – SYNCORA GTY Insured   | 9/15 at 100.00  | N/R  | 1,323,820  |
| 5,000  | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36  | 9/13 at 102.00  | Baa2 | 5,095,700  |
| 2,500  | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 – AMBAC Insured (Alternative Minimum Tax)   | 5/13 at 100.00  | A+   | 2,509,075  |
| 14,600 | Total Utilities Water and Sewer – 12.4% (8.5% of Total Investments)   |                 |      | 15,382,047 |
| 1,070  | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/22 – AMBAC Insured   | 6/14 at 100.00  | AA+  | 1,131,461  |
| 2,685  | California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside Desalination Project, Series 2012: 5.000%, 7/01/37 (Alternative Minimum Tax) | No Opt. Call    | Baa3 | 2,805,073  |
| 5,155  | 5.000%, 11/21/45 (Alternative Minimum Tax)  | No Opt. Call    | Baa3 | 5,345,529  |
| 3,000  | East Valley Water District Financing Authority, California, Refunding Revenue Bonds, Series 2010, 5.000%, 10/01/40  | 10/20 at 100.00 | AA–  | 3,319,770  |
| 1,125  | Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 – AGM Insured  | 10/16 at 100.00 | AA–  | 1,178,933  |
| 890    | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFPG Insured   | 4/16 at 100.00  | AA–  | 977,176    |
| 850    | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 – NPFPG Insured  | 6/16 at 100.00  | AA–  | 894,651    |

52 Nuveen Investments



| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value          |
|---------------------------|--|------------------------------------|-------------|----------------|
|                           | Water and Sewer (continued)  |                                    |             |                |
| \$ 2,000                  | Metropolitan Water District of Southern California, Water Revenue Bonds, 2006 Authorization Series 2007A, 5.000%, 7/01/37  | 7/17 at 100.00                     | AAA         | \$ 2,284,520   |
| 3,000                     | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2011A, 5.000%, 11/01/41 | No Opt. Call                       | AA-         | 3,468,810      |
| 19,800                    | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2012A, 5.000%, 11/01/43 | 5/22 at 100.00                     | AA-         | 22,689,810     |
| 39,575                    | Total Water and Sewer  |                                    |             | 44,095,733     |
| \$ 527,039                | Total Investments (cost \$476,283,910) – 145.9%  |                                    |             | 518,068,934    |
|                           | Floating Rate Obligations – (0.2)%   |                                    |             | (845,000)      |
|                           | MuniFund Term Preferred Shares, at Liquidation Value – (44.9)% (7)   |                                    |             | (159,544,500)  |
|                           | Other Assets Less Liabilities – (0.8)%   |                                    |             | (2,516,753)    |
|                           | Net Assets Applicable to Common Shares – 100%  |                                    |             | \$ 355,162,681 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor’s Group (“Standard & Poor’s”), Moody’s Investors Service, Inc. (“Moody’s”) or Fitch, Inc. (“Fitch”) rating. Ratings below BBB by Standard & Poor’s, Baa by Moody’s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (5) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund’s Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund’s custodian to cease accruing additional income on the Fund’s records.
- (6) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (7) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.8%.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.

- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Investments 53

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Nuveen California AMT-Free Municipal Income Fund  
(formerly Nuveen Insured California Tax-Free Advantage Municipal Fund)  
NKX Portfolio of Investments

February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Consumer Staples – 5.3% (3.6% of Total Investments)   |                                    |             |              |
| \$ 1,350                  | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.600%, 6/01/36              | 12/18 at 100.00                    | BB–         | \$ 1,290,762 |
|                           | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:   |                                    |             |              |
| 12,785                    | 5.750%, 6/01/47   | 6/17 at 100.00                     | B           | 11,987,344   |
| 9,500                     | 5.125%, 6/01/47   | 6/17 at 100.00                     | B           | 8,067,020    |
| 14,630                    | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37   | 6/22 at 100.00                     | B           | 13,345,925   |
| 38,265                    | Total Consumer Staples  |                                    |             | 34,691,051   |
|                           | Education and Civic Organizations – 1.9% (1.3% of Total Investments)  |                                    |             |              |
| 1,600                     | California Municipal Finance Authority, Revenue Bonds, Goodwill Industries of Sacramento Valley & Northern Nevada Project, Series 2012A, 6.875%, 1/01/42                          | 1/22 at 100.00                     | N/R         | 1,702,704    |
| 3,000                     | California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 – AMBAC Insured   | 5/15 at 100.00                     | Aa2         | 3,282,180    |
| 1,000                     | California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 – NCFG Insured  | 11/15 at 100.00                    | Aa2         | 1,103,660    |
| 6,000                     | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 – AMBAC Insured  | 5/13 at 100.00                     | Aa1         | 6,056,520    |
| 11,600                    | Total Education and Civic Organizations   |                                    |             | 12,145,064   |
|                           | Health Care – 17.3% (11.7% of Total Investments)  |                                    |             |              |
| 5,000                     | ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26 | 5/13 at 100.00                     | A           | 5,009,250    |
| 1,630                     | California Health Facilities Financing Authority, Revenue Bonds, Childrens Hospital Los Angeles,  | 7/20 at 100.00                     | AA–         | 1,760,041    |

|        |   |                    |              |            |           |
|--------|---|--------------------|--------------|------------|-----------|
|        | Series 2010A, 5.250%, 7/01/38 – AGC Insured   |                    |              |            |           |
|        | California Health Facilities Financing Authority,<br>Revenue Bonds, City of Hope National Medical<br>Center, Series 2012A:  |                    |              |            |           |
| 1,000  | 5.000%, 11/15/35  | No Opt. Call       | AA–          | 1,152,380  |           |
| 1,625  | 5.000%, 11/15/39  | No Opt. Call       | AA–          | 1,842,068  |           |
| 2,000  | California Health Facilities Financing Authority,<br>Revenue Bonds, Memorial Health Services, Series<br>2012A, 5.000%, 10/01/33   |                    | No Opt. Call | AA–        | 2,301,500 |
| 2,000  | California Statewide Communities Development<br>Authority, Revenue Bonds, Cottage Health System<br>Obligated Group, Series 2010, 5.000%, 11/01/40                           | 11/20 at<br>100.00 | AA–          | 2,215,200  |           |
| 4,543  | California Statewide Communities Development<br>Authority, Revenue Bonds, Saint Joseph Health<br>System, Trust 2554, 18.398%, 7/01/47 – AGM<br>Insured (IF)                 | 7/18 at<br>100.00  | AA–          | 6,851,389  |           |
| 1,000  | California Statewide Communities Development<br>Authority, Revenue Bonds, ValleyCare Health<br>System, Series 2007A, 5.125%, 7/15/31  | 7/17 at<br>100.00  | N/R          | 1,034,110  |           |
| 4,000  | California Statewide Community Development<br>Authority, Insured Health Facility Revenue Bonds,<br>Catholic Healthcare West, Series 2008K, 5.500%,<br>7/01/41 – AGC Insured | 7/17 at<br>100.00  | AA–          | 4,448,680  |           |
|        | California Statewide Community Development<br>Authority, Revenue Bonds, Childrens Hospital of<br>Los Angeles, Series 2007:  |                    |              |            |           |
| 4,565  | 5.000%, 8/15/39 – NPMFG Insured   | 8/17 at<br>100.00  | Baa2         | 4,790,785  |           |
| 6,500  | 5.000%, 8/15/47   | 8/17 at<br>100.00  | BBB+         | 6,799,715  |           |
| 1,000  | California Statewide Community Development<br>Authority, Revenue Bonds, Daughters of Charity<br>Health System, Series 2005A, 5.250%, 7/01/30                                | 7/15 at<br>100.00  | BBB          | 1,055,000  |           |
| 20,120 | California Statewide Community Development<br>Authority, Revenue Bonds, Kaiser Permanente<br>System, Series 2006, 5.000%, 3/01/41   | 3/16 at<br>100.00  | A+           | 21,560,391 |           |
| 4,500  | California Statewide Community Development<br>Authority, Revenue Bonds, Kaiser Permanente<br>System, Series 2007A, 4.750%, 4/01/33  | 4/17 at<br>100.00  | A+           | 4,831,695  |           |
| 5,020  | California Statewide Community Development<br>Authority, Revenue Bonds, Kaiser Permanente<br>System, Series 2006, 5.000%, 3/01/41 – BHAC<br>Insured (UB)                    | 3/16 at<br>100.00  | AA+          | 5,497,452  |           |

| Principal<br>Amount (000) | Description (1)  | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|--|------------------------------------|-------------|--------------|
|                           | Health Care (continued)  |                                    |             |              |
| \$ 4,060                  | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured   | No Opt. Call                       | A1          | \$ 4,495,029 |
| 7,500                     | California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 – FGIC Insured      | 7/18 at<br>100.00                  | AA–         | 8,667,600    |
| 10,000                    | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2007C, 5.000%, 8/15/38 – AMBAC Insured                | 8/17 at<br>100.00                  | AA–         | 11,187,800   |
| 2,735                     | California Statewide Community Development Authority, Revenue Bonds, Trinity Health, Series 2011, 5.000%, 12/01/41                               | 12/21 at<br>100.00                 | AA          | 3,080,485    |
| 1,000                     | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39                                  | 11/19 at<br>100.00                 | Baa3        | 1,131,790    |
| 1,145                     | Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41                                  | 11/20 at<br>100.00                 | Baa3        | 1,246,424    |
| 2,400                     | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/47              | 7/17 at<br>100.00                  | Baa2        | 2,458,584    |
| 7,670                     | Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 – AMBAC Insured     | 8/17 at<br>100.00                  | A+          | 8,482,483    |
| 650                       | University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 – AMBAC Insured                             | 5/13 at<br>100.00                  | N/R         | 655,103      |
| 101,663                   | Total Health Care  |                                    |             | 112,554,954  |
|                           | Housing/Multifamily – 0.2% (0.1% of Total Investments)   |                                    |             |              |
| 1,165                     | Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23                               | 5/13 at<br>102.00                  | AA–         | 1,191,492    |
|                           | Long-Term Care – 1.5% (1.0% of Total Investments)  |                                    |             |              |
| 3,000                     | ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Channing House, Series 2010, 6.125%, 5/15/40 | 5/20 at<br>100.00                  | A           | 3,408,930    |
| 2,000                     | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern   | 5/13 at<br>100.00                  | A           | 2,008,360    |

California Retired Officers Community  
Corporation – Paradise Valley Estates, Series 2002,  
5.250%, 1/01/26

|        |   |                |     |           |
|--------|---|----------------|-----|-----------|
| 1,575  | California Health Facilities Financing Authority, Insured Revenue Bonds, California-Nevada Methodist Homes, Series 2006, 5.000%, 7/01/36                              | 7/16 at 100.00 | A   | 1,658,743 |
| 2,250  | California Health Facilities Financing Authority, Insured Revenue Bonds, Community Program for Persons with Developmental Disabilities, Series 2011A, 6.250%, 2/01/26 | 2/21 at 100.00 | A   | 2,791,350 |
| 8,825  | Total Long-Term Care<br>Tax Obligation/General – 29.5% (20.1% of Total Investments)   |                |     | 9,867,383 |
| 1,425  | Bassett Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 5.250%, 8/01/30 – FGIC Insured                               | 8/16 at 100.00 | A–  | 1,594,276 |
| 900    | California State, General Obligation Bonds, Series 2003, 5.000%, 2/01/21  | 8/13 at 100.00 | A1  | 917,478   |
| 3,000  | California State, General Obligation Bonds, Various Purpose Refunding Series 2012, 5.000%, 9/01/42  | No Opt. Call   | A1  | 3,401,520 |
| 6,000  | California State, General Obligation Bonds, Various Purpose Series 2010, 6.000%, 3/01/33  | 3/20 at 100.00 | A1  | 7,453,500 |
| 1,000  | California State, General Obligation Bonds, Various Purpose Series 2011, 5.250%, 9/01/25  | 9/21 at 100.00 | A1  | 1,210,280 |
| 8,500  | California State, General Obligation Bonds, Various Purpose Series 2012, 5.000%, 4/01/42  | 4/22 at 100.00 | A1  | 9,594,715 |
| 835    | California State, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 – NPMG Insured   | 5/13 at 100.00 | A1  | 838,382   |
| 20,750 | Coachella Valley Unified School District, Riverside County, California, General Obligation Bonds, Election 2005 Series 2010C, 0.000%, 8/01/43 – AGM Insured           | No Opt. Call   | AA– | 4,457,930 |
| 7,575  | Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 – AGM Insured                                    | 8/18 at 100.00 | Aa1 | 7,816,870 |
| 2,500  | Corona-Norco Unified School District, Riverside County, California, General Obligation Bonds, Election 2006 Series 2009B, 5.375%, 2/01/34 – AGC Insured               | 8/18 at 100.00 | Aa2 | 2,907,650 |

NKX Nuveen California AMT-Free Municipal Income Fund (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Tax Obligation/General (continued)  |                                    |             |              |
|                           | East Side Union High School District, Santa Clara<br>County, California, General Obligation Bonds,<br>2008 Election Series 2010B:                           |                                    |             |              |
| \$ 3,490                  | 5.000%, 8/01/27 – AGC Insured   | 8/19 at<br>100.00                  | AA–         | \$ 3,967,781 |
| 3,545                     | 5.000%, 8/01/28 – AGC Insured   | 8/19 at<br>100.00                  | AA–         | 3,999,504    |
| 3,110                     | 5.000%, 8/01/29 – AGC Insured   | 8/19 at<br>100.00                  | AA–         | 3,485,439    |
| 10,000                    | East Side Union High School District, Santa Clara<br>County, California, General Obligation Bonds,<br>Series 2005, 0.000%, 8/01/28 – SYNCORA GTY<br>Insured | 8/13 at<br>47.75                   | A           | 4,613,000    |
| 230                       | El Monte Union High School District, Los Angeles<br>County, California, General Obligation Bonds,<br>Series 2003A, 5.000%, 6/01/28 – AGM Insured            | 6/13 at<br>100.00                  | AA          | 232,385      |
| 7,100                     | Fontana Unified School District, San Bernardino<br>County, California, General Obligation Bonds,<br>Trust 2668, 9.639%, 2/01/16 – AGM Insured (IF)          | No Opt. Call                       | AA–         | 9,521,810    |
| 5,000                     | Grossmont Healthcare District, California, General<br>Obligation Bonds, Series 2007A, 5.000%, 7/15/37 –<br>AMBAC Insured                                    | 7/17 at<br>100.00                  | Aa2         | 5,498,650    |
| 1,255                     | Los Angeles Community College District, Los<br>Angeles County, California, General Obligation<br>Bonds, Series 2005A, 5.000%, 8/01/24 – AGM<br>Insured      | 8/15 at<br>100.00                  | Aa1         | 1,384,014    |
| 1,270                     | Merced City School District, Merced County,<br>California, General Obligation Bonds, Series 2004,<br>5.000%, 8/01/22 – FGIC Insured                         | 8/13 at<br>100.00                  | AA–         | 1,292,581    |
| 4,500                     | Mount Diablo Unified School District, Contra<br>Costa County, California, General Obligation<br>Bonds, Series 2010A, 0.000%, 8/01/30 – AGM<br>Insured       | 8/25 at<br>100.00                  | AA–         | 3,327,120    |
| 3,000                     | Murrieta Valley Unified School District, Riverside<br>County, California, General Obligation Bonds,<br>Series 2007, 4.500%, 9/01/30 – AGM Insured           | 9/17 at<br>100.00                  | AA–         | 3,194,670    |
| 13,880                    | New Haven Unified School District, Alameda<br>County, California, General Obligation Bonds,<br>Series 2004A, 0.000%, 8/01/26 – NPFJ Insured                 | No Opt. Call                       | Aa3         | 7,246,470    |
| 2,500                     |   |                                    | N/R         | 2,510,275    |



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|        |  |                   |     |            |
|--------|--|-------------------|-----|------------|
|        | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 – FGIC Insured                                 | 5/13 at<br>100.00 |     |            |
| 16,000 | Poway Unified School District, San Diego County, California, School Facilities Improvement District 2007-1 General Obligation Bonds, Series 2011A, 0.000%, 8/01/46 | No Opt. Call      | Aa2 | 3,309,920  |
| 980    | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 – FGIC Insured                      | 8/15 at<br>100.00 | AA  | 1,070,140  |
| 5,500  | Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 – NPMFG Insured                     | 7/15 at<br>100.00 | AA– | 5,975,750  |
| 1,125  | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 – FGIC Insured          | No Opt. Call      | Aa2 | 900,596    |
| 11,980 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Refunding Series 2012 R-1, 0.000%, 7/01/31                              | No Opt. Call      | Aa2 | 5,544,344  |
| 10,000 | San Francisco Bay Area Rapid Transit District, California, General Obligation Bonds, Election of 2004 Series 2007B, 5.000%, 8/01/32                                | 8/17 at<br>100.00 | AAA | 11,471,200 |
| 2,000  | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 – FGIC Insured                                       | 5/13 at<br>100.00 | A1  | 2,007,600  |
| 5,000  | San Jacinto Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 5.250%, 8/01/32 – AGM Insured                            | 8/17 at<br>100.00 | AA– | 5,692,300  |
| 1,500  | San Juan Capistrano, California, General Obligation Bonds, Open Space Program, Tender Option Bond Trust 3646, 18.111%, 8/01/17 (IF)                                | No Opt. Call      | AAA | 2,318,340  |
|        | San Ysidro School District, San Diego County, California, General Obligation Bonds, 1997 Election Series 2011F:  |                   |     |            |
| 7,230  | 0.000%, 8/01/42 – AGM Insured  | 8/21 at<br>21.00  | AA– | 1,021,165  |
| 10,450 | 0.000%, 8/01/43 – AGM Insured  | 8/21 at<br>19.43  | AA– | 1,376,997  |
| 21,225 | 0.000%, 8/01/44 – AGM Insured  | 8/21 at<br>17.98  | AA– | 2,615,557  |
| 12,550 | 0.000%, 8/01/45 – AGM Insured  | 8/21 at<br>16.64  | AA– | 1,429,571  |
| 23,425 | 0.000%, 8/01/46 – AGM Insured  | 8/21 at<br>15.39  | AA– | 2,482,582  |
| 14,915 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2008, Series 2011C, 0.000%, 8/01/41                   | No Opt. Call      | Aa2 | 3,978,875  |





| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value         |
|---------------------------|---|------------------------------------|-------------|---------------|
|                           | Tax Obligation/General (continued)  |                                    |             |               |
|                           | Stockton Unified School District, San Joaquin County, California, General Obligation Bonds, Election 2008 Series 2011D:   |                                    |             |               |
| \$ 24,280                 | 0.000%, 8/01/47 – AGC Insured   | 8/37 at 100.00                     | AA–         | \$ 13,460,346 |
| 38,845                    | 0.000%, 8/01/50 – AGM Insured   | 8/37 at 100.00                     | AA–         | 21,621,127    |
| 15,780                    | Sylvan Union School District, Stanislaus County, California, General Obligation Bonds, Election of 2006, Series 2010, 0.000%, 8/01/49 – AGM Insured                 | No Opt. Call                       | AA–         | 6,241,306     |
| 3,905                     | West Kern Community College District, California, General Obligation Bonds, Election 2004, Series 2007C, 5.000%, 10/01/32 – SYNCORA GTY Insured                     | 11/17 at 100.00                    | A+          | 4,182,372     |
| 12,520                    | Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42                       | No Opt. Call                       | Aa2         | 5,403,507     |
| 350,575                   | Total Tax Obligation/General  |                                    |             | 192,569,895   |
|                           | Tax Obligation/Limited – 53.0% (35.9% of Total Investments)   |                                    |             |               |
|                           | Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C:  |                                    |             |               |
| 5,130                     | 0.000%, 9/01/18 – AGM Insured   | No Opt. Call                       | AA–         | 4,544,564     |
| 8,000                     | 0.000%, 9/01/21 – AGM Insured   | No Opt. Call                       | AA–         | 6,264,480     |
| 2,235                     | Antioch Public Financing Authority, California, Lease Revenue Refunding Bonds, Municipal Facilities Project, Refunding Series 2002A, 5.500%, 1/01/32 – NCFG Insured | 5/13 at 100.00                     | A           | 2,237,749     |
| 2,000                     | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21          | 8/13 at 102.00                     | BBB         | 2,055,080     |
| 655                       | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Improvement Area 19C, Series 2013A, 5.000%, 9/01/27   | 9/23 at 100.00                     | N/R         | 683,853       |
| 7,895                     | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 – AGM Insured            | 5/13 at 100.00                     | AA–         | 7,924,843     |
| 1,165                     | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 – AMBAC Insured         | 12/13 at 100.00                    | A           | 1,199,694     |

