

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSR
May 06, 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 811-10197

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)

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

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

Date of fiscal year end: February 28

Date of reporting period: February 28, 2015

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,

A pattern of divergence has emerged in the past year. Steady and moderate growth in the U.S. economy helped sustain the stock market's bull run another year. U.S. bonds also performed well, amid subdued inflation, interest rates that remained unexpectedly low and concerns about the economic well-being of the rest of the world. The stronger domestic economy enabled the U.S. Federal Reserve (Fed) to gradually reduce its large scale bond purchases, known as quantitative easing (QE), without disruption to the markets, as well as begin to set expectations for a transition into tightening mode.

The economic story outside the U.S. continues to improve. Despite the drama over Greece's debt negotiations, the European economy appears to be stabilizing. Japan is on a moderate recovery path as it emerged from recession late last quarter. China's economy decelerated and, despite running well above the rate of other major global economies, investors feared it looked slow by China's standards. Some areas of concern were a surprisingly steep decline in oil prices, the U.S. dollar's rally and an increase in geopolitical tensions, including the Russia-Ukraine crisis and terrorist attacks across the Middle East and Africa, as well as more recently in Europe.

While a backdrop of healthy economic growth in the U.S. and the continuation of accommodative monetary policy (with the central banks of Japan and potentially Europe stepping in where the Fed has left off) bodes well for the markets, the global outlook has become more uncertain. Indeed, volatility is likely to feature more prominently in the investment landscape going forward. Such conditions underscore the importance of professional investment management. Experienced investment teams have weathered the market's ups and downs in the past and emerged with a better understanding of the sensitivities of their asset class and investment style, particularly in times of turbulence. We recognize the importance of maximizing gains, while striving to minimize volatility.

And, the same is true for investors like you. Maintaining an appropriate time horizon, diversification and relying on practiced investment teams are among your best strategies for achieving your long-term investment objectives. Additionally, I encourage you to communicate with your financial consultant if you have 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
April 22, 2015

Portfolio Manager's Comments

Nuveen California Municipal Value Fund, Inc. (NCA)
Nuveen California Municipal Value Fund 2 (NCB)
Nuveen California AMT-Free Municipal Income Fund (NKX)
Nuveen California Dividend Advantage Municipal Fund (NAC)
Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio manager Scott R. Romans, PhD, reviews U.S. economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month performance of these Nuveen California Municipal Funds. Scott has managed NCA, NKX, NAC, NVX and NZH since 2003 and NCB since its inception in 2009.

FUND REORGANIZATIONS

Effective before the opening of business on June 9, 2014, certain California Funds (the Target Funds) were reorganized into larger California Funds included in this report (the Acquiring Funds) as follows:

The approved reorganizations are as follows:

Target Funds	Acquiring Funds
Nuveen California Performance Plus Municipal Fund, Inc. (NCP)	Nuveen California Dividend Advantage Municipal Fund (NAC)
Nuveen California Municipal Market Opportunity Fund, Inc. (NCO)	
Nuveen California Investment Quality Municipal Fund, Inc. (NQC)	
Nuveen California Select Quality Municipal Fund, Inc. (NVC)	
Nuveen California Quality Income Municipal Fund, Inc. (NUC)	
Nuveen California Premium Income Municipal Fund (NCU)	Nuveen California AMT-Free Municipal Income Fund (NKX)

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

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.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Portfolio Manager's Comments (continued)

What factors affected the U.S. economy and the national municipal bond market during the twelve-month reporting period ended February 28, 2015?

During this reporting period, the U.S. economy continued to expand at a moderate pace. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability 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 October 2014 meeting, the Fed announced that it would end its bond-buying stimulus program as of November 1, 2014, after tapering its monthly asset purchases of mortgage-backed and longer-term Treasury securities from the original \$85 billion per month to \$15 billion per month over the course of seven consecutive meetings (December 2013 through September 2014). In making the announcement, the Fed cited substantial improvement in the outlook for the labor market since the inception of the current asset purchase program as well as sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability. The Fed also reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions. Additionally, the Fed stated that it would likely maintain the current target range for the fed funds rate for a considerable time after the end of the asset purchase program, especially if projected inflation continues to run below the Fed's 2% longer run goal. However, if economic data shows faster progress, the Fed indicated it could raise the fed funds rate sooner than expected.

