NUVEEN NEW JERSEY DIVIDEND ADVANTAGE MUNICIPAL FUND
Form N-CSRS
January 08, 2015

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 811-09455

Nuveen New Jersey Dividend Advantage Municipal Fund
(Exact name of registrant as specified in charter)

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

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

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

Date of fiscal year end: April 30

Date of reporting period: October 31, 2014

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.

NUVEEN INVESTMENTS ACQUIRED BY TIAA-CREF

On October 1, 2014, TIAA-CREF completed its previously announced acquisition of Nuveen Investments, Inc., the parent company of your fund's investment adviser, Nuveen Fund Advisors, LLC ("NFAL") and the Nuveen affiliates that act as sub-advisers to the majority of the Nuveen Funds. TIAA-CREF is a national financial services organization with approximately $840 billion in assets under management as of October 1, 2014 and is a leading provider of retirement services in the academic, research, medical and cultural fields. Nuveen expects to operate as a separate subsidiary within TIAA-CREF's asset management business. Nuveen's existing leadership and key investment teams have remained in place following the transaction.

NFAL and your fund's sub-adviser(s) continue to manage your fund according to the same objectives and policies as before, and there have been no changes to your fund's operations.

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Chairman's Letter to Shareholders

Dear Shareholders,

Over the past year, global financial markets were generally strong as stocks of many countries rose due to strengthening economies and abundant central bank support. A low and stable interest rate environment allowed the bond market to generate modest but positive returns.

More recently, markets have been less certain as economic growth is strengthening in some parts of the world, but in other areas recovery has been slow or uneven at best. Despite increasing market volatility, geopolitical turmoil and concerns over rising rates, better-than-expected earnings results and economic data have supported U.S. stocks. Europe continues to face challenges as disappointing growth and inflation measures led the European Central Bank to further cut interest rates. Japan is suffering from the burden of the recent consumption tax as the government's structural reforms continue to steadily progress. Flare-ups in hotspots, such as the ongoing Russia-Ukraine conflict and Middle East, have not yet been able to derail the markets, though that remains a possibility. With all the challenges facing the markets, accommodative monetary policy around the world has helped lessen the impact of these events.

It is in such changeable markets that professional investment management is most important. Investment teams who have experienced challenging markets in the past understand how their asset class can behave in rapidly changing times. Remaining committed to their investment disciplines during these times is a critical component to achieving long-term success. In fact, many strong investment track records are established during challenging periods because experienced investment teams understand that volatile markets place a premium on companies and investment ideas that can weather the short-term volatility. By maintaining appropriate time horizons, diversification and relying on practiced investment teams, we believe that investors can achieve their long-term investment objectives.

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 the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

William J. Schneider
Chairman of the Board
December 22, 2014

Portfolio Manager's Comments

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (NQJ)
Nuveen New Jersey Premium Income Municipal Fund, Inc. (NNJ)
Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ)
Nuveen New Jersey Dividend Advantage Municipal Fund 2 (NUJ)
Nuveen New Jersey Municipal Value Fund (NJV)
Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)
Nuveen Pennsylvania Municipal Value Fund (NPN)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio manager Paul L. Brennan, CFA, reviews key investment strategies and the six-month performance of the Nuveen New Jersey and Pennsylvania Funds. Paul assumed portfolio management responsibility for these seven Funds in 2011.

FUND REORGANIZATIONS

During November 2013, the New Jersey Funds' Board of Directors/Trustees approved a series of reorganizations for certain Funds included in this report (the Target Funds) to create one, larger-state Fund (the Acquiring Fund).

The reorganizations are as follows:

Target Funds	Symbol	Acquiring Fund	Symbol
Nuveen New Jersey Investment Quality Municipal Fund, Inc.	NQJ	Nuveen New Jersey Dividend Advantage Municipal Fund	NXJ
Nuveen New Jersey Premium Income Municipal Fund, Inc.	NNJ		
Nuveen New Jersey Dividend Advantage Municipal Fund 2	NUJ		

On October 20, 2014, the reorganizations were approved by shareholders and the reorganizations became effective before the opening of business on November 11, 2014 (subsequent to the close of this reporting period).