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|        |  |                 |     |            |
|--------|--|-----------------|-----|------------|
| 2,200  | California Infrastructure and Economic Development Bank, Los Angeles County, Revenue Bonds, Department of Public Social Services, Series 2003, 5.000%, 9/01/28 – AMBAC Insured | 9/13 at 101.00  | AA– | 2,239,270  |
|        | California Infrastructure and Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:                                     |                 |     |            |
| 1,215  | 5.000%, 12/01/19 – AMBAC Insured   | 12/13 at 100.00 | AA+ | 1,257,671  |
| 1,535  | 5.000%, 12/01/20 – AMBAC Insured   | 12/13 at 100.00 | AA+ | 1,588,311  |
| 1,615  | 5.000%, 12/01/21 – AMBAC Insured   | 12/13 at 100.00 | AA+ | 1,671,089  |
| 1,780  | 5.000%, 12/01/23 – AMBAC Insured   | 12/13 at 100.00 | AA+ | 1,841,819  |
| 3,725  | California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Series 2005J, 5.000%, 1/01/17 – AMBAC Insured                            | 1/16 at 100.00  | A2  | 4,154,157  |
|        | California State Public Works Board, Lease Revenue Bonds, Department of Education, Riverside Campus Project, Series 2012H:   |                 |     |            |
| 2,790  | 5.000%, 4/01/30  | No Opt. Call    | A2  | 3,198,791  |
| 2,065  | 5.000%, 4/01/31  | No Opt. Call    | A2  | 2,348,297  |
| 4,000  | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.000%, 12/01/27 – AMBAC Insured             | 5/13 at 100.00  | A2  | 4,012,240  |
| 3,100  | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Richmond Lab, Series 2005B, 5.000%, 11/01/30 – SYNCORA GTY Insured                    | 11/15 at 100.00 | A2  | 3,269,973  |
| 4,000  | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30   | 10/19 at 100.00 | A2  | 4,717,520  |
| 2,000  | California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/31   | No Opt. Call    | A2  | 2,289,360  |
| 1,210  | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 – FGIC Insured                   | 9/15 at 100.00  | N/R | 1,249,991  |
| 2,520  | Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured                             | 9/16 at 101.00  | A–  | 2,560,093  |
| 10,190 | Chula Vista Public Financing Authority, California, Pooled Community Facility District Assessment Revenue Bonds, Series 2005A, 4.500%, 9/01/27 – NPFPG Insured                 | 9/15 at 100.00  | BBB | 10,334,698 |



| Nuveen California AMT-Free Municipal Income Fund (continued) |   |                |          |                        |              |
|--|---|----------------|----------|------------------------|--------------|
| Portfolio of Investments                                     |   |                |          |                        |              |
| February 28, 2013  |   |                |          |                        |              |
| Principal  |   |                | Optional |                        |              |
| Amount (000)   | Description (1)   |                | Call     | Provisions Ratings (3) | Value        |
|  |   |                | (2)      |                        |              |
|  | Tax Obligation/Limited (continued)  |                |          |                        |              |
| \$ 1,430   | Cloverdale Community Development Agency, California, Tax Allocation Bonds, Cloverdale Redevelopment Project, Refunding Series 2006, 5.000%, 8/01/36 – AMBAC Insured   | 8/16 at 100.00 |          | N/R                    | \$ 1,452,637 |
|  | Compton Community Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Projects, Second Lien Series 2010B:   |                |          |                        |              |
| 1,230  | 5.000%, 8/01/25   | 8/20 at 100.00 |          | N/R                    | 1,236,015    |
| 530  | 5.750%, 8/01/26   | 8/20 at 100.00 |          | N/R                    | 556,055      |
| 1,900  | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 – AMBAC Insured   | 9/13 at 100.00 |          | N/R                    | 1,908,987    |
| 7,035  | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 – NPFPG Insured   | 9/13 at 100.00 |          | Baa2                   | 7,060,185    |
| 3,145  | Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 – NPFPG Insured   | 5/13 at 100.00 |          | Baa2                   | 3,146,887    |
| 1,905  | Dinuba Redevelopment Agency, California, Tax Allocation Bonds, Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project 2, As Amended, Refunding Series 2001, 5.000%, 9/01/31 – NPFPG Insured | 9/13 at 100.00 |          | BBB+                   | 1,912,334    |
|  | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001:  |                |          |                        |              |
| 10,730   | 5.000%, 1/01/21 – AMBAC Insured   | 7/13 at 100.00 |          | A2                     | 10,751,031   |
| 5,000  | 5.250%, 1/01/34 – AMBAC Insured   | 7/13 at 100.00 |          | A2                     | 5,003,850    |
| 3,000  | Escondido Joint Powers Financing Authority, California, Lease Revenue Bonds, Water System Financing, Series 2012, 5.000%, 9/01/41   | 3/22 at 100.00 |          | AA-                    | 3,351,270    |
| 8,280  |   |                |          | A                      | 8,492,879    |

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|        |   |                    |      |            |
|--------|---|--------------------|------|------------|
|        | Fontana Public Financing Authority, California,<br>Tax Allocation Revenue Bonds, North Fontana<br>Redevelopment Project, Series 2005A, 5.000%,<br>10/01/32 – AMBAC Insured                              | 10/15 at<br>100.00 |      |            |
| 1,000  | Fullerton Community Facilities District 1,<br>California, Special Tax Bonds, Amerige Heights,<br>Refunding Series 2012, 5.000%, 9/01/32   | 9/22 at<br>100.00  | A–   | 1,094,590  |
| 7,250  | Golden State Tobacco Securitization Corporation,<br>California, Enhanced Tobacco Settlement<br>Asset-Backed Revenue Bonds, Series 2005A:<br>5.000%, 6/01/35 – FGIC Insured                              | 6/15 at<br>100.00  | AA–  | 7,624,898  |
| 1,750  | 5.000%, 6/01/45 – AGC Insured   | 6/15 at<br>100.00  | AA–  | 1,836,170  |
| 11,065 | 5.000%, 6/01/45 – AMBAC Insured   | 6/15 at<br>100.00  | A2   | 11,560,261 |
| 7,500  | 5.000%, 6/01/45 – AGC Insured   | 6/15 at<br>100.00  | AA–  | 7,869,300  |
| 20,000 | Golden State Tobacco Securitization Corporation,<br>California, Enhanced Tobacco Settlement<br>Asset-Backed Revenue Bonds, Tender Option<br>Bonds Trust 4686, 9.039%, 6/01/45 – AGC Insured<br>(IF) (4) | 6/15 at<br>100.00  | AA–  | 21,969,600 |
| 2,000  | Golden State Tobacco Securitization Corporation,<br>California, Enhanced Tobacco Settlement Revenue<br>Bonds, Tender Option Bonds Trust 2040, 10.675%,<br>6/01/45 – FGIC Insured (IF)                   | 6/15 at<br>100.00  | A2   | 2,268,560  |
| 3,315  | Hesperia Public Financing Authority, California,<br>Redevelopment and Housing Projects Tax<br>Allocation Bonds, Series 2007A, 5.000%, 9/01/37 –<br>SYNCORA GTY Insured                                  | 9/17 at<br>100.00  | Ba1  | 3,214,788  |
| 1,700  | Hesperia Unified School District, San Bernardino<br>County, California, Certificates of Participation,<br>Capital Improvement, Series 2007, 5.000%,<br>2/01/41 – AMBAC Insured                          | 2/17 at<br>100.00  | A–   | 1,732,300  |
| 435    | Indian Wells Redevelopment Agency, California,<br>Tax Allocation Bonds, Consolidated Whitewater<br>Project Area, Series 2003A, 5.000%, 9/01/20 –<br>AMBAC Insured                                       | 9/13 at<br>100.00  | BBB– | 438,502    |
| 2,115  | Inglewood Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Redevelopment Project,<br>Refunding Series 1998A, 5.250%, 5/01/23 –<br>AMBAC Insured  | No Opt. Call       | N/R  | 2,366,008  |
| 1,665  | Inglewood Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Redevelopment Project,<br>Subordinate Lien Series 2007A-1:<br>5.000%, 5/01/24 – AMBAC Insured                               | 5/17 at<br>100.00  | BBB+ | 1,714,134  |
| 710    | 5.000%, 5/01/25 – AMBAC Insured   | 5/17 at<br>100.00  | BBB+ | 728,496    |

Jurupa Community Services District, California,  
 Special Tax Bonds, Community Facilities District  
 39 Eastvale Area, Series 2012A:

|       |  |                   |     |           |
|-------|--|-------------------|-----|-----------|
| 1,000 | 5.000%, 9/01/37  | 9/22 at<br>100.00 | N/R | 1,031,810 |
| 2,000 | 5.125%, 9/01/42  | 9/22 at<br>100.00 | N/R | 2,064,140 |
| 3,500 | La Quinta Redevelopment Agency, California, Tax<br>Allocation Bonds, Redevelopment Project Area 1,<br>Series 2001, 5.100%, 9/01/31 – AMBAC Insured | 9/13 at<br>100.00 | A+  | 3,523,660 |

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| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)  |                                    |             |              |
| \$ 3,400                  | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2002, 5.000%, 9/01/22 – AMBAC Insured                  | 9/14 at 100.00                     | A+          | \$ 3,475,684 |
| 5,000                     | La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 – AMBAC Insured        | 9/13 at 100.00                     | A+          | 5,043,050    |
|                           | Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Subordinate Refunding Series 2003:   |                                    |             |              |
| 2,505                     | 4.750%, 8/01/23 – NPFPG Insured   | 8/15 at 102.00                     | BBB         | 2,574,288    |
| 2,425                     | 4.750%, 8/01/27 – NPFPG Insured   | 8/15 at 102.00                     | BBB         | 2,470,420    |
| 3,690                     | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured | 9/15 at 100.00                     | A1          | 3,842,987    |
| 1,895                     | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 – AGM Insured               | 12/14 at 100.00                    | AA–         | 2,031,667    |
| 6,000                     | Los Angeles Municipal Improvement Corporation, California, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%, 1/01/31 – FGIC Insured             | 1/17 at 100.00                     | A+          | 6,279,240    |
| 7,460                     | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 – AMBAC Insured                     | 6/13 at 100.00                     | A+          | 7,536,092    |
| 1,500                     | Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 – NPFPG Insured                    | 9/13 at 100.00                     | Baa2        | 1,502,715    |
| 9,270                     | Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 – AMBAC Insured                                 | 8/17 at 100.00                     | A–          | 9,444,461    |
| 800                       | Moreno Valley Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 2003-1, Series 2004, 5.550%, 9/01/29    | 9/14 at 100.00                     | N/R         | 814,296      |
| 2,810                     | Oakland Joint Powers Financing Authority, California, Lease Revenue Bonds, Administration   | 8/18 at 100.00                     | AA–         | 3,255,245    |



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|       |   |                 |      |           |
|-------|---|-----------------|------|-----------|
|       | Building Projects, Series 2008B, 5.000%, 8/01/21 – AGC Insured  |                 |      |           |
| 3,300 | Pacifica, California, Certificates of Participation, Series 2008, 5.375%, 1/01/37 – AMBAC Insured   | 1/16 at 102.00  | A–   | 3,523,773 |
| 5,000 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 – NPFG Insured            | 4/13 at 101.00  | Baa2 | 5,038,850 |
| 1,000 | Palm Springs Financing Authority, California, Lease Revenue Bonds, Convention Center Project, Refunding Series 2004A, 5.500%, 11/01/35 – NPFG Insured       | 11/14 at 102.00 | A    | 1,047,310 |
| 4,140 | Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 – AMBAC Insured                        | 6/13 at 101.00  | A    | 4,194,896 |
| 390   | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 – NPFG Insured           | 5/13 at 100.00  | Baa2 | 390,406   |
| 3,895 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 0.000%, 8/01/32                                       | 8/26 at 100.00  | A+   | 4,128,739 |
| 7,000 | Rancho Cucamonga Redevelopment Agency, California, Housing Set-Aside Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/34 – NPFG Insured                     | 9/17 at 100.00  | A+   | 7,181,580 |
| 1,045 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured                     | 9/15 at 100.00  | A–   | 1,057,383 |
| 3,000 | Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 – SYNCORA GTY Insured      | 10/15 at 100.00 | BBB  | 2,979,780 |
|       | Riverside County, California, Community Facilities District 05-8, Scott Road, Special Tax Bonds Series 2013:  |                 |      |           |
| 660   | 5.000%, 9/01/32   | 9/22 at 100.00  | N/R  | 676,058   |
| 1,250 | 5.000%, 9/01/42   | 9/22 at 100.00  | N/R  | 1,257,513 |
| 1,000 | Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 – NPFG Insured | 9/13 at 100.00  | AA–  | 1,017,930 |
| 5,000 | Roseville Finance Authority, California, Special Tax Revenue Bonds, Series 2007A, 5.000%, 9/01/33 – AMBAC Insured   | 9/17 at 100.00  | N/R  | 5,060,900 |
| 1,305 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured                                      | 8/13 at 100.00  | AA–  | 1,324,536 |
| 3,910 | San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding,   | 9/13 at 100.00  | Baa2 | 3,802,358 |

Police Station Financing Project, Series 1999,  
5.500%, 9/01/20 – NPFG Insured

Nuveen Investments 59

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NKX Nuveen California AMT-Free Municipal Income Fund (continued)  
 Portfolio of Investments  
 February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Tax Obligation/Limited (continued)  |                                    |             |              |
| \$ 4,930                  | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26      | 5/13 at 100.00                     | A           | \$ 4,935,620 |
| 625                       | San Diego, California, Community Facilities District 3 Liberty Station Special Tax Refunding Bonds Series 2013, 5.000%, 9/01/36                               | 9/23 at 100.00                     | N/R         | 662,763      |
| 380                       | San Francisco, California, Community Facilities District 6, Mission Bay South Public Improvements, Special Tax Refunding Bonds, Series 2013A, 5.000%, 8/01/33 | 8/22 at 100.00                     | N/R         | 407,117      |
| 5,150                     | San Jacinto Unified School District, Riverside County, California, Certificates of Participation, Series 2010, 5.375%, 9/01/40 – AGC Insured                  | 9/20 at 100.00                     | AA–         | 5,654,340    |
| 2,770                     | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.000%, 6/01/32 – AMBAC Insured                  | 5/13 at 100.00                     | AA          | 2,786,121    |
| 4,000                     | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 – NPMFG Insured             | 5/13 at 100.00                     | AA          | 4,017,240    |
| 815                       | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C, 5.000%, 8/01/25 – NPMFG Insured             | 8/17 at 100.00                     | BBB         | 849,409      |
| 1,000                     | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2007B, 4.250%, 8/01/36 – SYNCORA GTY Insured       | 8/17 at 100.00                     | BBB         | 907,400      |
| 3,310                     | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A: 5.000%, 8/01/20 – NPMFG Insured                           | 8/15 at 100.00                     | BBB         | 3,415,059    |
| 5,025                     | 5.000%, 8/01/28 – NPMFG Insured   | 8/15 at 100.00                     | BBB         | 5,094,596    |
| 930                       | San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Refunding Series 2012D: 5.000%, 9/01/32  |                                    | N/R         | 993,091      |

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|         |   |  |                    |      |             |
|---------|---|--|--------------------|------|-------------|
|         |   |  | 9/22 at<br>100.00  |      |             |
| 1,000   | 5.000%, 9/01/36   |  | 9/22 at<br>100.00  | N/R  | 1,047,790   |
| 3,000   | Santa Clara Redevelopment Agency, California,<br>Tax Allocation Bonds, Bayshore North Project,<br>Series 1999A, 5.500%, 6/01/23 – AMBAC Insured                                     |  | 6/13 at<br>100.00  | A    | 3,036,210   |
|         | Santa Clarita, California, Special Tax Bonds,<br>Community Facilities District 2002-1 Valencia<br>Town Center, Refunding Series 2012:   |  |                    |      |             |
| 1,110   | 5.000%, 11/15/29  |  | 11/22 at<br>100.00 | N/R  | 1,207,880   |
| 3,895   | 5.000%, 11/15/32  |  | 11/22 at<br>100.00 | N/R  | 4,205,743   |
| 3,500   | Stockton Public Financing Authority, California,<br>Lease Revenue Bonds, Series 2004, 5.250%,<br>9/01/34 – FGIC Insured   |  | 9/14 at<br>100.00  | BB   | 3,169,495   |
|         | Sweetwater Union High School District Public<br>Financing Authority, California, Special Tax<br>Revenue Bonds, Series 2005A:  |  |                    |      |             |
| 3,565   | 5.000%, 9/01/25 – AGM Insured   |  | 9/15 at<br>100.00  | AA–  | 3,835,191   |
| 5,510   | 5.000%, 9/01/28 – AGM Insured   |  | 9/15 at<br>100.00  | AA–  | 5,769,576   |
| 2,160   | Temecula Redevelopment Agency, California, Tax<br>Allocation Revenue Bonds, Redevelopment Project<br>1, Series 2002, 5.125%, 8/01/27 – NPFPG Insured                                |  | 5/13 at<br>100.00  | A–   | 2,194,906   |
| 800     | Tustin Community Redevelopment Agency,<br>California, MCAS Project Area Tax Allocation<br>Bonds, Series 2010, 5.000%, 9/01/35   |  | 9/18 at<br>102.00  | A    | 852,776     |
|         | Tustin Community Redevelopment Agency,<br>California, Tax Allocation Housing Bonds Series<br>2010:  |  |                    |      |             |
| 1,205   | 5.000%, 9/01/30 – AGM Insured   |  | 9/20 at<br>100.00  | AA–  | 1,340,671   |
| 3,250   | 5.250%, 9/01/39 – AGM Insured   |  | 9/20 at<br>100.00  | AA–  | 3,626,090   |
| 1,020   | Washington Unified School District, Yolo County,<br>California, Certificates of Participation, Series<br>2007, 5.125%, 8/01/37 – AMBAC Insured                                      |  | 8/17 at<br>100.00  | A    | 1,080,292   |
| 2,670   | Woodland Finance Authority, California, Lease<br>Revenue Bonds, Series 2002, 5.000%, 3/01/32 –<br>SYNCORA GTY Insured   |  | 5/13 at<br>102.00  | A2   | 2,726,711   |
| 2,805   | Yucaipa-Calimesa Joint Unified School District,<br>San Bernardino County, California, Certificates of<br>Participation, Refunding Series 2001A, 5.000%,<br>10/01/31 – NPFPG Insured |  | 4/13 at<br>100.00  | A2   | 2,806,964   |
| 335,290 | Total Tax Obligation/Limited<br>Transportation – 3.6% (2.4% of Total Investments)   |  |                    |      | 345,128,098 |
| 2,000   | Foothill/Eastern Transportation Corridor Agency,<br>California, Toll Road Revenue Bonds, Series   |  | 7/13 at<br>100.00  | BBB– | 1,999,920   |

1995A, 5.000%, 1/01/35

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| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | Transportation (continued)  |                                    |             |              |
|                           | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999:  |                                    |             |              |
| \$ 6,500                  | 0.000%, 1/15/18 – NPMG Insured  | 7/13 at 77.82                      | Baa2        | \$ 4,955,145 |
| 7,500                     | 5.875%, 1/15/29   | 1/14 at 101.00                     | BBB-        | 7,686,600    |
| 2,000                     | Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2010A, 5.000%, 5/15/40   | 5/20 at 100.00                     | AA          | 2,261,120    |
| 4,000                     | Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 – AMBAC Insured  | 8/13 at 100.00                     | A1          | 4,073,880    |
| 2,400                     | San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 – NPMG Insured  | 9/14 at 100.00                     | A+          | 2,542,320    |
| 24,400                    | Total Transportation  |                                    |             | 23,518,985   |
|                           | U.S. Guaranteed – 12.2% (8.3% of Total Investments) (5)   |                                    |             |              |
|                           | Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A:   |                                    |             |              |
| 1,890                     | 5.250%, 8/01/23 (Pre-refunded 8/01/14) – NPMG Insured   | 8/14 at 100.00                     | AA (5)      | 2,025,456    |
| 1,250                     | 5.250%, 8/01/25 (Pre-refunded 8/01/14) – NPMG Insured   | 8/14 at 100.00                     | AA (5)      | 1,339,588    |
| 2,815                     | California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children’s Hospital, Series 2003C, 5.000%, 8/15/20 (Pre-refunded 8/15/13) – AMBAC Insured            | 8/13 at 100.00                     | AA (5)      | 2,877,887    |
| 2,250                     | California Infrastructure and Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/36 (Pre-refunded 1/01/28) – AMBAC Insured | 1/28 at 100.00                     | Aaa         | 3,018,533    |
| 500                       | California State, General Obligation Bonds, Series 2004, 5.250%, 4/01/34 (Pre-refunded 4/01/14)   | 4/14 at 100.00                     | AAA         | 527,635      |
| 1,275                     | Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 – AMBAC Insured (ETM)  | 9/13 at 100.00                     | N/R (5)     | 1,310,547    |
|                           | El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004:  |                                    |             |              |