The Fed changed its language slightly in December, indicating it would be "patient" in normalizing monetary policy. This shift helped ease investors' worries that the Fed might raise rates too soon. As the reporting period drew to a close, expectations were that the Fed would drop the word patient from its March post-meeting statement, in an effort to telegraph that a rate hike was likely in June. The March statement (issued after the close of this reporting period) did indeed remove the word patient but also highlighted the Fed's less optimistic view of the economy's overall health as well as downgraded its inflation projections.

In the fourth quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at a 2.2% annual rate, compared with 4.6% in the second quarter and 5.0% in the third quarter of 2014. The decline in real GDP growth rate from the third quarter to the fourth quarter primarily reflects an upturn in imports, a downturn in federal government spending and a decline in exports. These were partly offset by an upturn in consumer spending. The Consumer Price Index (CPI) fell 0.1% year-over-year as of January 2015 (most recent data available at the time this report was prepared), the first negative twelve-month change since October 2009. The core CPI (which excludes food and energy) increased 1.6% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of February 28, 2015, the national unemployment rate was 5.5%, the lowest level since May 2008 and the level considered "full employment" by some Fed officials, down from the 6.7% reported in February 2014. The housing market continued to post gains, although price growth has shown signs of deceleration in recent months. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 4.6% for the twelve months ended January 2015 (most recent data available at the time this report was prepared).

Municipal bonds enjoyed strong performance during the twelve-month reporting period, buoyed by a backdrop of low interest rates, improving investor sentiment and favorable supply-demand dynamics. Interest rates were widely expected to rise in 2014, as the economy improved and the Fed wound down its asset purchases. However, the 10-year Treasury yield ended the year even lower than where it began. As a result, fixed income asset classes performed surprisingly well (as yields fall, prices rise and vice versa). At the same time, investors grew more confident that the Fed's tapering would proceed at a measured pace and that the credit woes of Detroit and Puerto Rico would be contained. In addition, credit fundamentals for state and local governments were generally stabilizing, although pockets of trouble remained. California and New York showed marked improvements during 2014, whereas Illinois,

New Jersey and Puerto Rico, for example, still face considerable challenges.

Investors' declining risk aversion bolstered demand for higher yielding assets, including municipal bonds, which reversed the tide of outflows municipal bond funds suffered in 2013. While demand and inflows rose, supply continued to be subdued. More municipal bonds left the market than were added in 2014, a condition known as net negative issuance. Part of the reason for net negative issuance was that a significant portion of issuer activity focused on current refundings, in which a new bond is issued to replace the called bond (in contrast to an advanced refunding, where the called bond remains in the market as a pre-refunded bond).

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These factors helped drive municipal bond yields lower and tightened yield spreads relative to Treasuries in 2014 overall. However, as the new year began, market conditions turned more volatile. A series of disappointing economic data underscored the fragility of the U.S. recovery, as well as cast further uncertainty on the timing of the Fed's first rate hike. A change in the supply-demand balance also hampered the municipal bond sector. Issuance was unusually strong in the first two months of 2015, up 72.5% compared to the same two-month period in 2014. Over the twelve months ended February 28, 2015, municipal bond issuance nationwide totaled \$358.8 billion, an increase of 13% from the issuance for the twelve-month period ended February 28, 2014. Finally, divergence in economic growth and foreign central bank policies have reinforced an interest rate differential that favors demand for U.S. Treasuries, maintaining downward pressure on yields.

How were the economic and market environments in California during the twelve-month reporting period ended February 28, 2015?