See Notes to Financial Statements, Note 1 – General Information and Significant Accounting Policies, Fund Reorganizations for further information.

What key strategies were used to manage the Nuveen New Jersey and Pennsylvania Funds during the six-month reporting period ended October 31, 2014?

During this reporting period, the rally in the municipal market continued, driven by strong demand and tight supply and reinforced by an environment of improving fundamentals. Municipal bond prices generally rose, while interest rates declined and the

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 (S&P), Moody's Investors Service, Inc., (Moody's) or Fitch, Inc. (Fitch). 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.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

municipal yield curve flattened. In general, Pennsylvania municipal paper outperformed the national market, while municipal bonds issued in New Jersey tended to lag the overall municipal market return for the reporting period. During this time, 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.

While municipal supply nationally, as well as in New Jersey and Pennsylvania, improved during this six-month period over that of the previous six months, much of this increase was attributable to refunding activity as bond issuers, prompted by low interest rates, sought to lower debt service costs by retiring older bonds from the proceeds of lower cost new bond issues. During the third quarter of 2014, we saw current refunding activity increase by more than 64% nationwide, and estimates are that these refundings accounted for 35% of issuance during the first nine months of 2014. These refunding bonds do not represent an actual net increase in issuance because they are mostly replacing outstanding issues that were called soon thereafter. As a result, new municipal issuance continued to be tight and broadly speaking, it remained challenging to source attractive bonds that would enhance the Funds' holdings. Much of our investment activity focus was on reinvesting the cash generated by current calls into bonds with intermediate and longer maturities that could help us offset the decline in rates and maintain investment performance potential. These Funds were well positioned coming into the reporting period, so we could be selective in looking for opportunities to purchase bonds that added value and continued to help us achieve our goals for the Funds.

During this reporting period, the New Jersey Funds found value in diversified areas of the marketplace, including health care and transportation. In health care, we added to our positions in bonds issued for Robert Wood Johnson University Hospital, one of the premier hospitals in the state. In the transportation sector, we purchased tollroad bonds issued by the Delaware River and Bay Authority and credits issued by the New Jersey Transit Authority for the state's mass transit system. Attractive purchase opportunities among A-rated bonds as well as a few upgrades during the reporting period slightly increased the Funds' exposure to the A-rated credit sector. Among the Funds' holdings upgraded to A-rated were bonds issued for Barnabas Health, which were upgraded from BBB+ and credits issued by North Hudson Sewerage Authority.

In NQP and NPN, our allocations to the A-rated sector also were boosted through purchases and upgrades. In general, we saw an increased number of credit upgrades at the local government level in both Pennsylvania and New Jersey, as local economies improved and property tax valuations and assessments rose. Overall, we were focused on finding value across market sectors, adding local general obligation (GO) bonds such as those issued for Allegheny County, health care credits, as well as A-rated bonds issued for the Philadelphia Airport in NQP.

Cash for new purchases during this reporting period was generated primarily by proceeds from called and matured bonds, which we worked to redeploy to keep the Funds fully invested and support their income streams. As previously mentioned, the decline in municipal yields and the flattening of the municipal yield curve relative to the Treasury curve made refunding deals more attractive and the increase in this activity provided ample cash for purchases.

As of October 31, 2014, all 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.

How did the Funds perform during the six-month reporting period ended October 31, 2014?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the six-month, one-year, five-year, ten-year and since inception periods ended October 31, 2014. Each Fund's total returns at common share net asset value (NAV) are compared with the performance of corresponding market indexes and Lipper classification averages.

For the six months ended October 31, 2014, the total returns at common share NAV for the Nuveen New Jersey and Pennsylvania Funds exceeded the returns for their respective state's S&P Municipal Bond Index as well as the national S&P Municipal Bond Index. For the same period, the five New Jersey Funds lagged the average return for the Lipper New Jersey Municipal Debt Funds Classification Average, while NQP outperformed the Lipper Pennsylvania Municipal Debt Funds Classification Average and NPN underperformed this Lipper average.