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|        |  |                 |          |            |
|--------|--|-----------------|----------|------------|
| 2,580  | 5.250%, 9/01/21 (Pre-refunded 9/01/14) – FGIC Insured  | 9/14 at 100.00  | AA– (5)  | 2,775,512  |
| 1,775  | 5.250%, 9/01/22 (Pre-refunded 9/01/14) – FGIC Insured  | 9/14 at 100.00  | AA– (5)  | 1,909,510  |
| 4,125  | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 (Pre-refunded 6/01/13)   | 6/13 at 100.00  | Aaa      | 4,206,964  |
| 6,000  | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM)                   | No Opt. Call    | Aaa      | 8,736,480  |
| 1,180  | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 (Pre-refunded 8/01/13) – FGIC Insured           | 8/13 at 100.00  | AA– (5)  | 1,203,907  |
|        | Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C:                                    |                 |          |            |
| 2,110  | 5.000%, 8/01/21 (Pre-refunded 8/01/14) – AGM Insured (UB)  | 8/14 at 102.00  | Aa2 (5)  | 2,295,807  |
| 3,250  | 5.000%, 8/01/22 (Pre-refunded 8/01/14) – AGM Insured (UB)  | 8/14 at 102.00  | Aa2 (5)  | 3,536,195  |
| 3,395  | 5.000%, 8/01/23 (Pre-refunded 8/01/14) – AGM Insured (UB)  | 8/14 at 102.00  | Aa2 (5)  | 3,693,964  |
| 1,000  | 5.000%, 8/01/25 (Pre-refunded 8/01/14) – AGM Insured (UB)  | 8/14 at 102.00  | Aa2 (5)  | 1,088,060  |
| 1,710  | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 (Pre-refunded 12/01/13) – NPFG Insured                               | 12/13 at 100.00 | Aa3 (5)  | 1,771,594  |
| 1,000  | Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 (Pre-refunded 9/01/13) – FGIC Insured | 9/13 at 100.00  | A+ (5)   | 1,024,210  |
| 21,185 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 (Pre-refunded 8/01/13) – FGIC Insured (UB) (4)            | 8/13 at 100.00  | AAA      | 21,621,623 |
| 4,640  | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 (Pre-refunded 7/01/14)            | 7/14 at 100.00  | Baa2 (5) | 4,990,320  |
| 1,520  | San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 (Pre-refunded 10/01/14) – AMBAC Insured                     | 10/14 at 100.00 | AA (5)   | 1,634,608  |
|        | Semitropic Water Storage District, Kern County, California, Water Banking Revenue Bonds, Series 2004A:   |                 |          |            |
| 1,315  | 5.500%, 12/01/20 (Pre-refunded 12/01/14) – SYNCORA GTY Insured   | 12/14 at 100.00 | A+ (5)   | 1,434,573  |

|       |   |                    |        |           |
|-------|---|--------------------|--------|-----------|
| 1,415 | 5.500%, 12/01/21 (Pre-refunded 12/01/14) –<br>SYNCORA GTY Insured | 12/14 at<br>100.00 | A+ (5) | 1,543,666 |
|-------|---|--------------------|--------|-----------|

Nuveen Investments 61

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NKX Nuveen California AMT-Free Municipal Income Fund (continued)  
Portfolio of Investments  
February 28, 2013

| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value        |
|---------------------------|---|------------------------------------|-------------|--------------|
|                           | U.S. Guaranteed (5) (continued)   |                                    |             |              |
|                           | Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003:  |                                    |             |              |
| \$ 2,010                  | 5.000%, 10/01/28 (Pre-refunded 10/01/13) – FGIC Insured   | 10/13 at 100.00                    | AA+ (5)     | \$ 2,067,205 |
| 2,530                     | 5.000%, 10/01/33 (Pre-refunded 10/01/13) – FGIC Insured   | 10/13 at 100.00                    | AA+ (5)     | 2,602,004    |
| 72,720                    | Total U.S. Guaranteed   |                                    |             | 79,235,848   |
|                           | Utilities – 3.1% (2.1% of Total Investments)  |                                    |             |              |
| 1,000                     | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 – NPFGE Insured                              | 10/14 at 100.00                    | AA–         | 1,063,210    |
|                           | Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A:  |                                    |             |              |
| 2,490                     | 5.000%, 11/15/35  | No Opt. Call                       | A           | 2,859,441    |
| 945                       | 5.500%, 11/15/37  | No Opt. Call                       | A           | 1,150,774    |
| 275                       | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 – NPFGE Insured  | 7/13 at 100.00                     | AA–         | 279,560      |
| 2,155                     | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 – SYNCORA GTY Insured   | 9/15 at 100.00                     | N/R         | 2,220,103    |
| 100                       | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 – AMBAC Insured | 5/13 at 100.00                     | N/R         | 100,197      |
|                           | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A:  |                                    |             |              |
| 2,800                     | 5.000%, 7/01/24 – NPFGE Insured   | 7/13 at 100.00                     | A+          | 2,843,204    |
| 5,000                     | 5.000%, 7/01/28 – NPFGE Insured   | 7/13 at 100.00                     | A+          | 5,074,650    |
| 4,000                     | Southern California Public Power Authority, California, Milford Wind Corridor Phase I Revenue Bonds, Series 2010-1, 5.000%, 7/01/28                                       | 1/20 at 100.00                     | AA–         | 4,709,040    |
| 18,765                    | Total Utilities   |                                    |             | 20,300,179   |
|                           | Water and Sewer – 19.8% (13.5% of Total Investments)  |                                    |             |              |
| 13,200                    |   |                                    | AA–         | 13,654,080   |

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|        |  |                        |      |            |
|--------|--|------------------------|------|------------|
|        | Atwater Public Financing Authority, California,<br>Wastewater Revenue Bonds, Series 2010, 5.125%,<br>5/01/40 – AGM Insured   | 5/19 at<br>100.00      |      |            |
| 7,200  | California Pollution Control Financing Authority,<br>Water Furnishing Revenue Bonds, Poseidon<br>Resources Channelside Desalination Project, Series<br>2012, 5.000%, 11/21/45        | No Opt. Call<br>100.00 | Baa3 | 7,433,280  |
| 1,000  | Castaic Lake Water Agency, California,<br>Certificates of Participation, Series 2006C, 5.000%,<br>8/01/36 – NPFG Insured   | 8/16 at<br>100.00      | AA–  | 1,098,850  |
| 3,230  | El Dorado Irrigation District, California, Water and<br>Sewer Certificates of Participation, Series 2004A,<br>5.000%, 3/01/21 – FGIC Insured   | 3/14 at<br>100.00      | A+   | 3,376,739  |
| 2,250  | Fortuna Public Finance Authority, California,<br>Water Revenue Bonds, Series 2006, 5.000%,<br>10/01/36 – AGM Insured   | 10/16 at<br>100.00     | AA–  | 2,357,865  |
| 1,480  | Healdsburg Public Financing Authority, California,<br>Wastewater Revenue Bonds, Series 2006, 5.000%,<br>4/01/36 – NPFG Insured   | 4/16 at<br>100.00      | AA–  | 1,624,966  |
| 5,000  | Indio Water Authority, California, Water Revenue<br>Bonds, Series 2006, 5.000%, 4/01/31 – AMBAC<br>Insured   | 4/16 at<br>100.00      | A    | 5,507,550  |
| 12,230 | Los Angeles County Sanitation Districts Financing<br>Authority, California, Capital Projects Revenue<br>Bonds, District 14, Series 2005, 5.000%, 10/01/34 –<br>FGIC Insured          | 10/15 at<br>100.00     | AA–  | 13,342,319 |
|        | Los Angeles County Sanitation Districts Financing<br>Authority, California, Senior Revenue Bonds,<br>Capital Projects, Series 2003A:<br>5.000%, 10/01/21 – AGM Insured               | 10/13 at<br>100.00     | AA+  | 2,776,842  |
| 4,500  | 5.000%, 10/01/23 – AGM Insured   | 10/13 at<br>100.00     | AA+  | 4,625,910  |
| 16,000 | Los Angeles Department of Water and Power,<br>California, Waterworks Revenue Bonds, Series<br>2012A, 5.000%, 7/01/43   | 7/22 at<br>100.00      | AA   | 18,469,760 |
| 1,320  | Marina Coast Water District, California, Enterprise<br>Certificate of Participation, Series 2006, 5.000%,<br>6/01/31 – NPFG Insured  | 6/16 at<br>100.00      | AA–  | 1,389,340  |
| 1,500  | Placerville Public Financing Authority, California,<br>Wastewater System Refinancing and Improvement<br>Project Revenue Bonds, Series 2006, 5.000%,<br>9/01/34 – SYNCORA GTY Insured | 9/16 at<br>100.00      | N/R  | 1,511,505  |
| 9,000  | San Diego County Water Authority, California,<br>Water Revenue Certificates of Participation, Series<br>2008A, 5.000%, 5/01/38 – AGM Insured   | 5/18 at<br>100.00      | AA+  | 10,138,590 |



| Principal<br>Amount (000) | Description (1)   | Optional<br>Call<br>Provisions (2) | Ratings (3) | Value          |
|---------------------------|---|------------------------------------|-------------|----------------|
|                           | Water and Sewer (continued)   |                                    |             |                |
| \$ 3,675                  | San Dieguito Water District, California, Water Revenue Bonds, Refunding Series 2004, 5.000%, 10/01/23 – FGIC Insured                                    | 10/14 at 100.00                    | AA+         | \$ 3,925,562   |
| 4,000                     | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2011A, 5.000%, 11/01/28                              | No Opt. Call                       | AA–         | 4,864,160      |
| 25,000                    | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2012A, 5.000%, 11/01/43                              | 5/22 at 100.00                     | AA–         | 28,648,750     |
|                           | Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A:   |                                    |             |                |
| 1,400                     | 5.000%, 2/01/19 – FGIC Insured  | 2/14 at 100.00                     | AAA         | 1,462,580      |
| 445                       | 5.000%, 2/01/20 – FGIC Insured  | 2/14 at 100.00                     | AAA         | 464,807        |
| 465                       | 5.000%, 2/01/21 – FGIC Insured  | 2/14 at 100.00                     | AAA         | 485,562        |
| 1,180                     | South Feather Water and Power Agency, California, Water Revenue Certificates of Participation, Solar Photovoltaic Project, Series 2003, 5.375%, 4/01/24 | 4/13 at 100.00                     | A           | 1,182,100      |
| 875                       | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 – NPFPG Insured                   | 8/13 at 100.00                     | Aa2         | 889,893        |
| 117,650                   | Total Water and Sewer   |                                    |             | 129,231,010    |
| \$ 1,080,918              | Total Investments (cost \$878,447,266) – 147.4%   |                                    |             | 960,433,959    |
|                           | Floating Rate Obligations – (3.7)%  |                                    |             | (24,125,000)   |
|                           | Variable Rate Demand Preferred Shares, at Liquidation Value – (44.8)% (6)   |                                    |             | (291,600,000)  |
|                           | Other Assets Less Liabilities – 1.1%  |                                    |             | 6,693,392      |
|                           | Net Assets Applicable to Common Shares – 100%   |                                    |             | \$ 651,402,351 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor’s Group (“Standard & Poor’s”), Moody’s Investors Service, Inc. (“Moody’s”) or Fitch, Inc. (“Fitch”) rating. Ratings below BBB by Standard & Poor’s, Baa by Moody’s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4)

Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.

- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
  - (6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.4%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

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Statement of  
Assets & Liabilities

February 28, 2013

|  | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-<br>Free Income<br>(NKX) |
|--|--|--|--|--|--|
| <b>Assets</b>  |  |  |  |  |  |
| Investments, at value (cost<br>\$116,968,208, \$475,458,019,<br>\$316,350,562, \$476,283,910 and<br>\$878,447,266, respectively)     | \$ 130,443,832                           | \$ 531,036,063                               | \$ 347,826,610                                 | \$ 518,068,934                                 | \$ 960,433,959                             |
| Cash   | 306,357                                  | 205,035                                      | 153,502  | 178,705  | —  |
| <b>Receivables:</b>  |  |  |  |  |  |
| Interest   | 1,531,782                                | 7,209,643                                    | 4,762,542                                      | 7,936,390                                      | 11,570,548                                 |
| Investments sold   | —  | 2,160,000                                    | 10,596,383                                     | 225,000  | 220,000                                    |
| Deferred offering costs  | 447,147                                  | 675,189                                      | 954,585  | 1,336,210                                      | 2,587,318                                  |
| Other assets   | 679                                      | 187,947                                      | 36,203   | 56,558   | 333,492                                    |
| <b>Total assets</b>  | <b>132,729,797</b>                       | <b>541,473,877</b>                           | <b>364,329,825</b>                             | <b>527,801,797</b>                             | <b>975,145,317</b>                         |
| <b>Liabilities</b>   |  |  |  |  |  |
| Cash overdraft   | —  | —  | —  | —  | 4,020,780                                  |
| Floating rate obligations  | 5,525,000                                | 25,920,000                                   | 9,380,000                                      | 845,000  | 24,125,000                                 |
| <b>Payables:</b>   |  |  |  |  |  |
| Common share dividends   | 380,084                                  | 1,607,377                                    | 1,083,324                                      | 1,578,113                                      | 2,808,372                                  |
| Interest   | 58,750                                   | —  | 177,866  | 351,709  | —  |
| Investments purchased  | —  | 3,223,359                                    | 14,188,580                                     | 9,614,586                                      | —  |
| Offering costs   | 59,753                                   | —  | 128,724  | 281,183  | 354,919                                    |
| MuniFund Term Preferred (MTP)<br>Shares, at liquidation value  | 35,250,000                               | —  | 97,846,300                                     | 159,544,500                                    | —  |
| Variable Rate Demand Preferred<br>(VRDP) Shares, at liquidation value  | —  | 136,200,000                                  | —  | —  | 291,600,000                                |
| <b>Accrued expenses:</b>   |  |  |  |  |  |
| Management fees  | 62,872                                   | 251,999                                      | 164,814  | 248,931  | 446,144                                    |
| Reorganization   | —  | —  | —  | —  | 102,735                                    |
| Trustees fees  | 487                                      | 60,190                                       | 36,202   | 56,734   | 13,356                                     |
| Other  | 55,393                                   | 115,301                                      | 87,363   | 118,360  | 271,660                                    |
| <b>Total liabilities</b>   | <b>41,392,339</b>                        | <b>167,378,226</b>                           | <b>123,093,173</b>                             | <b>172,639,116</b>                             | <b>323,742,966</b>                         |
| Net assets applicable to Common<br>shares  | \$91,337,458                             | \$374,095,651                                | \$241,236,652                                  | \$355,162,681                                  | \$651,402,351                              |
| Common shares outstanding  | 5,732,845                                | 23,521,356                                   | 14,758,001                                     | 24,151,884                                     | 41,843,761                                 |
| Net asset value per Common share<br>outstanding (net assets applicable to<br>Common shares, divided by<br>Common shares outstanding) | \$15.93                                  | \$15.90                                      | \$16.35  | \$14.71  | \$15.57                                    |
| Net assets applicable to Common<br>shares consist of:  | \$57,328                                 | \$235,214                                    | \$147,580                                      | \$241,519                                      | \$418,438                                  |

Common shares, \$.01 par value per share

|  |              |               |               |               |               |
|--|--------------|---------------|---------------|---------------|---------------|
| Paid-in surplus  | 77,489,589   | 334,997,373   | 208,763,832   | 338,050,061   | 564,096,858   |
| Undistributed (Over-distribution of) net investment income | 1,200,889    | 4,870,082     | 2,689,172     | 1,044,616     | 4,949,136     |
| Accumulated net realized gain (loss)                       | (885,972 )   | (21,585,062 ) | (1,839,980 )  | (25,958,539 ) | (48,774 )     |
| Net unrealized appreciation (depreciation)                 | 13,475,624   | 55,578,044    | 31,476,048    | 41,785,024    | 81,986,693    |
| Net assets applicable to Common shares                     | \$91,337,458 | \$374,095,651 | \$241,236,652 | \$355,162,681 | \$651,402,351 |
| Authorized shares:   |              |               |               |               |               |
| Common   | Unlimited    | Unlimited     | Unlimited     | Unlimited     | Unlimited     |
| Preferred  | Unlimited    | Unlimited     | Unlimited     | Unlimited     | Unlimited     |

See accompanying notes to financial statements.

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Statement of  
Operations

Year Ended February 28, 2013

|   | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-<br>Free Income<br>(NKX) |
|---|--|--|--|--|--|
| Investment Income   | \$6,422,722                              | \$25,604,492                                 | \$17,651,441                                   | \$26,864,840                                   | \$38,361,392                               |
| Expenses  |  |  |  |  |  |
| Management fees   | 816,560                                  | 3,248,829                                    | 2,130,210                                      | 3,217,636                                      | 4,730,022                                  |
| Shareholder servicing agent fees and expenses                                     | 20,761                                   | 3,528  | 22,142   | 29,746   | 13,752                                     |
| Interest expense and amortization of offering costs                               | 908,499                                  | 662,323                                      | 2,717,468                                      | 5,088,611                                      | 870,385                                    |
| Liquidity fees  | —  | 1,406,463                                    | —  | —  | 2,101,430                                  |
| Remarketing fees  | —  | 138,092                                      | —  | —  | 226,200                                    |
| Custodian fees and expenses   | 26,397                                   | 72,951                                       | 58,172   | 85,159   | 126,399                                    |
| Trustees fees and expenses  | 3,548                                    | 13,672                                       | 9,190  | 13,849   | 35,942                                     |
| Professional fees   | 33,392                                   | 86,095                                       | 49,100   | 72,569   | 317,689                                    |
| Shareholder reporting expenses  | 42,500                                   | 70,480                                       | 87,561   | 96,009   | 179,494                                    |
| Stock exchange listing fees   | 15,696                                   | 23,313                                       | 32,480   | 72,657   | 12,994                                     |
| Investor relations expenses   | 12,394                                   | 38,205                                       | 28,576   | 43,638   | 72,329                                     |
| Reorganization expenses   | —  | —  | —  | —  | 43,428                                     |
| Other expenses  | 30,052                                   | 43,858                                       | 37,088   | 42,592   | 101,446                                    |
| Total expenses  | 1,909,799                                | 5,807,809                                    | 5,171,987                                      | 8,762,466                                      | 8,831,510                                  |
| Net investment income (loss)  | 4,512,923                                | 19,796,683                                   | 12,479,454                                     | 18,102,374                                     | 29,529,882                                 |
| Realized and Unrealized Gain (Loss)   |  |  |  |  |  |
| Net realized gain (loss) from investments   | 149,357                                  | (3,428,813 )                                 | 636,916  | 150,288  | 1,609,892                                  |
| Change in net unrealized appreciation (depreciation) of investments               | 3,828,331                                | 29,421,942                                   | 13,401,627                                     | 21,398,391                                     | 24,647,124                                 |
| Net realized and unrealized gain (loss)   | 3,977,688                                | 25,993,129                                   | 14,038,543                                     | 21,548,679                                     | 26,257,016                                 |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$8,490,611                              | \$45,789,812                                 | \$26,517,997                                   | \$39,651,053                                   | \$55,786,898                               |

See accompanying notes to financial statements.