California's economy is the largest in the United States and ranks 8th in the world according to the International Monetary Fund and continues to strengthen with employment growth driven by high technology, international trade and tourism but also supplemented by better residential construction and real estate conditions. The state's labor force participation rate saw a large rebound reducing the risk to recovery. As of February 2015, California's preliminary unemployment rate was 6.7%, down from 8% as of February 2014. According to the S&P/Case-Shiller Index, home prices in San Diego, Los Angeles and San Francisco rose 5.1%, 5.7% and 7.9%, respectively, over the twelve months ended January 2015 (most recent data available at the time this report was prepared) compared with an average increase of 4.6% nationally. California entered its fourth straight year of drought conditions resulting in the Governor issuing mandatory water cuts. In looking at the impact of the drought more broadly, the non-partisan Legislative Analyst Office says the drought is not likely to have a significant effect on California's economy or state government revenues in the short term. Agriculture is exempt from the mandate though farms consume 80% of California's water but only generate 2% of the state's economic activity. The most significant economic risk would be a slowdown in California's home building industry, which is a major part of the state's economy. On the fiscal front, the Fiscal 2014 general fund budget totaled \$97.1 billion and did not require major expenditure cuts and revenue raising. Fiscal Year 2015 is projected to transfer excess revenue to the rainy day fund for the first time since Fiscal Year 2008. The enacted Fiscal 2015 budget continues to pay down budgetary deferrals; implements a funding plan for California State Teachers Retirement System (teachers' pension system); transfers funds to the rainy day fund; and provides funds for deferred maintenance and infrastructure projects. Strong revenue growth due to a recovering economy and the passage of Proposition 30 (increases state sales and personal income taxes temporarily) have aided in the State's fiscal recovery. For Fiscal 2015-2016, the proposed General Fund Governor's Budget totals \$113.3 billion (up 1.4% over the forecast in the 2014 Budget Act). The proposed budget is expected to be again balanced, add to reserves, continue to pay down the "Wall of Debt" (education funding deferrals and budgetary obligations) and proposes to address the state's retiree health liabilities over the next few decades. In November 2014, S&P upgraded its rating on California general obligation (GO) debt to A+ from A and revised the outlook to stable from positive. Moody's upgraded the State GO to Aa3 with stable outlook from A1 in June 2014. During the twelve months ended February 28, 2015, municipal issuance in California totaled \$48.7 billion, an increase of 6.8% for the twelve months ended February 28, 2014. For this reporting period, California was the largest state issuer in the nation, representing approximately 13.9% of total issuance nationwide.

What key strategies were used to manage these California Funds during the twelve-month reporting period ended February 28, 2015?

A backdrop of supportive technical and fundamental factors helped the municipal market rally for most of the reporting period. For the reporting period as a whole, municipal bond prices generally rose, while interest rates declined. California municipal paper as a whole outperformed the national market, due in part to increased demand triggered by recent changes in the state tax code as well as improving economic conditions in the state. During this

time, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believed had the potential to perform well over the long term.

Portfolio Manager's Comments (continued)

We continued to find opportunities to purchase bonds in both the primary and secondary markets that helped us keep the Funds fully invested. As the municipal market improved over the course of the reporting period, we increasingly positioned our portfolios more defensively by focusing on higher grade bonds that offered good liquidity and that were positioned in the longer intermediate part of the yield curve, (i.e. 18 to 22 years, rather than 25 to 30 years). At the same time, we became more selective within the lower credit quality segments of the market, as yield spreads on lower rated bonds began to tighten. One exception to our longer duration focus was our trading in tobacco bonds, which moved toward the shorter end of the yield curve during the reporting period.

Overall, our emphasis in purchase activity was on relative value and credit quality, rather than sector. That is, when considering the purchase of a lower rated bond or a slightly less liquid issue, we looked carefully at the compensation offered by the bond in question relative to its credit quality and to other opportunities available in the market. During this reporting period, our purchases of high grade, liquid bonds included California general obligation (GO) bonds as well as California State Public Works credits, which were upgraded during the reporting period. As spreads on these bonds tightened following the upgrade, we shifted our focus to other bonds in the high-grade end of the spectrum. In the second half of the reporting period, notable additions included school district GOs, community college GOs, local sales tax bonds, health care credits, and water and electric utilities credits, all of which were from the higher rated segments of the market.