Key management factors that influenced the Funds' returns included duration and yield curve positioning, credit exposure and sector allocation. Keeping the Funds fully invested throughout the reporting period also was beneficial for performance. In addition, the use of regulatory leverage was an important positive factor affecting the performance of NQJ, NNJ, NXJ, NUJ and NQP. One of the reasons that NJV and NPN trailed the other five Funds in this report for the six-month reporting period was that these two Funds do not use regulatory leverage. Leverage is discussed in more detail later in the Fund Leverage section of this report.

Given the combination of declining interest rates and a flattening yield curve during this reporting period, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits with maturities of 15 years or more, especially those at the longest end of the municipal yield curve, outperformed the general municipal market, while bonds at the shortest end of the curve produced the weakest results. In general, the Funds' durations and yield curve positioning were positive for performance during this reporting period. Consistent with our long term strategy, these Funds tended to have longer durations than the municipal market in general, with overweightings in the longer parts of the yield curve that performed well and underweightings in the underperforming shorter end of the curve. This was especially true in NUJ and NQP, which had the longest durations among their Nuveen New Jersey and Pennsylvania Fund counterparts, respectively, and their greater sensitivity to changes in interest rates benefited their performance. Overall, duration and yield curve positioning was the major driver of performance and differences in positioning accounted for much of the differences in performance.

During this reporting period, lower rated bonds, that is, bonds rated A or lower, generally outperformed higher quality bonds, as the municipal market rally continued and investors became more willing to accept risk in their search for yield in the current low rate environment. While their longer average durations provided an advantage for lower rated bonds, these bonds also generally had stronger duration adjusted results. With overweights in A-rated and BBB-rated bonds relative to their benchmark, credit exposure was generally positive for the performance of the New Jersey and Pennsylvania Funds. As with duration, differences in credit allocation accounted for some of the differences in performance. NXJ, for example, had the highest allocation to bonds rated AAA and AA, which slightly hampered its performance.

Among the municipal market sectors, health care bonds generally were the top performers, with industrial development revenue (IDR), transportation, education, water and sewer, and housing credits also outperforming the general municipal market. The

Portfolio Manager's Comments (continued)

outperformance of the health care sector can be attributed in part to the recent scarcity of these bonds, as issuance in this sector declined 31% during the first nine months of 2014. All of these Funds had good exposure to the health care sector and the New Jersey Funds also generally had good weightings in transportation, which benefited performance. During this reporting period, lower rated tobacco credits backed by the 1998 master tobacco settlement agreement experienced some volatility, but managed to finish the reporting period ahead of the national municipal bond market, helped by their longer effective durations, lower credit quality and the broader demand for higher yields. In addition, several tobacco bond issues were strengthened following the favorable resolution of a dispute over payments by tobacco companies. However, results for tobacco bonds varied from state to state. All of the New Jersey Funds had allocations of tobacco credits issued by the New Jersey Tobacco Settlement Financing Corporation, which underperformed the New Jersey municipal market as a whole. In the Pennsylvania Funds, NPN held tobacco bonds issued by the District of Columbia, while NQP did not hold any tobacco bonds. This reflects the fact that Pennsylvania has not issued any tobacco settlement credits to date.