Nuveen Investments 65



Statement of  
Changes in Net Assets

|  | California Premium<br>Income (NCU) |                          | California Dividend<br>Advantage (NAC) |                          | California Dividend<br>Advantage 2 (NVX) |                          |
|--|------------------------------------|--------------------------|--|--------------------------|--|--------------------------|
|  | Year<br>Ended<br>2/28/13           | Year<br>Ended<br>2/29/12 | Year<br>Ended<br>2/28/13               | Year<br>Ended<br>2/29/12 | Year<br>Ended<br>2/28/13                 | Year<br>Ended<br>2/29/12 |
| <b>Operations</b>  |                                    |                          |  |                          |  |                          |
| Net investment income<br>(loss)  | \$4,512,923                        | \$4,835,191              | \$19,796,683                           | \$21,995,697             | \$12,479,454                             | \$13,334,987             |
| Net realized gain (loss)<br>from investments   | 149,357                            | (69,508 )                | (3,428,813 )                           | (4,191,786 )             | 636,916                                  | (1,141,813 )             |
| Change in net<br>unrealized appreciation<br>(depreciation) of<br>investments                             | 3,828,331                          | 13,699,675               | 29,421,942                             | 55,341,444               | 13,401,627                               | 31,781,569               |
| <b>Distributions to<br/>Auction Rate Preferred<br/>Shareholders from net<br/>investment income</b>       |                                    |                          |  |                          |  |                          |
|  | —                                  | —                        | —                                      | (164,318 )               | —  | (18,547 )                |
| Net increase (decrease)<br>in net assets applicable<br>to Common shares<br>from operations               | 8,490,611                          | 18,465,358               | 45,789,812                             | 72,981,037               | 26,517,997                               | 43,956,196               |
| <b>Distributions to<br/>Common Shareholders<br/>From net investment<br/>income</b>                       |                                    |                          |  |                          |  |                          |
|  | (4,943,234 )                       | (4,985,699 )             | (21,498,537 )                          | (21,449,669 )            | (13,939,461 )                            | (14,156,853 )            |
| From accumulated net<br>realized gains   | —                                  | —                        | —                                      | —                        | —  | —                        |
| Decrease in net assets<br>applicable to Common<br>shares from<br>distributions to<br>Common shareholders | (4,943,234 )                       | (4,985,699 )             | (21,498,537 )                          | (21,449,669 )            | (13,939,461 )                            | (14,156,853 )            |
| <b>Capital Share<br/>Transactions</b>  |                                    |                          |  |                          |  |                          |
| <b>Common shares:</b>  |                                    |                          |  |                          |  |                          |
| Issued in the<br>Reorganizations(1)  | —                                  | —                        | —                                      | —                        | —  | —                        |
| Net proceeds from<br>shares issued to<br>shareholders due to<br>reinvestment of<br>distributions         | 34,943                             | —                        | 601,534                                | 42,394                   | 184,119                                  | —                        |
| Net increase (decrease)<br>in net assets applicable<br>to Common shares                                  | 34,943                             | —                        | 601,534                                | 42,394                   | 184,119                                  | —                        |

from capital share  
transactions

|  |              |              |               |               |               |               |
|--|--------------|--------------|---------------|---------------|---------------|---------------|
| Net increase (decrease)<br>in net assets applicable<br>to Common shares                  | 3,582,320    | 13,479,659   | 24,892,809    | 51,573,762    | 12,762,655    | 29,799,343    |
| Net assets applicable to<br>Common shares at the<br>beginning of period                  | 87,755,138   | 74,275,479   | 349,202,842   | 297,629,080   | 228,473,997   | 198,674,654   |
| Net assets applicable to<br>Common shares at the<br>end of period                        | \$91,337,458 | \$87,755,138 | \$374,095,651 | \$349,202,842 | \$241,236,652 | \$228,473,997 |
| Undistributed<br>(Over-distribution of)<br>net investment income<br>at the end of period | \$1,200,889  | \$1,458,906  | \$4,870,082   | \$6,736,623   | \$2,689,172   | \$3,684,167   |

(1) Refer to Footnote 8 Fund Reorganizations for further details.

See accompanying notes to financial statements.

66 Nuveen Investments

|   | California Dividend Advantage 3<br>(NZH) |                          | California AMT-Free Income<br>(NKX) |                          |
|---|--|--------------------------|-------------------------------------|--------------------------|
|   | Year<br>Ended<br>2/28/13                 | Year<br>Ended<br>2/29/12 | Year<br>Ended<br>2/28/13            | Year<br>Ended<br>2/29/12 |
| Operations  |  |                          |                                     |                          |
| Net investment income (loss)  | \$ 18,102,374                            | \$ 19,718,665            | \$ 29,529,882                       | \$ 4,908,577             |
| Net realized gain (loss) from investments   | 150,288                                  | (5,120,796 )             | 1,609,892                           | 29,958                   |
| Change in net unrealized appreciation (depreciation) of investments                               | 21,398,391                               | 50,296,977               | 24,647,124                          | 11,150,968               |
| Distributions to Auction Rate Preferred Shareholders from net investment income                   | —  | (62,212 )                | —                                   | —                        |
| Net increase (decrease) in net assets applicable to Common shares from operations                 | 39,651,053                               | 64,832,634               | 55,786,898                          | 16,089,503               |
| Distributions to Common Shareholders  |  |                          |                                     |                          |
| From net investment income  | (20,500,040 )                            | (21,716,912 )            | (26,767,462 )                       | (4,874,826 )             |
| From accumulated net realized gains   | —  | —                        | (669,297 )                          | —                        |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders      | (20,500,040 )                            | (21,716,912 )            | (27,436,759 )                       | (4,874,826 )             |
| Capital Share Transactions  |  |                          |                                     |                          |
| Common shares:  |  |                          |                                     |                          |
| Issued in the Reorganizations(1)  | —  | —                        | 535,519,809                         | —                        |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions              | 181,312                                  | 151,583                  | 801,530                             | 23,555                   |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 181,312                                  | 151,583                  | 536,321,339                         | 23,555                   |
| Net increase (decrease) in net assets applicable to Common shares                                 | 19,332,325                               | 43,267,305               | 564,671,478                         | 11,238,232               |
| Net assets applicable to Common shares at the beginning of period                                 | 335,830,356                              | 292,563,051              | 86,730,873                          | 75,492,641               |
| Net assets applicable to Common shares at the end of period                                       | \$ 355,162,681                           | \$ 335,830,356           | \$ 651,402,351                      | \$ 86,730,873            |
| Undistributed (Over-distribution of) net investment income at the end of period                   | \$ 1,044,616                             | \$ 2,623,057             | \$ 4,949,136                        | \$ 1,216,642             |

(1) Refer to Footnote 1 – General Information and Significant Accounting Policies, Fund Reorganizations for further details.

See accompanying notes to financial statements.



Statement of  
Cash Flows

Year Ended February 28, 2013

|  | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) |
|--|--|--|--|
| <b>Cash Flows from Operating Activities:</b>   |  |  |  |
| Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations  | \$8,490,611                              | \$45,789,812                                 | \$26,517,997                                   |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities: |  |  |  |
| Purchases of investments   | (14,140,740)                             | (64,448,320)                                 | (80,539,166)                                   |
| Proceeds from sales and maturities of investments  | 13,145,684                               | 70,946,295                                   | 76,673,501                                     |
| Assets and (Liabilities) acquired in the Reorganization, net   | —  | —  | —  |
| Amortization (Accretion) of premiums and discounts, net  | (177,532 )                               | (1,013,519 )                                 | (190,286 )                                     |
| (Increase) Decrease in:  |  |  |  |
| Receivable for interest  | (45,649 )                                | 440,772                                      | 161,283  |
| Receivable for investments sold  | 2,350,000                                | (2,160,000 )                                 | (10,586,083)                                   |
| Other assets   | 2,795                                    | (5,290 )                                     | 4,306  |
| Increase (Decrease) in:  |  |  |  |
| Payable for interest   | (1,951 )                                 | —  | (5,947 )                                       |
| Payable for investments purchased  | (503,450 )                               | (1,330,641 )                                 | 12,842,680                                     |
| Accrued management fees  | (943 )                                   | 208  | (876 )   |
| Accrued reorganization expenses  | —  | —  | —  |
| Accrued Trustees fees  | (793 )                                   | 236  | (75 )  |
| Accrued other expenses   | 5,168                                    | (1,604 )                                     | 14,842   |
| Net realized (gain) loss from investments  | (149,357 )                               | 3,428,813                                    | (636,916 )                                     |
| Change in net unrealized (appreciation) depreciation of investments  | (3,828,331 )                             | (29,421,942)                                 | (13,401,627)                                   |
| Taxes paid on undistributed capital gains  | —  | (7,383 )                                     | (7,738 )                                       |
| Net cash provided by (used in) operating activities  | 5,145,512                                | 22,217,437                                   | 10,845,895                                     |
| <b>Cash Flows from Financing Activities:</b>   |  |  |  |
| (Increase) Decrease in deferred offering costs   | 172,711                                  | (39,759 )                                    | 525,658  |
| Increase (Decrease) in:  |  |  |  |
| Cash overdraft balance   | —  | —  | —  |
| Floating rate obligations  | (1,125,000 )                             | (2,625,000 )                                 | (2,010,000 )                                   |
| Payable for offering costs   | 5,038                                    | (38,004 )                                    | (69,224 )                                      |
| VRDP Shares, at liquidation value  | —  | —  | —  |
| Cash distributions paid to Common shareholders   | (4,923,120 )                             | (21,049,759)                                 | (13,825,867)                                   |
| Net cash provided by (used in) financing activities  | (5,870,371 )                             | (23,752,522)                                 | (15,379,433)                                   |
| Net Increase (Decrease) in Cash  | (724,859 )                               | (1,535,085 )                                 | (4,533,538 )                                   |
| Cash at the beginning of period  | 1,031,216                                | 1,740,120                                    | 4,687,040                                      |
| Cash at the End of Period  | \$306,357                                | \$205,035                                    | \$153,502                                      |

## Supplemental Disclosure of Cash Flow Information

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

|  | California<br>Premium Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) |
|--|---------------------------------------|--|--|
|  | \$ 34,943                             | \$ 601,534                                   | \$ 184,119                                     |

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

|  | California<br>Premium Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) |
|--|---------------------------------------|--|--|
|  | \$ 737,738                            | \$ 639,521                                   | \$ 2,197,757                                   |

See accompanying notes to financial statements.

|  | California Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|--|---|---|
| <b>Cash Flows from Operating Activities:</b>   |   |   |
| Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations  | \$ 39,651,053                               | \$ 55,786,898                             |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities: |   |   |
| Purchases of investments   | (108,756,073)                               | (184,225,894)                             |
| Proceeds from sales and maturities of investments  | 100,583,352                                 | 148,960,327                               |
| Assets and (Liabilities) acquired in the Reorganization, net   | —   | (210,686,974)                             |
| Amortization (Accretion) of premiums and discounts, net  | (233,502 )                                  | (3,579,422 )                              |
| (Increase) Decrease in:  |   |   |
| Receivable for interest  | 47,082                                      | (10,084,453 )                             |
| Receivable for investments sold  | 1,165,980                                   | (220,000 )                                |
| Other assets   | 8,575                                       | (297,827 )                                |
| Increase (Decrease) in:  |   |   |
| Payable for interest   | (11,745 )                                   | —   |
| Payable for investments purchased  | 6,231,052                                   | —   |
| Accrued management fees  | (1,632 )                                    | 383,566                                   |
| Accrued reorganization expenses  | —   | 102,735                                   |
| Accrued Trustees fees  | (25 )                                       | 12,063                                    |
| Accrued other expenses   | 27,847                                      | 104,645                                   |
| Net realized (gain) loss from investments  | (150,288 )                                  | (1,609,892 )                              |
| Change in net unrealized (appreciation) depreciation of investments  | (21,398,391 )                               | (24,647,124 )                             |
| Taxes paid on undistributed capital gains  | (7,910 )                                    | —   |
| Net cash provided by (used in) operating activities  | 17,155,375                                  | (230,001,352)                             |
| <b>Cash Flows from Financing Activities:</b>   |   |   |
| (Increase) Decrease in deferred offering costs   | 790,629                                     | (2,114,478 )                              |
| Increase (Decrease) in:  |   |   |
| Cash overdraft balance   | —   | 4,020,780                                 |
| Floating rate obligations  | (3,000,000 )                                | (4,500,000 )                              |
| Payable for offering costs   | (90,950 )                                   | 354,919                                   |
| VRDP Shares, at liquidation value  | —   | 256,100,000                               |
| Cash distributions paid to Common shareholders   | (20,496,367 )                               | (24,228,100 )                             |
| Net cash provided by (used in) financing activities  | (22,796,688 )                               | 229,633,121                               |
| Net Increase (Decrease) in Cash  | (5,641,313 )                                | (368,231 )                                |
| Cash at the beginning of period  | 5,820,018                                   | 368,231                                   |
| Cash at the End of Period  | \$ 178,705                                  | \$ —                                      |

**Supplemental Disclosure of Cash Flow Information**

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

|  | California Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|--|---|---|
|--|---|---|

|  |           |           |
|--|-----------|-----------|
|  | \$181,312 | \$801,530 |
|--|-----------|-----------|

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

| California Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|---|---|
| \$4,230,427                                 | \$798,710                                 |

See accompanying notes to financial statements.

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Financial Highlights

Selected data for a Common share outstanding throughout each period:

| Beginning Common Share                     | Investment Operations      |                            |   |   |                       | Less Distributions  |  |   |                 |      | Ending Common Share | Ending Market Value |
|--|----------------------------|----------------------------|---|---|-----------------------|---|--|---|-----------------|------|---------------------|---------------------|
|  | Net Investment Asset Value | Net Realized Income (Loss) | Distributions from Realized Auction Rate Preferred Shares | Distributions from Accumulated Net Realized Auction Rate Preferred Shares | Net Investment Income | From Accumulated Net Realized Income to Common Shareholders | From Net Realized Gains to Common Shareholders | Discount from Common Shares Repurchased and Retired | Net Asset Value |      |                     |                     |
| <b>California Premium Income (NCU)</b>     |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| Year Ended 2/28-2/29:                      |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| 2013                                       | \$ 15.31                   | \$.79                      | \$.69   | \$ —  | \$ —                  | \$ 1.48   | \$ (.86)                                       | \$ —  | \$ (.86)        | \$ — | \$ 15.93            | \$ 15.78            |
| 2012                                       | 12.96                      | .84                        | 2.38  | —   | —                     | 3.22  | (.87)  | —   | (.87)           | —    | 15.31               | 15.15               |
| 2011                                       | 13.71                      | .92                        | (.79 )  | (.02 )  | —                     | .11   | (.86)  | —   | (.86)           | — ** | 12.96               | 12.28               |
| 2010                                       | 12.37                      | .95                        | 1.13  | (.03 )  | —                     | 2.05  | (.72)  | —   | (.72)           | .01  | 13.71               | 12.11               |
| 2009(f)                                    | 13.67                      | .43                        | (1.29 )   | (.10 )  | — **                  | (.96 )  | (.33)  | (.01 )  | (.34)           | — ** | 12.37               | 10.06               |
| Year Ended 8/31:                           |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| 2008                                       | 14.06                      | .92                        | (.43 )  | (.24 )  | —                     | .25   | (.64)  | —   | (.64)           | —    | 13.67               | 12.58               |
| <b>California Dividend Advantage (NAC)</b> |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| Year Ended 2/28-2/29:                      |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| 2013                                       | 14.87                      | .84                        | 1.11  | —   | —                     | 1.95  | (.92)  | —   | (.92)           | —    | 15.90               | 15.81               |
| 2012                                       | 12.68                      | .94                        | 2.17  | (.01 )  | —                     | 3.10  | (.91)  | —   | (.91)           | —    | 14.87               | 15.14               |
| 2011                                       | 13.88                      | .98                        | (1.27 )   | (.02 )  | —                     | (.31 )  | (.89)  | —   | (.89)           | —    | 12.68               | 12.20               |
| 2010                                       | 12.10                      | 1.01                       | 1.63  | (.03 )  | (.02 )                | 2.59  | (.81)  | —   | (.81)           | —    | 13.88               | 12.60               |
| 2009(f)                                    | 14.43                      | .49                        | (2.07 )   | (.09 )  | (.02 )                | (1.69)  | (.38)  | (.26)   | (.64)           | —    | 12.10               | 10.82               |
| Year Ended 8/31:                           |                            |                            |   |   |                       |   |  |   |                 |      |                     |                     |
| 2008                                       | 14.93                      | 1.02                       | (.50 )  | (.23 )  | (.01 )                | .28   | (.74)  | (.04)   | (.78)           | —    | 14.43               | 13.44               |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first

business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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Ratios/Supplemental Data

| Total Returns |   | Based on<br>Market<br>Value(b) |   | Ending<br>Net<br>Assets<br>Applicable<br>to<br>Common<br>Shares<br>(000) |      | Ratios to Average Net<br>Assets Applicable to<br>Common Shares Before<br>Reimbursement(c) |                                       |             | Ratios to Average Net<br>Assets<br>Applicable to Common<br>Shares After<br>Reimbursement(c)(d) |             |                                       | Portfolio<br>Turnover<br>Rate |    |
|---------------|---|--------------------------------|---|--|------|---|---------------------------------------|-------------|--|-------------|---------------------------------------|-------------------------------|----|
|               |   |                                |   |  |      | Expenses(e)   | Net<br>Investment<br>Income<br>(Loss) | Expenses(e) | Net<br>Investment<br>Income<br>(Loss)  | Expenses(e) | Net<br>Investment<br>Income<br>(Loss) |                               |    |
| 10.10         | % | 9.89                           | % | \$91,337   | 2.12 | %   | 5.01                                  | %           | N/A  | N/A         | 10                                    | %                             |    |
| 31.68         |   | 25.65                          |   | 87,755   | 2.29 |   | 6.02                                  |             | N/A  | N/A         | 14                                    |                               |    |
| 8.34          |   | .63                            |   | 74,275   | 1.69 |   | 6.66                                  |             | N/A  | N/A         | 5                                     |                               |    |
| 28.13         |   | 17.06                          |   | 78,581   | 1.30 |   | 7.18                                  |             | N/A  | N/A         | 10                                    |                               |    |
| (17.22        | ) | (6.92                          | ) | 71,260   | 1.57 | *   | 7.06                                  | *           | N/A  | N/A         | 14                                    |                               |    |
| 1.51          |   | 1.81                           |   | 78,966   | 1.34 |   | 6.56                                  |             | N/A  | N/A         | 5                                     |                               |    |
| 10.80         |   | 13.39                          |   | 374,096  | 1.60 |   | 5.44                                  |             | N/A  | N/A         | 12                                    |                               |    |
| 32.82         |   | 25.30                          |   | 349,203  | 1.50 |   | 6.84                                  |             | N/A  | N/A         | 13                                    |                               |    |
| 3.54          |   | (2.57                          | ) | 297,629  | 1.18 |   | 7.18                                  |             | N/A  | N/A         | 20                                    |                               |    |
| 24.62         |   | 21.97                          |   | 325,791  | 1.21 |   | 7.63                                  | 1.18        | %  | 7.66        | %                                     | 4                             |    |
| (14.14        | ) | (11.45                         | ) | 284,221  | 1.31 | *   | 7.92                                  | *           | 1.24   | *           | 7.99                                  | *                             | 14 |
| (.84          | ) | 1.85                           |   | 338,732  | 1.26 |   | 6.77                                  |             | 1.11   |             | 6.92                                  |                               | 19 |

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares (“ARPS”), MTP Shares and/or VRDP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. As of July 31, 2009, the Adviser is no longer reimbursing California Dividend Advantage (NAC) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares, VRDP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, each as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

California Premium Income (NCU)

Year Ended 2/28-2/29:

|      |       |
|------|-------|
| 2013 | 1.01% |
| 2012 | 1.14  |
| 2011 | .55   |
| 2010 | .06   |

|                                     |      |
|-------------------------------------|------|
| 2009(f)                             | .20* |
| Year Ended 8/31:                    |      |
| 2008                                | .11  |
| California Dividend Advantage (NAC) |      |
| Year Ended 2/28-2/29:               |      |
| 2013                                | .61% |
| 2012                                | .46  |
| 2011                                | .06  |
| 2010                                | .08  |
| 2009(f)                             | .14* |
| Year Ended 8/31:                    |      |
| 2008                                | .11  |

(f) For the six months ended February 28, 2009.

\* Annualized.