In June 2014, Moody's upgraded its credit rating on California GO debt to Aa3 from A1, the highest level since 2001, citing California's rapidly improving financial position, high but declining debt metrics, adjusted net pension liability ratios and robust employment growth. S&P had revised its outlook for the state to positive from stable, while affirming an A rating. Fitch continued to rate the state at A with a stable outlook. Also during this reporting period, S&P upgraded its credit rating on National Public Finance Guarantee Corp. (NPFPG), the insurance subsidiary of MBIA, to AA- rated from A rated, citing NPFPG's strong operating performance and competitive position in the financial guarantee market. As a result, the ratings on the Funds' holdings of bonds backed by insurance from NPFPG were similarly upgraded to AA- as of mid-March 2014. This action produced an increase in the percentage of our portfolios held in the AA- rated credit quality category (and a corresponding decrease in the A-rated category), improving the overall credit quality of the Funds. During this reporting period, S&P also upgraded its rating on Assured Guaranty Municipal (AGM) as well as AGM's municipal-only insurer Municipal Assurance Corp. to AA from AA-.

Cash for purchases 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. The decline in municipal yields and the flattening of the municipal yield curve relative to the Treasury curve helped to make refunding deals more attractive and we saw an increase in this activity during the reporting period, as bond issuers sought to lower costs through refinancings. This provided ample cash for purchases and drove most of our trading activity for the reporting period.

As of February 28, 2015, all six 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 twelve-month reporting period ended February 28, 2015?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year, ten-year and/or since inception periods ended February 28, 2015. Each Fund's returns on common share net asset value (NAV) are compared with the performance of corresponding market indexes and Lipper classification average.

For the twelve months ended February 28, 2015, the total returns at common share NAV for all six of these Funds exceeded the return for the S&P Municipal Bond California Index as well as that for the national S&P Municipal Bond Index. For this same period, NKX, NAC, NVX and NZH outperformed the average return for the Lipper California Municipal Debt Funds Classification Average, while NCA and NCB trailed this Lipper California average.

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Key management factors that influenced the Funds' returns during this reporting period included duration and yield curve positioning and credit exposure. Sector allocation had a relatively negligible impact on returns. In addition, the use of leverage was an important factor in performance. Among the primary reasons that the returns of NCA and NCB lagged those of the other Funds for this reporting period was that these two Funds do not use regulatory leverage. Leverage is discussed in more detail later in 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 their performance. Consistent with our long-term strategy, all of these Funds tended to be overweighted in the longer parts of the yield curve that performed best and underweighted in the underperforming shorter end of the curve.

During this reporting period, lower rated bonds generally outperformed higher quality bonds, as the municipal market rally continued and investors became more willing to accept risk. The B-rated category was an outlier from the overall trend, however, as the predominance of Puerto Rico bonds in this segment contributed to weaker performance. Improving credit fundamentals also supported investor demand for lower rated bonds in California. In addition to the upgrade in state GOs (described earlier in the key strategies section), evidence of a turnaround in other sectors further contributed to the stronger relative performance of the lower rated segments. For example, health care bonds benefited from an increase in health care utilization, driven by the improving jobs market. Improvements in the assessed value of California real estate along with an easing of uncertainty about the state's tax allocation sector boosted trading volumes for real estate-related bonds, notably special tax districts, community facilities districts and incremental tax districts. In general, the Funds tended to have overweights in the lower quality categories and underweights in the AAA-rated and AA-rated categories, which helped their performance.

An Update Involving Puerto Rico

We also continue to monitor ongoing economic developments in Puerto Rico for any impact on the Funds' holdings and performance. Shareholders should note that NCB had no exposure to Puerto Rico bonds during this reporting period. NVX had less than 2% and the other four Funds had allocations of less than 1% at the end of the reporting period. 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 general obligation debt was rated B2/BB+/BB (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks.

On February 6, 2015, a federal court found Puerto Rico's Recovery Act to be unconstitutional. Though the Commonwealth is pursuing an appeal of the ruling, the outcome is uncertain. Puerto Rico's non-voting Representative in Congress recently introduced legislation that would make chapter 9 bankruptcy available to the Commonwealth's public corporations. A congressional committee hearing was held on February 26, 2015, but the bill has not advanced out of committee.

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 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 totaled 0.36% of assets under management as of February 28, 2015. As of February 28, 2015, the Funds' limited exposure to Puerto Rico generally 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 tobacco settlement bonds. 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 STRATEGY 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, NCA and NCB 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 had a positive impact on the performance of the Funds over this reporting period. For NCA, the impact was minimal due to the low level of leverage used in the Fund.