The poorest performing market segment for the reporting period was pre-refunded bonds, which are often backed by U.S. Treasury securities. The underperformance of these bonds relative to the market can be attributed primarily to their shorter effective maturities and higher credit quality. All of these Funds had allocations of pre-refunded bonds, with NQJ, NNJ and NXJ having the heaviest weightings. General obligation (GO) credits also generally trailed the revenue sectors as well as the municipal market as a whole, although by a much narrower margin than pre-refunded bonds. This included New Jersey state GOs, which underperformed as the market penalized these bonds for credit downgrades by all three major rating agencies in 2014. In April 2014, S&P reduced the state's GO rating to A+ from AA-, followed by another reduction to A in September, with the agency citing New Jersey's sizeable structural imbalance and deferred pension payments leading to future budgetary pressures. Fitch also announced downgrades on New Jersey GOs to A+ from AA- in May 2014 and then to A in September 2014, echoing S&P's assessment of the state's growing pension and retiree health care liabilities as well as its high levels of debt and overly optimistic revenue estimates that could add to future budget problems. Moody's followed suit in May 2014, downgrading New Jersey to A1 from Aa3. As of October 2014, New Jersey state GO and appropriation-backed debt was rated A1/A/A by Moody's, S&P and Fitch, respectively. Pennsylvania, which faces some of the same budgetary and pension issues as New Jersey although to a lesser degree, also saw the ratings on its GO debt lowered in 2014, from Aa2/AA/AA in April 2014 to Aa3/AA-/AA- as of October 2014.

We continued to monitor the ongoing economic problems of Puerto Rico for any impact on the Funds' holdings and performance. Shareholders should note that the exposure of these Funds to Puerto Rico debt during this reporting period was less than 3%. These territorial bonds were originally added to our portfolios to keep assets fully invested and working for the Funds as well as to enhance diversity, duration and credit. The Puerto Rico credits offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state and local taxes). However, Puerto Rico's continued economic weakening, escalating debt service obligations and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Following the latest rating reduction by Moody's in July 2014, Puerto Rico GO debt was rated B2/BB+/BB (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks. In late June 2014, Puerto Rico approved new legislation creating a judicial framework and formal process that would allow several of the commonwealth's public corporations to restructure their public debt. As of October 2014, the Nuveen complex held $69.8 million in bonds backed by public corporations in Puerto Rico that could be restructured under this legislation, representing less than 0.1% of our municipal assets under management. In light of the

evolving economic situation in Puerto Rico, Nuveen's credit analysis of the commonwealth had previously considered the possibility of a default and the restructuring of public corporations and we adjusted our portfolios to prepare for such an outcome, although no such default or restructuring has occurred to date. The Nuveen complex's entire exposure to obligations of the government of Puerto Rico and other Puerto Rico issuers totals 0.35% of assets under management as of October 31, 2014. As of October 31, 2014, these Funds' limited exposure to Puerto Rico was invested in bonds that were insured (which we believe adds value), pre-refunded (and therefore backed by securities such as U.S. Treasuries) or unrelated to the government of Puerto Rico. Overall, the small size of our exposures meant that our Puerto Rico holdings had a negligible impact on performance.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of the Funds relative to their comparative benchmarks was the Funds' use of leverage through their issuance of preferred shares and/or investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. As mentioned previously, NJV and NPN do not use regulatory leverage. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Leverage made a positive contribution to the performance of these Funds over this reporting period.

As of October 31, 2014, the Funds' percentages of leverage are as shown in the accompanying table.

	NQJ	NNJ	NXJ	NUJ	NJV	NQP	NPN
Effective Leverage*	37.31%	38.02%	36.69%	39.02%	7.54%	37.41%	2.63%
Regulatory Leverage*	31.17%	31.64%	30.58%	33.67%	N/A	30.81%	N/A

* 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 subject to asset coverage limits set forth in the Investment Company Act of 1940.

N/A The Fund does not use Regulatory leverage.

THE FUNDS' REGULATORY LEVERAGE

As of October 31, 2014, the Funds have issued and outstanding MuniFund Term Preferred (MTP) Shares, Variable Rate MuniFund Term Preferred (VMTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying table. As mentioned previously, NJV and NPN do not use regulatory leverage.

	MTP Shares			VMTP Shares	VRDP Shares
Series	Shares Issued at Liquidation Value	Annual Dividend Rate	NYSE / NYSE MKT Ticker	Shares Issued at Liquidation	Shares Issued at Liquidation