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

N/A Fund did not have, or no longer has, a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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Financial  
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

| Beginning<br>Common<br>Share<br>Net<br>Asset<br>Value | Investment Operations       |   |   |   |  | Less<br>Distributions   |   |       |         |       | Ending<br>Common<br>Share<br>Net<br>Asset<br>Value | Ending<br>Market<br>Value |       |
|---|-----------------------------|---|---|---|--|---|---|-------|---------|-------|--|---------------------------|-------|
|   | Investment<br>Income<br>Net | Realized<br>Gains<br>to<br>Auction<br>Rate<br>Preferred<br>Shareholders | Distributions<br>from<br>Accumulated<br>Net<br>Investment<br>Income<br>to<br>Auction<br>Rate<br>Preferred<br>Shareholders | Realized<br>Gains<br>to<br>Auction<br>Rate<br>Preferred<br>Shareholders | From<br>Accumulated<br>Net<br>Investment<br>Income<br>to<br>Common<br>Shareholders | From<br>Accumulated<br>Net<br>Realized<br>Gains<br>to<br>Common<br>Shareholders | Discount<br>from<br>Common<br>Shares<br>Repurchased<br>and<br>Retired | Total | Total   |       |  |                           |       |
| <b>California Dividend Advantage 2 (NVX)</b>          |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| Year Ended 2/28-2/29:                                 |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| 2013  | \$ 15.49                    | \$ .85  | \$ .96  | \$ —  | \$ —   | \$ 1.81   | \$(.95)   | \$ —  | \$(.95) | \$ —  | \$ 16.35   | \$ 16.30                  |       |
| 2012  | 13.47                       | .90   | 2.08  | —   | **   | —   | 2.98  | (.96) | —       | (.96) | —  | 15.49                     | 15.58 |
| 2011  | 14.49                       | 1.03  | (1.07)  | (.02)   | —  | (.06)   | (.96)   | —     | (.96)   | —     | 13.47  | 12.83                     |       |
| 2010  | 12.91                       | 1.07  | 1.43  | (.04)   | —  | 2.46  | (.88)   | —     | (.88)   | —**   | 14.49  | 13.56                     |       |
| 2009(f)   | 14.39                       | .51   | (1.47)  | (.11)   | (.01)  | (1.08)  | (.36)   | (.04) | (.40)   | —**   | 12.91  | 10.51                     |       |
| Year Ended 8/31:                                      |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| 2008  | 14.69                       | 1.01  | (.37)   | (.25)   | —  | .39   | (.69)   | —     | (.69)   | —     | 14.39  | 12.67                     |       |
| <b>California Dividend Advantage 3 (NZH)</b>          |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| Year Ended 2/28-2/29:                                 |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| 2013  | 13.91                       | .75   | .90   | —   | —  | 1.65  | (.85)   | —     | (.85)   | —     | 14.71  | 14.25                     |       |
| 2012  | 12.13                       | .82   | 1.86  | —   | **   | —   | 2.68  | (.90) | —       | (.90) | —  | 13.91                     | 14.35 |
| 2011  | 13.18                       | .88   | (1.02)  | (.01)   | —  | (.15)   | (.90)   | —     | (.90)   | —     | 12.13  | 11.67                     |       |
| 2010  | 11.53                       | .98   | 1.53  | (.03)   | —  | 2.48  | (.83)   | —     | (.83)   | —     | 13.18  | 12.67                     |       |
| 2009(f)   | 13.62                       | .50   | (2.13)  | (.09)   | —  | (1.72)  | (.37)   | —     | (.37)   | —**   | 11.53  | 10.23                     |       |
| Year Ended 8/31:                                      |                             |   |   |   |  |   |   |       |         |       |  |                           |       |
| 2008  | 14.25                       | 1.03  | (.70)   | (.25)   | —  | .08   | (.71)   | —     | (.71)   | —     | 13.62  | 12.87                     |       |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per

share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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| Total Returns            |          | Ratios/Supplemental Data                 |   |            |   |   |                              |  |                            |   |  |   |                         |
|--------------------------|----------|--|---|------------|---|---|------------------------------|--|----------------------------|---|--|---|-------------------------|
|                          |          | Based on Common Share Net Asset Value(b) |   |            | Ending Net Assets Applicable to Common Shares (000) |   |                              | Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c) |                            |   | Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) |   |                         |
| Based on Market Value(b) | %        |  | % | \$         |   | % | Net Investment Income (Loss) | %  | Net Investment Expenses(e) | % | Net Investment Income (Loss)   | % | Portfolio Turnover Rate |
| 11.03                    | %        | 11.94                                    | % | \$ 241,237 | 2.19  | % | 5.29                         | %  | N/A                        | % | N/A  | % | 23                      |
| 30.01                    |          | 22.90                                    |   | 228,474    | 2.30  |   | 6.29                         |  | 2.30                       | % | 6.30   | % | 12                      |
| 1.37                     | (.64 )   |  |   | 198,675    | 1.36  |   | 7.10                         |  | 1.28                       |   | 7.19   |   | 13                      |
| 38.29                    |          | 19.52                                    |   | 213,687    | 1.20  |   | 7.58                         |  | 1.04                       |   | 7.74   |   | 4                       |
| (13.83 )                 | (7.40 )  |  |   | 190,824    | 1.37  | * | 7.85                         | *  | 1.14                       | * | 8.08   | * | 7                       |
| (2.80 )                  |          | 2.76                                     |   | 212,890    | 1.25  |   | 6.56                         |  | .99                        |   | 6.83   |   | 20                      |
| 5.41                     |          | 12.15                                    |   | 355,163    | 2.53  |   | 5.22                         |  | N/A                        |   | N/A  |   | 20                      |
| 31.93                    |          | 22.89                                    |   | 335,830    | 2.56  |   | 6.28                         |  | 2.52                       |   | 6.33   |   | 18                      |
| (1.21 )                  | (1.40 )  |  |   | 292,563    | 2.07  |   | 6.61                         |  | 1.94                       |   | 6.74   |   | 16                      |
| 32.93                    |          | 22.17                                    |   | 317,860    | 1.36  |   | 7.68                         |  | 1.16                       |   | 7.88   |   | 6                       |
| (17.58 )                 | (12.54 ) |  |   | 278,056    | 1.39  | * | 8.50                         | *  | 1.13                       | * | 8.75   | * | 9                       |
| .46                      |          | .60                                      |   | 328,659    | 1.21  |   | 6.96                         |  | .90                        |   | 7.27   |   | 23                      |

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011 and September 30, 2011, the Adviser is no longer reimbursing California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH), respectively, for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

California Dividend Advantage 2 (NVX)

Year Ended 2/28-2/29:

|                  |       |
|------------------|-------|
| 2013             | 1.15% |
| 2012             | 1.25  |
| 2011             | .26   |
| 2010             | .04   |
| 2009(f)          | .05*  |
| Year Ended 8/31: |       |
| 2008             | .09   |

California Dividend Advantage 3 (NZH)

|                       |       |
|-----------------------|-------|
| Year Ended 2/28-2/29: |       |
| 2013                  | 1.47% |
| 2012                  | 1.49  |
| 2011                  | .94   |
| 2010                  | .19   |
| 2009(f)               | .12*  |
| Year Ended 8/31:      |       |
| 2008                  | .02   |

(f) For the six months ended February 28, 2009.

\* Annualized.

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

N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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Selected data for a Common share outstanding throughout each period:

|                                     | Investment Operations                                 |                                       |   |  |   | Less Distributions  |  |   |  |       | Ending<br>Common<br>Share<br>Net<br>Asset<br>Value | Ending<br>Market<br>Value |       |
|-------------------------------------|---|---------------------------------------|---|--|---|---|--|---|--|-------|--|---------------------------|-------|
|                                     | Beginning<br>Common<br>Share<br>Net<br>Asset<br>Value | Net<br>Investment<br>Income<br>(Loss) | Realized/<br>Unrealized<br>Gain<br>(Loss) | Distributions<br>from<br>Auction<br>Rate<br>Preferred<br>Shareholders<br>(a) | Net<br>Realized<br>Gains<br>to<br>Auction<br>Rate<br>Preferred<br>Shareholders<br>(a) | From<br>Accumulated<br>Net<br>Investment<br>Income<br>to<br>Common<br>Share-<br>holders | From<br>Accumulated<br>Net<br>Realized<br>Gains<br>to<br>Common<br>Share-<br>holders | Discount<br>from<br>Common<br>Shares<br>Repurchased<br>and<br>Retired | Common<br>Share<br>Net<br>Asset<br>Value |       |  |                           |       |
| California AMT-Free<br>Income (NKX) |   |                                       |   |  |   |   |  |   |  |       |  |                           |       |
| Year Ended 2/28-2/29:               |   |                                       |   |  |   |   |  |   |  |       |  |                           |       |
| 2013                                | \$ 14.73  | \$.77                                 | \$.97                                     | \$ —   | \$ —  | \$ 1.74   | \$(.88)  | \$ (.02)  | \$(.90)                                  | \$ —  | \$ 15.57   | \$ 15.12                  |       |
| 2012                                | 12.82   | .83                                   | 1.91                                      | —  | —   | 2.74  | (.83)  | —   | (.83)                                    | —     | 14.73  | 15.06                     |       |
| 2011                                | 14.03   | .81                                   | (1.22)                                    | —  | —   | (.41)   | (.80)  | —   | (.80)                                    | —     | 12.82  | 11.78                     |       |
| 2010                                | 12.85   | .85                                   | 1.09                                      | —  | —   | 1.94  | (.76)  | —   | (.76)                                    | —     | 14.03  | 12.87                     |       |
| 2009(f)                             | 14.19   | .39                                   | (1.32)                                    | —  | **  | (.01)   | (.94)  | (.35)   | (.05)                                    | (.40) | —  | 12.85                     | 11.75 |
| Year Ended 8/31:                    |   |                                       |   |  |   |   |  |   |  |       |  |                           |       |
| 2008                                | 14.47   | .97                                   | (.30)                                     | (.24)  | —   | .43   | (.71)  | —   | (.71)                                    | —     | 14.19  | 13.78                     |       |

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

| Total Returns            |   | Ratios/Supplemental Data                 |   |   |  |   |                              |  |                              |     |                         |     |
|--------------------------|---|--|---|---|--|---|------------------------------|--|------------------------------|-----|-------------------------|-----|
|                          |   | Based on                                 |   |   | Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c) |   |                              | Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) |                              |     |                         |     |
| Based on Market Value(b) | % | Based on Common Share Net Asset Value(b) | % | Ending Net Assets Applicable to Common Shares (000) | Expenses(e)  | % | Net Investment Income (Loss) | %  | Net Investment Income (Loss) | %   | Portfolio Turnover Rate |     |
| 6.53                     | % | 12.08                                    | % | \$ 651,402  | 1.64   | % | 5.48                         | %  | N/A                          | N/A | 20                      | %   |
| 36.10                    |   | 21.95                                    |   | 86,731  | 1.90   |   | 6.03                         |  | N/A                          | N/A | 7                       |     |
| (2.71)                   | ) | (3.18)                                   | ) | 75,493  | 2.06   |   | 5.74                         |  | 1.97                         | %   | 5.83                    | %   |
| 16.39                    |   | 15.49                                    |   | 82,579  | 1.68   |   | 6.11                         |  | 1.47                         |     | 6.32                    | —   |
| (11.55)                  | ) | (6.42)                                   | ) | 75,661  | 2.57   | * | 5.89                         | *  | 2.27                         | *   | 6.19                    | *** |
| .12                      |   | 2.97                                     |   | 83,531  | 1.33   |   | 6.28                         |  | .94                          |     | 6.67                    | 28  |

- (c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to VRDP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. As of November 30, 2010, the Adviser is no longer reimbursing California AMT-Free Income (NKX) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to VRDP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

California AMT-Free Income (NKX)

| Year Ended 2/28-2/29: |       |
|-----------------------|-------|
| 2013                  | .59%  |
| 2012                  | .67   |
| 2011                  | .92   |
| 2010                  | .57   |
| 2009(f)               | 1.03* |
| Year Ended 8/31:      |       |
| 2008                  | .08   |

(f) For the six months ended February 28, 2009.

\* Annualized.

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

\*\*\* Calculates to less than 1%.

N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.



Financial  
 Highlights (continued)

|  | ARPS at the End of<br>Period                |   | VRDP Shares at the End<br>of Period         |  | MTP Shares at the End of<br>Period (g)      |  |
|--|---|---|---|--|---|--|
|  | Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage<br>Per<br>\$25,000<br>Share | Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage<br>Per<br>\$100,000<br>Share | Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage<br>Per \$10<br>Share |
| <b>California Premium Income (NCU)</b>     |   |   |   |  |   |  |
| Year Ended 2/28-2/29:                      |   |   |   |  |   |  |
| 2013                                       | \$—   | \$—   | \$—   | \$—  | \$35,250                                    | \$35.91                                |
| 2012                                       | —   | —   | —   | —  | 35,250                                      | 34.90                                  |
| 2011                                       | —   | —   | —   | —  | 35,250                                      | 31.07                                  |
| 2010                                       | 34,375                                      | 82,150  | —   | —  | —   | —                                      |
| 2009(f)                                    | 40,875                                      | 68,584  | —   | —  | —   | —                                      |
| Year Ended 8/31:                           |   |   |   |  |   |  |
| 2008                                       | 43,000                                      | 70,910  | —   | —  | —   | —                                      |
| <b>California Dividend Advantage (NAC)</b> |   |   |   |  |   |  |
| Year Ended 2/28-2/29:                      |   |   |   |  |   |  |
| 2013                                       | —   | —   | 136,200                                     | 374,666  | —   | —                                      |
| 2012                                       | —   | —   | 136,200                                     | 356,390  | —   | —                                      |
| 2011                                       | 135,525                                     | 79,903  | —   | —  | —   | —                                      |
| 2010                                       | 135,525                                     | 85,098  | —   | —  | —   | —                                      |
| 2009(f)                                    | 135,525                                     | 77,430  | —   | —  | —   | —                                      |
| Year Ended 8/31:                           |   |   |   |  |   |  |
| 2008                                       | 135,525                                     | 87,485  | —   | —  | —   | —                                      |

(f) For the six months ended February 28, 2009.

(g) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

|  | Series | Ending<br>Market<br>Value<br>Per Share | Average<br>Market<br>Value<br>Per Share |
|--|--------|--|---|
| <b>California Premium Income (NCU)</b> |        |  |   |
| Year Ended 2/28-2/29:                  |        |  |   |
| 2013                                   | 2015   | \$10.05                                | \$10.05                                 |
| 2012                                   | 2015   | 10.06                                  | 9.84                                    |
| 2011                                   | 2015   | 9.63                                   | 9.74 <sup>^</sup>                       |

<sup>^</sup> For the period September 22, 2010 (first issuance date of shares) through February 28, 2011.



|  | ARPS at the End of Period          |                                   | MTP Shares at the End of Period (g) |                               | ARPS and MTP Shares at the End of Period      |
|--|------------------------------------|-----------------------------------|-------------------------------------|-------------------------------|---|
|  | Aggregate Amount Outstanding (000) | Asset Coverage Per \$25,000 Share | Aggregate Amount Outstanding (000)  | Asset Coverage Per \$10 Share | Asset Coverage Per \$1 Liquidation Preference |
| <b>California Dividend Advantage 2 (NVX)</b> |                                    |                                   |                                     |                               |   |
| Year Ended 2/28-2/29:                        |                                    |                                   |                                     |                               |   |
| 2013   | \$ —                               | \$ —                              | \$ 97,846                           | \$ 34.65                      | \$ —  |
| 2012   | —                                  | —                                 | 97,846                              | 33.35                         | —   |
| 2011   | 39,950                             | 77,310                            | 55,000                              | 30.92                         | 3.09  |
| 2010   | 93,775                             | 81,968                            | —                                   | —                             | —   |
| 2009(f)                                      | 110,000                            | 68,369                            | —                                   | —                             | —   |
| Year Ended 8/31:                             |                                    |                                   |                                     |                               |   |
| 2008   | 110,000                            | 73,384                            | —                                   | —                             | —   |

|  |         |        |         |       |      |
|--|---------|--------|---------|-------|------|
| <b>California Dividend Advantage 3 (NZH)</b> |         |        |         |       |      |
| Year Ended 2/28-2/29:                        |         |        |         |       |      |
| 2013   | —       | —      | 159,545 | 32.26 | —    |
| 2012   | —       | —      | 159,545 | 31.05 | —    |
| 2011   | 69,500  | 71,960 | 86,250  | 28.78 | 2.88 |
| 2010   | 69,500  | 76,021 | 86,250  | 30.41 | 3.04 |
| 2009(f)                                      | 154,075 | 70,117 | —       | —     | —    |
| Year Ended 8/31:                             |         |        |         |       |      |
| 2008   | 159,925 | 76,377 | —       | —     | —    |

(f) For the six months ended February 28, 2009.

(g) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

| Series                                       | Ending Market Value Per Share | Average Market Value Per Share | Series | Ending Market Value Per Share | Average                | Series | Ending Market Value Per Share | Average Market Value Per Share |
|--|-------------------------------|--------------------------------|--------|-------------------------------|------------------------|--------|-------------------------------|--------------------------------|
|  |                               |                                |        |                               | Market Value Per Share |        |                               |                                |
| <b>California Dividend Advantage 2 (NVX)</b> |                               |                                |        |                               |                        |        |                               |                                |
| Year Ended 2/28-2/29:                        |                               |                                |        |                               |                        |        |                               |                                |
| 2013   | —                             | \$ —                           | 2014   | \$ 10.05                      | \$ 10.07               | 2015   | \$ 10.05                      | \$ 10.04                       |
| 2012   | —                             | —                              | 2014   | 10.11                         | 10.09                  | 2015   | 10.01                         | 9.89                           |
| 2011   | —                             | —                              | —      | —                             | —                      | 2015   | 9.82                          | 9.72^^                         |

California Dividend Advantage 3 (NZH)

| Year Ended |      |       |       |        |       |       |      |       |                    |
|------------|------|-------|-------|--------|-------|-------|------|-------|--------------------|
| 2/28-2/29: |      |       |       |        |       |       |      |       |                    |
| 2013       | 2014 | 10.05 | 10.09 | 2014-1 | 10.05 | 10.08 | 2015 | 10.14 | 10.13              |
| 2012       | 2014 | 10.17 | 10.11 | 2014-1 | 10.15 | 10.12 | 2015 | 10.18 | 10.11              |
| 2011       | —    | —     | —     | —      | —     | —     | 2015 | 10.06 | 10.14              |
| 2010       | —    | —     | —     | —      | —     | —     | 2015 | 10.11 | 10.09 <sup>^</sup> |

<sup>^</sup> For the period December 21, 2009 (first issuance date of shares) through February 28, 2010.

<sup>^^</sup> For the period October 22, 2010 (first issuance date of shares) through February 28, 2011.

For the period March 29, 2011 (first issuance date of shares) through February 29, 2012.

For the period April 11, 2011 (first issuance date of shares) through February 29, 2012.

For the period June 6, 2011 (first issuance date of shares) through February 29, 2012.

See accompanying notes to financial statements.

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|                                  | VRDP Shares at the End of<br>Period         |   |
|----------------------------------|---|---|
|                                  | Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage Per<br>\$100,000<br>Share |
| California AMT-Free Income (NKX) |   |   |
| Year Ended 2/28-2/29:            |   |   |
| 2013                             | \$291,600                                   | \$323,389                                   |
| 2012                             | 35,500                                      | 344,312                                     |
| 2011                             | 35,500                                      | 312,655                                     |
| 2010                             | 35,500                                      | 332,616                                     |
| 2009(f)                          | 35,500                                      | 313,131                                     |
| Year Ended 8/31:                 |   |   |
| 2008                             | 35,500                                      | 335,299                                     |

See accompanying notes to financial statements.



Notes to  
Financial Statements

1. General Information and Significant Accounting Policies

General Information

The funds covered in this report and their corresponding Common share stock exchange symbols are 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) and Nuveen California AMT-Free Municipal Income Fund (NKX) (formerly Nuveen Insured California Tax-Free Advantage Municipal Fund) (each a “Fund” and collectively, the “Funds”). Common shares of California Dividend Advantage (NAC) are traded on the New York Stock Exchange (“NYSE”) while Common shares of California Premium Income (NCU), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH) and California AMT-Free Income (NKX) are traded on the NYSE MKT. The Funds are registered under the Investment Company Act of 1940, as amended, as diversified, closed-end registered investment companies.

On December 31, 2012, the Funds’ investment adviser converted from a Delaware corporation to a Delaware limited liability company. As a result, Nuveen Fund Advisers, Inc., a wholly-owned subsidiary of Nuveen Investments, Inc. (“Nuveen”), changed its name to Nuveen Fund Advisors, LLC (the “Adviser”). There were no changes to the identities or roles of any personnel as a result of the change.

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

Fund Reorganizations

Effective before the opening of business on May 7, 2012, certain Funds (the “Acquired Funds”) were reorganized into one, larger-state Fund (the “Acquiring Fund”) included in this report (each a “Reorganization” and collectively the “Reorganizations”) as follows:

| Acquired Funds   | Acquiring Fund                   |
|--|----------------------------------|
| Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)<br>(“Insured California Premium Income”)     | California AMT-Free Income (NKX) |
| Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)<br>(“Insured California Premium Income 2”) |                                  |
| Nuveen Insured California Dividend Advantage Municipal Fund (NKL)<br>(“Insured California Dividend Advantage”)   |                                  |

The Reorganizations of the Funds were approved by the shareholders of the Acquired Funds at a special meeting on March 30, 2012.