As of February 28, 2015, the Funds' percentages of leverage are as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Effective Leverage*	1.65%	9.43%	34.43%	35.66%	31.64%	37.68%
Regulatory Leverage*	0.00%	0.00%	30.10%	28.99%	29.57%	31.07%

* 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.

THE FUNDS' REGULATORY LEVERAGE

As of February 28, 2015, the following Funds have issued and outstanding Institutional MuniFund Term Preferred (iMTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying table. As mentioned previously, NCA and NCB do not use regulatory leverage.

	iMTP Shares		VRDP Shares		Total
	Series	Shares Issued at Liquidation Value	Series	Shares Issued at Liquidation Value	
NKX	2018	\$ 36,000,000	2	\$ 35,500,000	
			3	\$ 42,700,000	
			4	\$ 109,000,000	
			5	\$ 104,400,000	
				\$ 291,600,000	\$ 327,600,000
	\$ 36,000,000				
NAC	—	—	1	\$ 136,200,000	
			2*	\$ 91,000,000	
			3*	\$ 49,800,000	
			4*	\$ 105,600,000	
			5*	\$ 158,900,000	
			6*	\$ 158,100,000	
			\$ 699,600,000	\$ 699,600,000	
NVX	—	—	1	\$ 98,000,000	\$ 98,000,000
NZH	—	—	1	\$ 160,000,000	\$ 160,000,000

* VRDP Shares issued in connection with the reorganization.

During the current reporting period, NKX issued MuniFund Term Preferred (MTP) Shares in connection with its reorganization. These MTP Shares were refinanced with the issuance of iMTP Shares prior to the end of the reporting period. Refer to Notes to Financial Statements, Note 1 — General Information and Significant Accounting Policies for further details on iMTP, MTP and VRDP Shares and each Fund's respective transactions.

Common Share Information

COMMON SHARE DISTRIBUTION INFORMATION

The following information regarding the Funds' distributions is current as of February 28, 2015. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investment value changes.

During the current reporting period, each Fund's distributions to common shareholders were as shown in the accompanying table.

Ex-Dividend Date	Per Common Share Amounts						
	NCA	NCB	NKX	NAC	NVX	NZH	
March 2014	\$ 0.0390	\$ 0.0650	\$ 0.0700	\$ 0.0740	\$ 0.0750	\$ 0.0670	
April	0.0390	0.0650	0.0700	0.0740	0.0750	0.0670	
May	0.0390	0.0650	0.0700	0.0740	0.0750	0.0670	
June*	0.0390	0.0650	0.1400	0.1480	0.0700	0.0670	
July	0.0390	0.0650	0.0000	0.0000	0.0700	0.0670	
August	0.0390	0.0650	0.0700	0.0800	0.0700	0.0670	
September	0.0390	0.0650	0.0700	0.0800	0.0700	0.0670	
October	0.0390	0.0650	0.0700	0.0800	0.0700	0.0670	
November	0.0390	0.0650	0.0700	0.0800	0.0700	0.0670	
December	0.0390	0.0650	0.0720	0.0800	0.0700	0.0670	
January	0.0390	0.0650	0.0720	0.0800	0.0700	0.0670	
February 2015	0.0390	0.0650	0.0720	0.0800	0.0700	0.0670	
Long-Term Capital Gain**	\$ —	\$ 0.1119	\$ —	\$ —	\$ —	\$ —	
Ordinary Income Distribution**	\$ —	\$ 0.0057	\$ —	\$ —	\$ —	\$ —	
Market Yield***	4.40%	4.68%	5.89%	6.26%	5.76%	5.90%	
Taxable-Equivalent Yield***	6.74%	7.17%	9.02%	9.59%	8.82%	9.04%	

* In connection with NKX's reorganization, the Fund declared a dividend of \$0.0700 per common share with an ex-dividend date of June 4, 2014, payable on July 1, 2014 and a dividend of \$0.0700 per common share with an ex-dividend date of June 4, 2014, payable on August 1, 2014. In connection with NAC's reorganization, the Fund declared a dividend of \$0.0740 per common share with an ex-dividend date of June 4, 2014, payable on July 1, 2014, a dividend of \$0.0686 per common share with an ex-dividend date of June 4, 2014, payable on August 1, 2014 and a dividend of \$0.0054 per common share with an ex-dividend date of June 17, 2014, payable on August 1, 2014.