Upon the closing of the Funds’ Reorganizations, the Acquired Funds transferred their assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of the liabilities of the Acquired Funds. The Acquired Funds were then liquidated, dissolved and terminated in accordance

with their Declaration of Trust. Shareholders of the Acquired Funds became shareholders of the Acquiring Fund. Holders of common shares of the Acquired Fund received newly issued common shares of the Acquiring Fund, the aggregate net asset value of which was equal to the aggregate net asset value of the common shares of the Acquired Funds held immediately prior to the Reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Fractional shares were sold on the open market and shareholders received cash in lieu of such fractional shares. Holders of preferred shares of the Acquired Funds received on a one-for-one basis newly issued preferred shares of the Acquiring Fund, in exchange for preferred shares of the Acquired Funds held immediately prior to the Reorganization. Details of the Funds' Reorganizations are further described in the Variable Rate Demand Preferred Shares section of this footnote and Footnote 8 – Fund Reorganizations.

#### Policy Changes

During the fiscal year ended February 28, 2013, the Funds' shareholders approved changes to certain investment policies for California AMT-Free Income (NKX). These changes were designed to provide the Adviser with more flexibility regarding the types of securities available for investment by the Fund.

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Financial Statements (continued)

The investment policy changes are as follows:

- The Fund eliminated the investment policy requiring it, under normal circumstances, to invest at least 80 percent of its managed assets (as defined in Footnote 7 – Management Fees and Other Transactions with Affiliates) in municipal securities that are covered by insurance which currently guarantees the timely payment of principal and interest.
- The Fund adopted a new investment policy requiring it, under normal circumstances, to invest at least 80 percent of its managed assets in municipal securities that pay interest exempt from federal and California income tax.
- The Fund eliminated the old fundamental loan policy and adopted a new fundamental loan policy, which states that the Fund may not make loans, except as permitted by the Investment Company Act of 1940, as amended, and exemptive orders granted under the Investment Company Act of 1940, as amended.
- The Fund will continue to invest substantially all (at least 80 percent) of its managed assets in investment grade quality municipal securities.
- The Fund will continue its policy of investing, under normal circumstances, at least 80% of its assets in AMT-free municipal securities.

#### Significant Accounting Policies

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

#### Investment Valuation

Prices of municipal bonds are provided by a pricing service approved by the Funds’ Board of Trustees. These securities are generally classified as Level 2 for fair value measurement purposes. The pricing service establishes a security’s fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor’s credit characteristics considered relevant. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer, or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Funds’ Board of Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund’s net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security’s fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive

for it in a current sale. A variety of factors may be considered in determining the fair value of those securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Funds' Board of Trustees or its designee.

Refer to Footnote 2 – Fair Value Measurements for further details on the leveling of securities held by the Funds as of the end of the reporting period.

#### Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to earmark securities in the Funds' portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. As of February 28, 2013, Nuveen California Dividend Advantage Municipal Fund 2 (NVX) and Nuveen California Dividend Advantage Municipal Fund 3 (NZH) had outstanding when-issued delayed delivery purchase commitments of \$8,895,130 and \$3,262,446, respectively. There were no such outstanding purchase commitments in any of the other Funds.

#### Investment Income

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

#### Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of Fund shareholders. Legal fee refund presented on the Statement of Operations reflects a refund of workout expenditures paid in a prior reporting period, when applicable.

#### Income Taxes

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

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

#### Dividends and Distributions to Common Shareholders

Dividends from net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

#### Auction Rate Preferred Shares

Each Fund is authorized to issue Auction Rate Preferred Shares ("ARPS"). As of February 29, 2012, the Funds redeemed all of their outstanding ARPS at liquidation value.

#### MuniFund Term Preferred Shares

The following Funds have issued and outstanding MuniFund Term Preferred ("MTP") Shares, with a \$10 stated ("par") value per share. Each Fund's MTP Shares are issued in one or more Series and trade on NYSE/NYSE MKT. Dividends on MTP Shares, which are recognized as interest expense for financial reporting purposes, are paid monthly at a fixed annual rate, subject to adjustments in certain circumstances.

As of February 28, 2013, the Funds' outstanding MTP Shares and annual interest rate by NYSE/NYSE MKT "ticker" symbol are as follows:

|  | Series | NYSE/<br>NYSE MKT<br>Ticker | Shares<br>Outstanding | Shares<br>Outstanding<br>at \$10 Per Share<br>Liquidation Value | Annual<br>Interest<br>Rate |
|--|--------|-----------------------------|-----------------------|---|----------------------------|
| <b>California Premium Income (NCU)</b>       |        |                             |                       |   |                            |
|  | 2015   | NCU PRC                     | 3,525,000             | \$ 35,250,000   | 2.00%                      |
| <b>California Dividend Advantage 2 (NVX)</b> |        |                             |                       |   |                            |
|  | 2014   | NVX PRA                     | 4,284,630             | \$ 42,846,300   | 2.35%                      |
|  | 2015   | NVX PRC                     | 5,500,000             | 55,000,000  | 2.05                       |
| Nuveen Investments                           |        |                             |                       |   | 81                         |

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| California Dividend Advantage 3<br>(NZH) | Series | NYSE/<br>NYSE MKT<br>Ticker | Shares<br>Outstanding | Shares<br>Outstanding<br>at \$10 Per Share<br>Liquidation Value | Annual<br>Interest<br>Rate |
|--|--------|-----------------------------|-----------------------|---|----------------------------|
|  | 2014   | NZH PRA                     | 2,700,000             | \$27,000,000  | 2.35%                      |
|  | 2014-1 | NZH PRB                     | 4,629,450             | 46,294,500  | 2.25                       |
|  | 2015   | NZH PRC                     | 8,625,000             | 86,250,000  | 2.95                       |

Each Fund is obligated to redeem its MTP Shares by the date as specified in its offering document (“Term Redemption Date”), unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. MTP Shares will be subject to redemption at the option of each Fund (“Optional Redemption Date”), subject to a payment of premium for one year following the Optional Redemption Date (“Premium Expiration Date”), and at par thereafter. MTP Shares also will be subject to redemption, at the option of each Fund, at par in the event of certain changes in the credit rating of the MTP Shares. Each Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund’s series of MTP Shares by NYSE/NYSE MKT ticker symbol are as follows:

|  | Series | NYSE/<br>NYSE MKT<br>Ticker | Term<br>Redemption<br>Date | Optional<br>Redemption<br>Date | Premium<br>Expiration<br>Date |
|--|--------|-----------------------------|----------------------------|--------------------------------|-------------------------------|
| California Premium Income<br>(NCU)       | 2015   | NCU PRC                     | October 1,<br>2015         | October 1,<br>2011             | September 30,<br>2012         |
| California Dividend Advantage 2<br>(NVX) | 2014   | NVX PRA                     | April 1, 2014              | April 1, 2012                  | March 31,<br>2013             |
|  | 2015   | NVX PRC                     | November 1,<br>2015        | November 1,<br>2011            | October 31,<br>2012           |
| California Dividend Advantage 3<br>(NZH) | 2014   | NZH PRA                     | May 1, 2014                | May 1, 2012                    | April 30, 2013                |
|  | 2014-1 | NZH PRB                     | July 1, 2014               | July 1, 2012                   | June 30, 2013                 |
|  | 2015   | NZH PRC                     | January 1,<br>2015         | January 1,<br>2011             | December 31,<br>2011          |

The aggregate average liquidation value of all series of each Fund’s MTP Shares outstanding during the fiscal year ended February 28, 2013, was as follows:

|   | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) |
|---|--|--|--|
| Average liquidation value of MTP Shares outstanding | \$ 35,250,000                            | \$ 97,846,300                                  | \$ 159,544,500                                 |

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability and recognized as “MuniFund Term Preferred (MTP) Shares, at liquidation value” on the Statement of Assets and Liabilities. Unpaid dividends on MTP Shares are recognized as a component of “Interest payable” on the Statement of Assets and Liabilities. Costs incurred by the Funds in connection with their offerings of MTP Shares were recorded as a deferred charge, which are amortized over the life of the shares and are recognized as components of “Deferred offering costs” on the Statement of Assets and Liabilities and “Interest expense and amortization of offering costs” on the Statement of Operations. Dividends paid on MTP Shares and each Fund’s amortized deferred charges are recognized as a component of “Interest expense and amortization of offering costs” on the Statement of Operations.

#### Variable Rate Demand Preferred Shares

The following Funds have issued and outstanding Variable Rate Demand Preferred (“VRDP”) Shares, with a \$100,000 liquidation value per share. California Dividend Advantage (NAC) and California AMT-Free Income (NKX) issued their VRDP Shares in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

In connection with California AMT-Free Income’s (NKX) Reorganizations, holders of VRDP Shares of the Acquired Funds received on a one-for-one basis newly issued VRDP Shares of the Acquiring Funds, in exchange for VRDP Shares of the Acquired Funds held immediately prior to the Reorganizations. California AMT-Free Income’s (NKX) Series 3 and Series 5 VRDP Shares were issued in conjunction with the Reorganizations of Insured California Premium Income (NPC) and Insured Dividend Advantage (NKL), respectively. California AMT-Free Income’s (NKX) Series 4 VRDP Shares are comprised of 740 VRDP Shares issued in conjunction with the Reorganization of Insured California Premium Income 2 (NCL) and 350 VRDP Shares issued through a privately negotiated offering during the fiscal year ended February 28, 2013.



As of February 28, 2013, the number of VRDP Shares outstanding and maturity date for each Fund are as follows:

| Series                  | California Dividend Advantage (NAC) | California AMT-Free Income (NKX) | California AMT-Free Income (NKX) | California AMT-Free Income (NKX) | California AMT-Free Income (NKX) |
|-------------------------|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| VRDP Shares outstanding | 1,362                               | 355                              | 427                              | 1,090                            | 1,044                            |
| Maturity                | June 1, 2041                        | June 1, 2040                     | March 1, 2040                    | December 1, 2040                 | June 1, 2041                     |

VRDP Shares include a liquidity feature that allows VRDP shareholders to have their shares purchased by a liquidity provider with whom each Fund has contracted in the event that purchase orders for VRDP Shares in a remarketing are not sufficient in number to be matched with the sale orders in that remarketing. Each Fund is required to redeem any VRDP Shares that are still owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Each Fund pays an annual remarketing fee of .10% on the aggregate principal amount of all VRDP Shares outstanding. Each Fund's VRDP Shares have successfully remarketed since issuance.

Dividends on the VRDP Shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the market value of the VRDP Shares is expected to approximate its liquidation value. If remarketings for VRDP Shares are continuously unsuccessful for six months, the maximum rate is designed to escalate according to a specified schedule in order to enhance the remarketing agent's ability to successfully remarket the VRDP Shares.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of each Fund. Each Fund may also redeem certain of the VRDP Shares if the Fund fails to maintain certain asset coverage requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends.

The average liquidation value of VRDP Shares outstanding and annualized dividend rate of VRDP Shares for each Fund during the fiscal year ended February 28, 2013, were as follows:

|  | California Dividend Advantage (NAC) | California AMT-Free Income (NKX) |
|--|-------------------------------------|----------------------------------|
| Average liquidation value of VRDP Shares outstanding | \$ 136,200,000                      | \$ 219,466,575                   |
| Annualized dividend rate                             | 0.35%                               | 0.29%                            |

For financial reporting purposes only, the liquidation value of VRDP Shares is recognized as a liability on the Statement of Assets and Liabilities. Unpaid dividends on VRDP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities, when applicable. Costs incurred by the Funds in connection with their offerings of VRDP Shares were recorded as a deferred charge, which are amortized over the life of the shares and are recognized as a component of "Deferred offering costs" on the Statement of Assets and Liabilities and "Interest expense and amortization of offerings costs" on the Statement of Operations. California AMT-Free Income (NKX) incurred an additional \$71,675 of offering costs in conjunction with its shares issued during the fiscal year ended February 28, 2013. Dividends paid on the VRDP Shares are recognized as a component of "Interest expense and

amortization of offering costs” on the Statement of Operations. In addition to interest expense, each Fund also pays a per annum liquidity fee to the liquidity provider, as well as a remarketing fee, which are recognized as “Liquidity fees” and “Remarketing fees”, respectively, on the Statement of Operations.

#### Insurance

Since 2007, the financial status of most major municipal bond insurers has deteriorated substantially, and some insurers have gone out of business, rendering worthless the insurance policies they had written. Under normal circumstances, and during the period March 1, 2012 through March 30, 2012, California AMT-Free Income (NKX) invested at least 80% of its managed assets (as defined in Footnote 7 – Management Fees and Other Transactions with Affiliates) in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. In addition, during the period March 1, 2012 through March 30, 2012, the Fund invested in municipal securities that, at the time of investment were rated investment grade (including (i) bonds insured by investment grade insurers or are rated investment grade; (ii) unrated bonds that are judged to be investment grade by the Adviser; and (iii) escrowed bonds). Ratings below BBB by one or more national rating agencies are considered to be below investment grade. As previously described in footnote 1 – General Information and Significant Accounting Policy Changes, effective March 30, 2012, the Fund eliminated this investment policy.

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Financial Statements (continued)

Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as "(IF) – Inverse floating rate investment." An investment in a self-deposited inverse floater is accounted for as a financing transaction. In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as "(UB) – Underlying bond of an inverse floating rate trust reflected as a financing transaction," with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in "Investment Income" the entire earnings of the underlying bond and the related interest paid to the holders of the short-term floating rate certificates as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

During the fiscal year ended February 28, 2013, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse trust" or "credit recovery swap") (such agreements referred to herein as "Recourse Trusts") with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates issued by the trust plus any shortfalls in interest cash flows. Under these agreements, a Fund's potential exposure to losses related to or on inverse floaters may increase beyond the value of a Fund's inverse floater investments as a Fund may potentially be liable to fulfill all amounts owed to holders of the floating rate certificates. At period end, any such shortfall is recognized as "Unrealized depreciation on Recourse Trusts" on the Statement of Assets and Liabilities.

As of February 28, 2013, each Fund's maximum exposure to externally-deposited Recourse Trusts, was as follows:

|                       |                        |                        |                        |                        |
|-----------------------|------------------------|------------------------|------------------------|------------------------|
| California<br>Premium | California<br>Dividend | California<br>Dividend | California<br>Dividend | California<br>AMT-Free |
|-----------------------|------------------------|------------------------|------------------------|------------------------|

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|  | Income<br>(NCU) | Advantage<br>(NAC) | Advantage 2<br>(NVX) | Advantage 3<br>(NZH) | Income<br>(NKX) |
|--|-----------------|--------------------|----------------------|----------------------|-----------------|
| Maximum exposure<br>to Recourse Trusts | \$ 6,510,000    | \$ 3,590,000       | \$ 16,210,000        | \$ 48,960,000        | \$ 20,000,000   |

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended February 28, 2013, were as follows:

|   | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|---|--|--|--|--|---|
| Average floating<br>rate obligations<br>outstanding | \$ 5,759,247                             | \$ 26,466,575                                | \$ 9,798,521                                   | \$ 1,469,658                                   | \$ 25,061,986                             |
| Average annual<br>interest rate and<br>fees         | 0.57 %                                   | 0.62 %                                       | 0.65 %   | 0.68 %   | 0.63 %                                    |

#### Derivative Financial Instruments

Each Fund is authorized to invest in certain derivative instruments, including foreign currency forwards, futures, options and swap contracts. Although the Funds are authorized to invest in such derivative instruments, and may do so in the future, they did not make any such investments during the fiscal year ended February 28, 2013.

#### Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

#### Zero Coupon Securities

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

#### Common Shares Shelf Offering and Shelf Offering Costs

During the current reporting period, California Dividend Advantage (NAC) and California AMT-Free Income (NKX) each filed initial registration statements with the Securities and Exchange Commission ("SEC") authorizing the Funds to issue an additional 2.3 million and 4.1 million Common shares, respectively, through equity shelf programs ("Shelf Offerings"), which are not yet effective.

Under these Shelf Offerings, the Funds, subject to market conditions, may raise additional equity capital from time to time in varying amounts and offering methods at a net price at or above each Fund's net asset value ("NAV") per Common share.

Costs incurred by the Funds in connection with their initial Shelf Offerings are recorded as a deferred charge, which will be amortized over the period such additional Common shares are sold not to exceed the one-year life of the Shelf Offering period. Ongoing Shelf Offering costs, and any additional costs the Funds may incur in connection with the Shelf Offerings, are expensed as incurred.

#### Indemnifications

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

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Fair Value Measurements

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Inputs are unadjusted and prices are determined using quoted prices in active markets for identical Level 1 securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

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Level 3 – Prices are determined using significant unobservable inputs (including management’s assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund’s fair value measurements as of the end of the reporting period:

|  |         |               |         |               |
|--|---------|---------------|---------|---------------|
| California Premium Income (NCU)<br>Long-Term Investments*:       | Level 1 | Level 2       | Level 3 | Total         |
| Municipal Bonds  | \$—     | \$130,443,832 | \$—     | \$130,443,832 |
| California Dividend Advantage (NAC)<br>Long-Term Investments*:   | Level 1 | Level 2       | Level 3 | Total         |
| Municipal Bonds  | \$—     | \$531,036,063 | \$—     | \$531,036,063 |
| California Dividend Advantage 2 (NVX)<br>Long-Term Investments*: | Level 1 | Level 2       | Level 3 | Total         |
| Municipal Bonds  | \$—     | \$347,826,610 | \$—     | \$347,826,610 |
| California Dividend Advantage 3 (NZH)<br>Long-Term Investments*: | Level 1 | Level 2       | Level 3 | Total         |
| Municipal Bonds  | \$—     | \$518,068,934 | \$—     | \$518,068,934 |
| California AMT-Free Income (NKX)<br>Long-Term Investments*:      | Level 1 | Level 2       | Level 3 | Total         |
| Municipal Bonds  | \$—     | \$960,433,959 | \$—     | \$960,433,959 |

\* Refer to the Fund’s Portfolio of Investments for industry classifications.

The Nuveen funds’ Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser’s Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds’ pricing policies, and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser’s dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer’s financial statements; the

purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

### 3. Derivative Instruments and Hedging Activities

The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the fiscal year ended February 28, 2013.

### 4. Fund Shares

#### Common Shares

The Funds have not repurchased any of their outstanding common shares during the fiscal years ended February 28, 2013 and February 29, 2012.



Transactions in Common shares were as follows:

|   | California Premium Income<br>(NCU)       |               | California Dividend Advantage<br>(NAC)   |               |
|---|--|---------------|--|---------------|
|   | Year<br>Ended                            | Year<br>Ended | Year<br>Ended                            | Year<br>Ended |
|   | 2/28/13                                  | 2/29/12       | 2/28/13                                  | 2/29/12       |
| <b>Common shares:</b>                                       |  |               |  |               |
| Issued to shareholders due to reinvestment of distributions | 2,157                                    | —             | 38,134                                   | 2,968         |
|   | California Dividend<br>Advantage 2 (NVX) |               | California Dividend<br>Advantage 3 (NZH) |               |
|   | Year<br>Ended                            | Year Ended    | Year Ended                               | Year Ended    |
|   | 2/28/13                                  | 2/29/12       | 2/28/13                                  | 2/29/12       |
| <b>Common shares:</b>                                       |  |               |  |               |
| Issued to shareholders due to reinvestment of distributions | 11,279                                   | —             | 12,652                                   | 11,313        |
|   |  |               | California AMT-Free<br>Income (NKX)      |               |
|   |  |               | Year<br>Ended                            | Year Ended    |
|   |  |               | 2/28/13                                  | 2/29/12       |
| <b>Common shares:</b>                                       |  |               |  |               |
| Issued in the Reorganizations(1)                            |  |               | 35,902,926                               | —             |
| Issued to shareholders due to reinvestment of distributions |  |               | 51,960                                   | 1,612         |

(1) Refer to Footnote 8 – Fund Reorganizations for further details.

#### Preferred Shares

California Premium Income (NCU) redeemed all of its outstanding ARPS during the fiscal year ended February 28, 2011. California AMT-Free Income (NKX) redeemed all of its outstanding ARPS during the fiscal year ended August 31, 2008.

Transactions in ARPS were as follows:

|                       | California Dividend<br>Advantage (NAC) |        |            |            |
|-----------------------|--|--------|------------|------------|
|                       | Year Ended                             |        | Year Ended |            |
|                       | Shares                                 | Amount | Shares     | Amount     |
| <b>ARPS redeemed:</b> |  |        |            |            |
| Series M              | N/A                                    | N/A    | —          | \$ —       |
| Series TH             | N/A                                    | N/A    | 2,710      | 67,750,000 |
| Series F              | N/A                                    | N/A    | 2,711      | 67,775,000 |

|                |                                       |        |                    |               |                                       |                |                    |               |
|----------------|---------------------------------------|--------|--------------------|---------------|---------------------------------------|----------------|--------------------|---------------|
| Total          | N/A                                   |        | N/A                |               | 5,421                                 | \$ 135,525,000 |                    |               |
|                | California Dividend Advantage 2 (NVX) |        |                    |               | California Dividend Advantage 3 (NZH) |                |                    |               |
|                | Year Ended 2/28/13                    |        | Year Ended 2/29/12 |               | Year Ended 2/28/13                    |                | Year Ended 2/29/12 |               |
|                | Shares                                | Amount | Shares             | Amount        | Shares                                | Amount         | Shares             | Amount        |
| ARPS redeemed: |                                       |        |                    |               |                                       |                |                    |               |
| Series M       | N/A                                   | N/A    | 799                | \$ 19,975,000 | N/A                                   | N/A            | 1,389              | \$ 34,725,000 |
| Series TH      | N/A                                   | N/A    | —                  | —             | N/A                                   | N/A            | 1,391              | 34,775,000    |
| Series F       | N/A                                   | N/A    | 799                | 19,975,000    | N/A                                   | N/A            | —                  | —             |
| Total          | N/A                                   | N/A    | 1,598              | \$ 39,950,000 | N/A                                   | N/A            | 2,780              | \$ 69,500,000 |

N/A - As of February 29, 2012, the Fund redeemed all of its outstanding ARPS at liquidation value.



(1) Refer to Footnote 8 – Fund Reorganizations for further details.

5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments, where applicable) during the fiscal year ended February 28, 2013, were as follows:

|                      | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage<br>2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|----------------------|--|--|---|--|---|
| Purchases            | \$14,140,740                             | \$64,448,320                                 | \$80,539,166                                      | \$108,756,073                                  | \$184,225,894                             |
| Sales and maturities | 13,145,684                               | 70,946,295                                   | 76,673,501  | 100,583,352                                    | 148,960,327                               |

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## 6. 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 taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

As of February 28, 2013, the cost and unrealized appreciation (depreciation) of investments, as determined on a federal income tax basis, were as follows:

|  | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|--|--|--|--|--|---|
| Cost of investments  | \$ 111,305,860                           | \$ 449,057,369                               | \$ 307,169,966                                 | \$ 474,995,103                                 | \$ 853,530,402                            |
| Gross unrealized:  |  |  |  |  |   |
| Appreciation   | \$ 13,765,930                            | \$ 62,719,967                                | \$ 35,810,567                                  | \$ 49,267,154                                  | \$ 84,291,493                             |
| Depreciation   | (158,115)                                | (6,659,692)                                  | (4,531,062)                                    | (7,038,323)                                    | (1,510,318)                               |
| Net unrealized appreciation<br>(depreciation) of investments | \$ 13,607,815                            | \$ 56,060,275                                | \$ 31,279,505                                  | \$ 42,228,831                                  | \$ 82,781,175                             |

Permanent differences, primarily due to federal taxes paid, taxable market discount, nondeductible offering costs, reorganization adjustments and nondeductible reorganization expenses, resulted in reclassifications among the Funds' components of Common share net assets as of February 28, 2013, the Funds' tax year end, as follows:

|   | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|---|--|--|--|--|---|
| Paid-in-surplus   | \$ (172,712)                             | \$ 19,035                                    | \$ (482,443)                                   | \$ (827,148)                                   | \$ (962,599)                              |
| Undistributed (Over-distribution<br>of) net investment income | 172,294                                  | (164,687)                                    | 465,012  | 819,225  | 970,074                                   |
| Accumulated net realized gain<br>(loss)                       | 418                                      | 145,652                                      | 17,431   | 7,923  | (7,475)                                   |

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains as of February 28, 2013, the Funds' tax year end, were as follows:

|  | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|--|--|--|--|--|---|
| Undistributed net tax-exempt<br>income * | \$ 1,490,902                             | \$ 6,150,666                                 | \$ 3,497,312                                   | \$ 2,620,061                                   | \$ 6,311,700                              |
| Undistributed net ordinary<br>income **  | 2,839                                    | 208  | 38,199   | 2,246  | 17,111                                    |
|  | —  | —  | —  | —  | 554,018                                   |

Undistributed net long-term capital gains

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on February 1, 2013, paid on March 1, 2013.

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

The tax character of distributions paid during the Funds' tax years ended February 28, 2013 and February 29, 2012, was designated for purposes of the dividends paid deduction as follows:

|  |    | California<br>Premium<br>Income<br>(NCU) | California<br>Dividend<br>Advantage<br>(NAC) | California<br>Dividend<br>Advantage 2<br>(NVX) | California<br>Dividend<br>Advantage 3<br>(NZH) | California<br>AMT-Free<br>Income<br>(NKX) |
|--|----|--|--|--|--|---|
| 2013   |    |  |  |  |  |   |
| Distributions from net tax-exempt income***        | \$ | 5,662,424                                | \$ 22,042,288                                | \$ 16,146,699                                  | \$ 24,912,763                                  | \$ 24,898,294                             |
| Distributions from net ordinary income**           |    | —  | —  | —  | —  | —   |
| Distributions from net long-term capital gains**** |    | —  | —  | —  | —  | 669,297                                   |

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 Financial Statements (continued)

|  | California<br>Premium<br>Income<br>(NCU ) | California<br>Dividend<br>Advantage<br>(NAC ) | California<br>Dividend<br>Advantage 2<br>(NVX ) | California<br>Dividend<br>Advantage 3<br>(NZH ) | California<br>AMT-Free<br>Income<br>(NKX ) |
|--|---|---|---|---|--|
| 2012   |   |   |   |   |  |
| Distributions from net tax-exempt income       | \$ 5,690,713                              | \$ 21,712,743                                 | \$ 16,164,056                                   | \$ 25,521,629                                   | \$ 4,948,448                               |
| Distributions from net ordinary income **      | —   | 105,661                                       | —   | —   | —  |
| Distributions from net long-term capital gains | —   | —   | —   | —   | —  |

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

\*\*\* The Funds hereby designate these amounts paid during the fiscal year ended February 28, 2013, as Exempt Interest Dividends.

\*\*\*\* The Funds designated as a long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852 (b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended February 28, 2013.

As of February 28, 2013, the Funds' tax year end, the 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:

|                   | California<br>Premium<br>Income<br>(NCU ) | California<br>Dividend<br>Advantage<br>(NAC ) | California<br>Dividend<br>Advantage 2<br>(NVX ) | California<br>Dividend<br>Advantage 3<br>(NZH ) | California<br>AMT-Free<br>Income<br>(NKX )* |
|-------------------|---|---|---|---|---|
| Expiration:       |   |   |   |   |   |
| February 29, 2016 | \$ —                                      | \$ —  | \$ —  | \$ 3,869,938                                    | \$ —  |
| February 28, 2017 | —   | 10,106,897                                    | —   | 4,536,999                                       | 185,948                                     |
| February 28, 2018 | 850,963                                   | 731,149                                       | 705,843   | 10,646,251                                      | 530,894                                     |
| February 28, 2019 | —   | —   | —   | 1,340,157                                       | —   |
| Total             | \$ 850,963                                | \$ 10,838,046                                 | \$ 705,843                                      | \$ 20,393,345                                   | \$ 716,842                                  |

\* A portion of NKX's capital loss carryforward is subject to limitation under the Internal Revenue Code and related regulations.

During the Funds' tax year ended February 28, 2013, the following Funds utilized capital loss carryforwards as follows:

|                                     | California<br>Premium<br>Income<br>(NCU ) | California<br>AMT-Free<br>Income<br>(NKX ) |
|-------------------------------------|---|--|
| Utilized capital loss carryforwards | \$ 91,683                                 | \$ 265,052                                 |

Under the Regulated Investment Company Modernization Act of 2010 (the “Act”), capital losses incurred by the Funds after December 31, 2010 will not be subject to expiration.

Capital losses incurred that will be carried forward under the provisions of the Act are as follows:

|                        | California<br>Dividend<br>Advantage<br>(NAC ) | California<br>Dividend<br>Advantage 2<br>(NVX ) | California<br>Dividend<br>Advantage 3<br>(NZH ) |
|------------------------|---|---|---|
| Post-enactment losses: |   |   |   |
| Short-term             | \$ —  | \$ —  | \$ —  |
| Long-term              | 10,769,460                                    | 499,216   | 5,616,809                                       |

#### 7. Management Fees and Other Transactions with Affiliates

Each Fund’s management fee consists of two components – a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

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The annual fund-level fee for each Fund, payable monthly, is calculated according to the following schedules:

|                                     | California Premium Income (NCU) |
|-------------------------------------|---------------------------------|
| Average Daily Managed Assets*       | Fund-Level Fee Rate             |
| For the first \$125 million         | .4500%                          |
| For the next \$125 million          | .4375                           |
| For the next \$250 million          | .4250                           |
| For the next \$500 million          | .4125                           |
| For the next \$1 billion            | .4000                           |
| For the next \$3 billion            | .3875                           |
| For managed assets over \$5 billion | .3750                           |

|                                     | California Dividend Advantage (NAC)   |
|-------------------------------------|---------------------------------------|
|                                     | California Dividend Advantage 2 (NVX) |
|                                     | California Dividend Advantage 3 (NZH) |
|                                     | California AMT-Free Income (NKX)      |
| Average Daily Managed Assets*       | Fund-Level Fee Rate                   |
| For the first \$125 million         | .4500%                                |
| For the next \$125 million          | .4375                                 |
| For the next \$250 million          | .4250                                 |
| For the next \$500 million          | .4125                                 |
| For the next \$1 billion            | .4000                                 |
| For managed assets over \$2 billion | .3750                                 |

The annual complex-level fee for each Fund, payable monthly, is calculated according to the following schedule:

| Complex-Level Managed Asset Breakpoint Level* | Effective Rate at Breakpoint Level |
|---|------------------------------------|
| \$55 billion                                  | .2000%                             |
| \$56 billion                                  | .1996                              |
| \$57 billion                                  | .1989                              |
| \$60 billion                                  | .1961                              |
| \$63 billion                                  | .1931                              |
| \$66 billion                                  | .1900                              |
| \$71 billion                                  | .1851                              |
| \$76 billion                                  | .1806                              |
| \$80 billion                                  | .1773                              |
| \$91 billion                                  | .1691                              |
| \$125 billion                                 | .1599                              |
| \$200 billion                                 | .1505                              |
| \$250 billion                                 | .1469                              |
| \$300 billion                                 | .1445                              |

\* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen

Funds that constitute “eligible assets.” Eligible assets do not include assets attributable to investments in other Nuveen Funds and assets in excess of \$2 billion added to the Nuveen Fund complex in connection with the Adviser’s assumption of the management of the former First American Funds effective January 1, 2011. As of February 28, 2013, the complex-level fee rate for these Funds was .1668%.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser is responsible for each Fund’s overall strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Nuveen Asset Management, LLC (the “Sub-Adviser”), a wholly-owned subsidiary of the Adviser, under which the Sub-Adviser manages the investment portfolios of the Funds. The Sub-Adviser is compensated for its services to the Funds from the management fees paid to the Adviser.

The Funds pay no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees

Notes to  
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that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

#### 8. Fund Reorganizations

The Reorganizations were structured to qualify as tax-free reorganizations under the Internal Revenue Code for federal income tax purposes, and the Acquired Funds' shareholders will recognize no gain or loss for federal income tax purposes as a result of the Reorganizations. Prior to the closing of each of the Reorganizations, the Acquired Funds distributed all of their net investment income and capital gains, if any. Such a distribution may be taxable to the Acquired Funds' shareholders for federal income tax purposes.

The cost, fair value and net unrealized appreciation (depreciation) of the investments of the Acquired Funds as of the date of their respective Reorganization were as follows:

|  | Insured<br>California<br>Premium<br>Income<br>(NPC ) | Insured<br>California<br>Premium<br>Income 2<br>(NCL ) | Insured<br>California<br>Dividend<br>Advantage<br>(NKL ) |
|--|--|--|--|
| Cost of investments                                      | \$ 129,314,745                                       | \$ 245,980,975   | \$ 317,258,300   |
| Fair value of investments                                | 138,759,766  | 263,985,005  | 343,452,012  |
| Unrealized appreciation (depreciation) of<br>investments | 9,445,021  | 18,004,030   | 26,193,712   |

For financial reporting purposes, assets received and shares issued by the Acquiring Fund were recorded at fair value; however, the cost basis of the investments received from the Acquired Funds were carried forward to align ongoing reporting of the Acquiring Fund's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

For accounting and performance reporting purposes, the Acquiring Fund is the survivor. The shares outstanding, net assets and net asset value per Common share immediately before and after the Reorganizations are as follows:

|  | Insured<br>California<br>Premium<br>Income<br>(NPC ) | Insured<br>California<br>Premium<br>Income 2<br>(NCL ) | Insured<br>California<br>Dividend<br>Advantage<br>(NKL ) |
|--|--|--|--|
| Acquired Funds - Prior to Reorganizations    |  |  |  |
| Common shares outstanding                    | 6,451,061  | 12,672,975   | 15,267,631   |
| Net assets applicable to Common shares       | \$ 98,477,915  | \$ 193,858,259   | \$ 243,183,635   |
| Net asset value per Common share outstanding | \$ 15.27   | \$ 15.30   | \$ 15.93   |

|   |  |  |  |
|---|--|--|--|
| Acquiring Fund - Prior to Reorganizations |  |  | California<br>AMT-Free<br>Income<br>(NKX ) |
|---|--|--|--|

|  |               |
|--|---------------|
| Common shares outstanding                    | 5,889,728     |
| Net assets applicable to Common shares       | \$ 87,850,294 |
| Net asset value per Common share outstanding | \$ 14.92      |

|  |  |
|--|--|
|  | California<br>AMT-Free<br>Income<br>(NKX ) |
| Acquiring Fund - Post Reorganizations        |  |
| Common shares outstanding                    | 41,792,654                                 |
| Net assets applicable to Common shares       | \$ 623,370,103                             |
| Net asset value per Common share outstanding | \$ 14.92                                   |

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The beginning of the Acquired Funds' current fiscal period was March 1, 2012.

Assuming the Reorganizations had been completed on March 1, 2012, the beginning of the Acquiring Fund's current fiscal period, the pro forma results of operations for the fiscal year ended February 28, 2013, are as follows:

|  | California<br>AMT-Free<br>Income<br>(NKX) |
|--|---|
| Net investment income (loss)                   | \$35,003,268                              |
| Net realized and unrealized gains (losses)     | 33,034,971                                |
| Change in net assets resulting from operations | 68,038,239                                |

Because the combined investment portfolios for each Reorganization have been managed as a single integrated portfolio since each Reorganization was completed, it is not practicable to separate the amounts of revenue and earnings of the Acquired Funds that have been included in the Statement of Operations since the Reorganizations were consummated.

In connection with the Reorganizations, the Acquiring Fund has accrued for certain associated costs and expenses. Such amounts are included as components of "Accrued reorganization expenses" on the Statement of Assets and Liabilities and "Reorganization expenses" on the Statement of Operations.

#### 9. New Accounting Pronouncements

##### Financial Accounting Standards Board ("FASB") Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities

In January 2013, Accounting Standards Update ("ASU") 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, replaced ASU 2011-11, Disclosures about Offsetting Assets and Liabilities. ASU 2013-01 is effective for fiscal years beginning on or after January 1, 2013. ASU 2011-11 was intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. ASU 2013-01 limits the scope of the new balance sheet offsetting disclosures to derivatives, repurchase agreements and securities lending transactions to the extent that they are (1) offset in the financial statements or (2) subject to an enforceable master netting arrangement or similar agreement. Management is currently evaluating the application of ASU 2013-01 and its impact to the financial statements and footnote disclosures, if any.

Board Members & Officers (Unaudited)

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

| Name,<br>Birthdate<br>& Address | Position(s)<br>Held<br>with the<br>Funds | Year First<br>Elected or<br>Appointed<br>and<br>Term(1) | Principal<br>Occupation(s)<br>including other<br>Directorships<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund<br>Complex<br>Overseen by<br>Board<br>Member |
|---------------------------------|--|---|---|---|
|---------------------------------|--|---|---|---|

Independent Board Members:

|   |   |                   |  |     |
|---|---|-------------------|--|-----|
| ROBERT P.<br>BREMNER<br>8/22/40<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Chairman of<br>the Board<br>and Board<br>Member | 1996<br>Class III | Private Investor and Management<br>Consultant; Treasurer and Director,<br>Humanities Council of Washington,<br>D.C.; Board Member, Independent<br>Directors Council affiliated with the<br>Investment Company Institute.   | 206 |
| JACK B. EVANS<br>10/22/48<br>333 W. Wacker Drive<br>Chicago, IL 60606       | Board<br>Member                                 | 1999<br>Class III | President, The Hall-Perrine Foundation,<br>a private philanthropic corporation<br>(since 1996); Director and Chairman,<br>United Fire Group, a publicly held<br>company; member of the Board of<br>Regents for the State of Iowa<br>University System; Director, Source<br>Media Group; Life Trustee of Coe<br>College and the Iowa College<br>Foundation; formerly, Director, Alliant<br>Energy; formerly, Director, Federal<br>Reserve Bank of Chicago; formerly,<br>President and Chief Operating Officer,<br>SCI Financial Group, Inc., a regional<br>financial services firm. | 206 |
| WILLIAM C.<br>HUNTER  |   |                   | Dean Emeritus (since June 30, 2012),<br>formerly, Dean, Tippie College of  |     |

|  |                 |                   |   |     |
|--|-----------------|-------------------|---|-----|
| 3/6/48<br>333 W. Wacker Drive<br>Chicago, IL 60606                                 | Board<br>Member | 2004<br>Class I   | Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and President (since July 2012) Beta Gamma Sigma, Inc., The International Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.  | 206 |
| DAVID J.<br>KUNDERT<br>10/28/42<br>333 W. Wacker Drive<br>Chicago, IL 60606        | Board<br>Member | 2005<br>Class II  | Director, Northwestern Mutual Wealth Management Company; retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible. | 206 |
| WILLIAM J.<br>SCHNEIDER<br>9/24/44<br>333 W. Wacker<br>Drivel<br>Chicago, IL 60606 | Board<br>Member | 1996<br>Class III | Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; Member of two Miller Valentine real estate LLC companies; member, University of Dayton Business School Advisory Council; member, Mid-America Health System Board; Board Member of Tech Town, Inc., a not-for-profit community development company; Board Member of WDPR Public Radio; formerly,  | 206 |

member and chair, Dayton  
Philharmonic Orchestra Association;  
formerly, member, Business Advisory  
Council, Cleveland Federal Reserve  
Bank.

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| Name,<br>Birthdate<br>& Address | Position(s)<br>Held<br>with the<br>Funds | Year First<br>Elected or<br>Appointed<br>and<br>Term(1) | Principal<br>Occupation(s)<br>Including other<br>Directorships<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund<br>Complex<br>Overseen by<br>Board<br>Member |
|---------------------------------|--|---|---|---|
|---------------------------------|--|---|---|---|

Independent Board Members:

|  |                 |                  |  |     |
|--|-----------------|------------------|--|-----|
| JUDITH M.<br>STOCKDALE<br>12/29/47<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Board<br>Member | 1997<br>Class I  | Formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).   | 206 |
| CAROLE E. STONE<br>6/28/47<br>333 W. Wacker Drive<br>Chicago, IL 60606         | Board<br>Member | 2007<br>Class I  | Director, Chicago Board Options Exchange (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007).   | 206 |
| VIRGINIA L.<br>STRINGER<br>8/16/44<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Board<br>Member | 2011<br>Class I  | Board Member, Mutual Fund Directors Forum; former governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc. a management consulting firm; former Member, Governing Board, Investment Company Institute's Independent Directors Council; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010). | 206 |
| TERENCE J. TOTH<br>9/29/59<br>333 W. Wacker Drive<br>Chicago, IL 60606         | Board<br>Member | 2008<br>Class II | Managing Partner, Promus Capital (since 2008); formerly, Director, Legal & General Investment Management America, Inc. (since 2008-2013); Director, Fulcrum IT Service LLC   | 206 |

(since 2010), Quality Control Corporation (since 2012) and LogicMark LLC (since 2012); Formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); member: Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012), and a member of its investment committee; formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).

Interested Board Member:

JOHN P.  
 AMBOIAN(2)  
 6/14/61 Board 2008  
 333 W. Wacker Drive Member Class II  
 Chicago, IL 60606

Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc., formerly, President (1999-2007); Chief Executive Officer (since 2007) of Nuveen Investments Advisers, Inc.; Director (since 1998) formerly, Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, LLC. 206

## Board Members &amp; Officers (Unaudited) (continued)

| Name,<br>Birthdate<br>and Address | Position(s)<br>Held<br>with the Funds | Year First<br>Elected or<br>Appointed(3) | Principal<br>Occupation(s)<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund<br>Complex<br>Overseen<br>by Officer |
|-----------------------------------|---------------------------------------|--|---|---|
|-----------------------------------|---------------------------------------|--|---|---|

## Officers of the Funds:

|   |                                    |      |   |     |
|---|------------------------------------|------|---|-----|
| GIFFORD R.<br>ZIMMERMAN<br>9/9/56<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Chief<br>Administrative<br>Officer | 1988 | Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director, Associate General Counsel and Assistant Secretary, of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), Santa Barbara Asset Management, LLC (since 2006), and of Winslow Capital Management, LLC, (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2006) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst. | 206 |
| WILLIAM ADAMS<br>IV<br>6/9/55<br>333 W. Wacker Drive<br>Chicago, IL 60606     | Vice President                     | 2007 | Senior Executive Vice President, Global Structured Products (since 2010), formerly, Executive Vice President (1999-2010) of Nuveen Securities, LLC; Co-President of Nuveen Fund Advisors, LLC (since 2011); President (since 2011),   | 105 |

|   |                                  |      |  |     |
|---|----------------------------------|------|--|-----|
|   |                                  |      | formerly, Managing Director<br>(2010-2011) of Nuveen Commodities<br>Asset Management, LLC.   |     |
| CEDRIC H.<br>ANTOSIEWICZ<br>1/11/62<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President                   | 2007 | Managing Director of Nuveen<br>Securities, LLC.  | 105 |
| MARGO L. COOK<br>4/11/64<br>333 W. Wacker Drive<br>Chicago, IL 60606            | Vice President                   | 2009 | Executive Vice President (since 2008)<br>of Nuveen Investments, Inc. and of<br>Nuveen Fund Advisors, LLC (since<br>2011); Managing Director-Investment<br>Services of Nuveen Commodities<br>Asset Management, LLC (since<br>August 2011), previously, Head of<br>Institutional Asset Management<br>(2007-2008) of Bear Stearns Asset<br>Management; Head of Institutional<br>Asset Management (1986-2007) of<br>Bank of NY Mellon; Chartered<br>Financial Analyst. | 206 |
| LORNA C.<br>FERGUSON<br>10/24/45<br>333 W. Wacker Drive<br>Chicago, IL 60606    | Vice President                   | 1998 | Managing Director (since 2005) of<br>Nuveen Fund Advisors, LLC and<br>Nuveen Securities, LLC (since 2004).   | 206 |
| STEPHEN D. FOY<br>5/31/54<br>333 W. Wacker Drive<br>Chicago, IL 60606           | Vice President<br>and Controller | 1998 | Senior Vice President (since 2010),<br>formerly, Vice President (2005-2010)<br>and Funds Controller of Nuveen<br>Securities, LLC; Vice President of<br>Nuveen Fund Advisors, LLC; Chief<br>Financial Officer of Nuveen<br>Commodities Asset Management,<br>LLC (since 2010); Certified Public<br>Accountant.   | 206 |

| Name,<br>Birthdate<br>and Address | Position(s)<br>Held<br>with the Funds | Year First<br>Elected or<br>Appointed(3) | Principal<br>Occupation(s)<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund<br>Complex<br>Overseen<br>by Officer |
|-----------------------------------|---------------------------------------|--|---|---|
|-----------------------------------|---------------------------------------|--|---|---|

## Officers of the Funds:

|  |  |      |   |     |
|--|--|------|---|-----|
| SCOTT S. GRACE<br>8/20/70<br>333 W. Wacker<br>Drive<br>Chicago, IL 60606s    | Vice President<br>and Treasurer                      | 2009 | Managing Director, Corporate<br>Finance & Development, Treasurer<br>(since 2009) of Nuveen Securities,<br>LLC; Managing Director and<br>Treasurer (since 2009) of Nuveen<br>Fund Advisors, LLC, Nuveen<br>Investments Advisers, Inc., Nuveen<br>Investments Holdings Inc. and (since<br>2011) Nuveen Asset Management,<br>LLC; Vice President and Treasurer of<br>NWQ Investment Management<br>Company, LLC, Tradewinds Global<br>Investors, LLC, Symphony Asset<br>Management LLC and Winslow<br>Capital Management, LLC.; Vice<br>President of Santa Barbara Asset<br>Management, LLC; formerly,<br>Treasurer (2006-2009), Senior Vice<br>President (2008-2009), previously,<br>Vice President (2006-2008) of Janus<br>Capital Group, Inc.; formerly, Senior<br>Associate in Morgan Stanley's Global<br>Financial Services Group<br>(2000-2003); Chartered Accountant<br>Designation. | 206 |
| WALTER M.<br>KELLY<br>2/24/70<br>333 W. Wacker<br>Drive<br>Chicago, IL 60606 | Chief<br>Compliance<br>Officer and<br>Vice President | 2003 | Senior Vice President (since 2008)<br>and Assistant Secretary (since 2003)<br>of Nuveen Fund Advisors, LLC;<br>Senior Vice President (since 2008) of<br>Nuveen Investment Holdings, Inc.;<br>formerly, Senior Vice President<br>(2008-2011) of Nuveen Securities,<br>LLC.   | 206 |
| TINA M. LAZAR<br>8/27/61<br>333 W. Wacker<br>Drive<br>Chicago, IL 60606      | Vice President                                       | 2002 | Senior Vice President (since 2010),<br>formerly, Vice President (2005-2010)<br>of Nuveen Fund Advisors, LLC.  | 206 |

KEVIN J.  
MCCARTHY  
3/26/66  
333 W. Wacker  
Drive  
Chicago, IL 60606

Vice President  
and Secretary 2007

Managing Director and Assistant Secretary (since 2008), Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary (since 2007) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director (since 2008), and Assistant Secretary, Nuveen Investment Holdings, Inc.; Vice President (since 2007) and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, and of Winslow Capital Management, LLC. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC; prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007). 206

Board Members & Officers (Unaudited) (continued)

| Name,<br>Birthdate<br>and Address | Position(s)<br>Held<br>with the<br>Funds | Year First<br>Elected or<br>Appointed(3) | Principal<br>Occupation(s)<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund<br>Complex<br>Overseen<br>by Officer |
|-----------------------------------|--|--|---|---|
|-----------------------------------|--|--|---|---|

Officers of the Funds:

|  |   |      |  |     |
|--|---|------|--|-----|
| KATHLEEN L.<br>PRUDHOMME<br>3/30/53<br>901 Marquette<br>Avenue<br>Minneapolis, MN<br>55402 | Vice<br>President and<br>Assistant<br>Secretary | 2011 | Managing Director, Assistant<br>Secretary and Co-General Counsel<br>(since 2011) of Nuveen Fund<br>Advisors, LLC; Managing Director,<br>Assistant Secretary and Associate<br>General Counsel (since 2011) of<br>Nuveen Asset Management, LLC;<br>Managing Director and Assistant<br>Secretary (since 2011) of Nuveen<br>Securities, LLC; formerly, Deputy<br>General Counsel, FAF Advisors, Inc.<br>(2004-2010). | 206 |
|--|---|------|--|-----|

- (1) For California Premium Income (NCU), California Dividend Advantage (NAC), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX), the Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (3) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

98 Nuveen Investments

Reinvest Automatically,  
Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

Nuveen Closed-End Funds Automatic Reinvestment Plan

Your Nuveen Closed-End Fund allows you to conveniently reinvest 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 compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on 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 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 greater of the net asset value or 95% of 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. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may



Reinvest Automatically,  
Easily and Conveniently (continued)

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

Flexible

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

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

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

Call today to start reinvesting distributions

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

100 Nuveen Investments

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Glossary of Terms  
Used in this Report

**Auction Rate Bond:** An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have “failed,” with current holders receiving a formula-based interest rate until the next scheduled auction.

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

**Duration:** Duration is a measure of the expected period over which a bond’s principal and interest will be paid, and consequently is a measure of the sensitivity of a bond’s or bond Fund’s value to changes when market interest rates change. Generally, the longer a bond’s or Fund’s duration, the more the price of the bond or Fund will change as interest rates change.

**Effective Leverage:** Effective leverage is a Fund’s effective economic leverage, and includes both regulatory leverage (see leverage) and the leverage effects of certain derivative investments in the Fund’s portfolio. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage.

**Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

**Inverse Floating Rate Securities:** Inverse floating rate securities, also known as inverse floaters or tender option bonds (TOBs), are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond’s par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an “inverse floater”) to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates’ holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond’s downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond’s value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

**Leverage:** Using borrowed money to invest in securities or other assets, seeking to increase the return of an investment or portfolio.

Glossary of Terms  
Used in this Report (continued)

**Lipper California Municipal Debt Funds Classification Average:** Calculated using the returns of all closed-end funds in this category. Lipper returns account for the effects of management fees and assume reinvestment of distributions, but do not reflect any applicable sales charges.

**Net Asset Value (NAV):** The net market value of all securities held in a portfolio.

**Net Asset Value (NAV) Per Share:** The market value of one share of a mutual fund or closed-end fund. For a Fund, the NAV is calculated daily by taking the Fund's total assets (securities, cash, and accrued earnings), subtracting the Fund's liabilities, and dividing by the number of shares outstanding.

**Pre-Refunding:** Pre-Refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.

**Regulatory Leverage:** Regulatory leverage consists of preferred shares issued by or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set in the Investment Company Act of 1940.

**S&P Municipal Bond California Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade California municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

**S&P Municipal Bond Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

**S&P Municipal Bond Insured Index:** An unleveraged, market value-weighted index designed to measure the performance of the insured segment of the U.S. municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

**Total Investment Exposure:** Total investment exposure is a Fund's assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes a Fund's use of preferred stock and borrowings and investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities.

**Zero Coupon Bond:** A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.



Additional Fund Information

Board of Trustees

John P. Amboian  
Robert P. Bremner  
Jack B. Evans  
William C. Hunter  
David J. Kundert  
William J. Schneider  
Judith M. Stockdale  
Carole E. Stone  
Virginia L. Stringer  
Terence J. Toth

Fund Manager

Nuveen Fund Advisors, LLC  
333 West Wacker Drive  
Chicago, IL 60606

Custodian

State Street Bank  
& Trust Company  
Boston, MA

Transfer Agent and Shareholder Services

State Street Bank &  
Trust Company  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

Legal Counsel

Chapman and Cutler LLP  
Chicago, IL

Independent Registered Public Accounting Firm

Ernst & Young LLP  
Chicago, IL

Quarterly Portfolio of Investments and Proxy Voting Information

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, and (iii) a description of the policies and procedures that each Fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com).

You may also obtain this and other Fund information directly from the Securities and Exchange Commission (SEC). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public References Section at 100 F Street NE, Washington, D.C. 20549.

#### CEO Certification Disclosure

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

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

#### Common Share Information

Each Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased shares of their common stock as shown in the accompanying table.

| Fund | Common Shares Repurchased |
|------|---------------------------|
| NCU  | —                         |
| NAC  | —                         |
| NVX  | —                         |
| NZH  | —                         |
| NKX  | —                         |

Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments:  
Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates—Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed \$219 billion as of December 31, 2012.

Find out how we can help you.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: [www.nuveen.com/cef](http://www.nuveen.com/cef)

Distributed by  
Nuveen Securities, LLC  
333 West Wacker Drive  
Chicago, IL 60606  
[www.nuveen.com](http://www.nuveen.com)

EAN-B-0213D

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## ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/CEF/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx). (To view the code, click on Code of Conduct.)

## ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State's operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State's bond-related disclosure documents and certifying that they fairly presented the State's financial position; reviewing audits of various State and local agencies and programs; and coordinating the State's system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone's position on the boards of these entities and as a member of both CBOE Holdings' Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

## ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

### Nuveen California Dividend Advantage Municipal Fund 2

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

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

### SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND



| Fiscal Year Ended                                      | Audit Fees Billed to Fund 1 | Audit-Related Fees Billed to Fund 2 | Tax Fees Billed to Fund 3 | All Other Fees Billed to Fund 4 |
|--|-----------------------------|-------------------------------------|---------------------------|---------------------------------|
| February 28, 2013                                      | \$22,250                    | \$ 0                                | \$0                       | \$0                             |
| Percentage approved pursuant to pre-approval exception | 0 %                         | 0 %                                 | 0 %                       | 0 %                             |
| February 29, 2012                                      | \$21,200                    | \$ 12,500                           | \$0                       | \$0                             |
| Percentage approved pursuant to pre-approval exception | 0 %                         | 0 %                                 | 0 %                       | 0 %                             |

1 "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

2 "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements that are not reported under "Audit Fees". These fees include offerings related to the Fund's common shares and leverage.

3 "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculations performed by the principal accountant.

4 "All Other Fees" are the aggregate fees billed for products and services other than "Audit Fees", "Audit-Related Fees" and "Tax Fees". These fees represent all "Agreed-Upon Procedures" engagements pertaining to the Fund's use of leverage.

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

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

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the

Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| Fiscal Year Ended                                      | Audit-Related Fees Billed to Adviser and Affiliated Fund Service Providers | Tax Fees Billed to Adviser and Affiliated Fund Service Providers | All Other Fees Billed to Adviser and Affiliated Fund Service Providers |    |
|--|--|--|--|----|
| February 28, 2013                                      | \$   | 0 \$   | 0 \$   | 0  |
| Percentage approved pursuant to pre-approval exception |  | 0%   | 0%   | 0% |
| February 29, 2012                                      | \$   | 0 \$   | 0 \$   | 0  |
| Percentage approved pursuant to pre-approval exception |  | 0%   | 0%   | 0% |

NON-AUDIT SERVICES

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

| Fiscal Year Ended | Total Non-Audit Fees Billed to Fund | Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the operations and financial reporting of the Fund) | Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements) | Total |
|-------------------|-------------------------------------|---|--|-------|
| February 28, 2013 | \$                                  | 0 \$  | 0 \$   | 0 \$  |
| February 29, 2012 | \$                                  | 0 \$  | 0 \$   | 0 \$  |

"Non-Audit Fees billed to Fund" for both fiscal year ends represent "Tax Fees" and "All Other Fees" billed to Fund in their respective amounts from the previous table.

Less than 50 percent of the hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

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

#### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Terence J. Toth, William J. Schneider, Carole E. Stone and David J. Kundert.

#### ITEM 6. SCHEDULE OF INVESTMENTS.

- a) See Portfolio of Investments in Item 1.
- b) Not applicable.

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

Nuveen Fund Advisors, LLC, formerly known as Nuveen Fund Advisors, Inc., is the registrant's investment adviser (also referred to as the "Adviser"). The Adviser is responsible for the on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC ("Sub-Adviser") as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to the Sub-Adviser the full responsibility for proxy voting on securities held in the registrant's portfolio and related duties in accordance with the Sub-Adviser's policy and procedures. The Adviser periodically monitors the Sub-Adviser's voting to ensure that it is carrying out its duties. The Sub-Adviser's proxy voting policies and procedures are attached to this filing as an exhibit and incorporated herein by reference.

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

Nuveen Fund Advisors, LLC, formerly known as Nuveen Fund Advisors, Inc., is the registrant's investment adviser (also referred to as the "Adviser"). The Adviser is responsible for the selection and on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC ("Nuveen Asset Management" or "Sub-Adviser") as Sub-Adviser to provide discretionary investment advisory services. The following section provides information on the portfolio manager at the Sub-Adviser:

##### The Portfolio Manager

The following individual has primary responsibility for the day-to-day implementation of the registrant's investment strategies:

| Name            | Fund  |
|-----------------|---|
| Scott R. Romans | Nuveen California Dividend Advantage Municipal Fund 2 |

Other Accounts Managed. In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

|                   | Type of Account                  | Number of | Assets*        |
|-------------------|----------------------------------|-----------|----------------|
| Portfolio Manager | Managed                          | Accounts  |                |
| Scott R. Romans   | Registered Investment Company    | 26        | \$6.80 billion |
|                   | Other Pooled Investment Vehicles | 0         | \$0            |
|                   | Other Accounts                   | 2         | \$1.37 million |

\* Assets are as of February 28, 2013. None of the assets in these accounts are subject to an advisory fee based on performance.

#### POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented a number of potential conflicts, including, among others, those discussed below.

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Nuveen Asset Management seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, Nuveen Asset Management has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, Nuveen Asset Management determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, Nuveen Asset Management may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, Nuveen Asset Management may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.

Some clients are subject to different regulations. As a consequence of this difference in regulatory requirements, some clients may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where Nuveen Asset Management has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

Nuveen Asset Management has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Item 8(a)(3).

#### FUND MANAGER COMPENSATION

Portfolio manager compensation consists primarily of base pay, an annual cash bonus and long term incentive payments.

Base pay. Base pay is determined based upon an analysis of the portfolio manager’s general performance, experience, and market levels of base pay for such position.

Annual cash bonus. The Fund’s portfolio managers are eligible for an annual cash bonus based on investment performance, qualitative evaluation and financial performance of Nuveen Asset Management.

A portion of each portfolio manager’s annual cash bonus is based on the Fund’s investment performance, generally measured over the past one- and three or five-year periods unless the portfolio manager’s tenure is shorter. Investment performance for the Fund generally is determined by evaluating the Fund’s performance relative to its benchmark(s) and/or Lipper industry peer group.

A portion of the cash bonus is based on a qualitative evaluation made by each portfolio manager’s supervisor taking into consideration a number of factors, including the portfolio manager’s team collaboration, expense management, support of personnel responsible for asset growth, and his or her compliance with Nuveen Asset Management’s policies and procedures.

The final factor influencing a portfolio manager’s cash bonus is the financial performance of Nuveen Asset Management based on its operating earnings.

Long-term incentive compensation. Certain key employees of Nuveen Investments and its affiliates, including certain portfolio managers, have received equity interests in the parent company of Nuveen Investments. In addition, certain key employees of Nuveen Asset Management, including certain portfolio managers, have received profits interests in Nuveen Asset Management which entitle their holders to participate in the firm’s growth over time.

There are generally no differences between the methods used to determine compensation with respect to the Fund and the Other Accounts shown in the table above.

Beneficial Ownership of Securities. As of February 28, 2013 the portfolio manager beneficially owned the following dollar range of equity securities issued by the Registrant and other Nuveen Funds managed by Nuveen Asset Management’s municipal investment team.

| Name of Portfolio Manager | Fund  | Dollar range of equity securities beneficially owned in Fund | Dollar range of equity securities beneficially owned in the remainder of Nuveen funds managed by Nuveen Asset Management’s municipal investment team |
|---------------------------|---|--|--|
| Scott R. Romans           | Nuveen California Dividend Advantage Municipal Fund 2 | \$0  | \$0  |

**PORTFOLIO MANAGER BIO:**

Scott R. Romans, PhD, Senior Vice President of Nuveen Asset Management, joined Nuveen Investments in 2000 as a senior analyst in the education sector. In 2003, he was assigned management responsibility for several closed- and open-ended municipal bond funds most of which are state funds covering California and other western states. Currently, he manages investments for 27 Nuveen-sponsored investment companies. He holds an

undergraduate degree from the University of Pennsylvania and an MA and PhD from the University of Chicago.

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

Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

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

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

- (a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at [www.nuveen.com/CEF/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx) and there were no amendments during the period covered by this report. (To view the code, click on Code of Conduct.)
- (a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.
- (a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of

1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.  
Ex-99.906 CERT attached hereto.

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SIGNATURES

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

(Registrant) Nuveen California Dividend Advantage Municipal Fund 2

By (Signature and Title) /s/ Kevin J. McCarthy

Kevin J. McCarthy

Vice President and Secretary

Date: May 8, 2013

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

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

Gifford R. Zimmerman

Chief Administrative Officer

(principal executive officer)

Date: May 8, 2013

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

Stephen D. Foy

Vice President and Controller

(principal financial officer)

Date: May 8, 2013