** Distribution paid in December 2014.

*** Market Yield is based on the Fund's current annualized monthly distribution divided by the Fund's 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.

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders.

As of February 28, 2015, the Funds had positive UNII balances for tax purposes and positive UNII balances for financial reporting purposes.

All monthly dividends paid by each Fund during the current reporting period, were paid from net investment income. If a portion of the Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including capital

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gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 – Income Tax Information within the Notes to Financial Statements of this report.

COMMON SHARE REPURCHASES

During August 2014, the Funds' Board of Directors/Trustees reauthorized an open-market share repurchase program allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of February 28, 2015, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired common shares as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common Shares Cumulatively Repurchased and Retired	0	0	0	0	50,700	12,900
Common Shares Authorized for Repurchase	2,530,000	330,000	4,770,000	10,740,000	1,475,000	2,415,000

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

COMMON SHARE EQUITY SHELF PROGRAMS

During the reporting period, the following Funds were authorized to issue additional common shares through their ongoing equity shelf programs. Under these programs, each Fund, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price at or above the Fund's NAV per common share. Under the equity shelf programs, the Funds are authorized to issue the following number of additional common shares.

	NCA	NKX	NAC
Additional Common Shares Authorized	2,500,000	4,100,000	2,300,000

During the current reporting period, NCA sold common shares through its equity shelf program at a weighted average premium to its NAV per common share as shown in the accompanying table.

	NCA
Common Shares Sold through Equity Shelf Program	124,572
Weighted Average Premium to NAV per Common Share Sold	1.22%

As June 30, 2014, NCA's, NKX's and NAC's shelf offering registration statements were no longer current. Therefore, each Fund may not issue additional common shares under its equity shelf programs until a post-effective amendment to the Fund's registration statement is filed with the Securities and Exchange Commission (the "SEC"). On October 3, 2014, a post-effective amendment to NCA's registration statement was filed with the SEC and therefore, NCA may issue additional common shares under its equity shelf program.

OTHER COMMON SHARE INFORMATION

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As of February 28, 2015, and during the current reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAVs as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common Share NAV	\$ 10.54	\$ 17.50	\$ 15.95	\$ 15.96	\$ 15.82	\$ 14.70
Common Share Price	\$ 10.64	\$ 16.68	\$ 14.67	\$ 15.34	\$ 14.59	\$ 13.63
Premium/(Discount) to NAV	0.95%	(4.69)%	(8.03)%	(3.88)%	(7.77)%	(7.28)%
12-Month Average						
Premium/(Discount) to NAV	(1.51)%	(5.89)%	(9.51)%	(6.95)%	(9.09)%	(9.33)%

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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, Price and Market 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. Certain aspects of the recently adopted Volcker Rule may limit the availability of tender option bonds, which are used by the Funds for leveraging and duration management purposes. The effects of this new Rule, expected to take effect in mid-2015, may make it more difficult for a Fund to maintain current or desired levels of leverage and may cause the Fund to incur additional expenses to maintain its leverage.

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.

NCA

Nuveen California Municipal Value Fund, Inc.
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	10-Year
NCA at Common Share NAV	9.91%	6.91%	5.34%
NCA at Common Share Price	16.36%	8.52%	6.28%
S&P Municipal Bond California Index	7.46%	6.27%	5.11%
S&P Municipal Bond Index	6.47%	5.19%	4.75%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	5.62%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	99.8%
Short-Term Municipal Bonds	0.4%
Other Assets Less Liabilities	1.5%
Net Assets Plus Floating Rate Obligations	101.7%
Floating Rate Obligations	(1.7)%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/Limited	21.1%
Tax Obligation/General	19.4%
U.S. Guaranteed	17.9%
Health Care	16.3%
Transportation	7.0%

Water and Sewer	6.8%
Other	11.5%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	18.3%
AA	38.7%
A	16.8%
BBB	10.2%
BB or Lower	8.6%
N/R (not rated)	7.4%
Total	100%

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NCB

Nuveen California Municipal Value Fund 2
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	Since Inception ¹
NCB at Common Share NAV	9.68%	7.43%	8.80%
NCB at Common Share Price	13.41%	8.28%	7.37%
S&P Municipal Bond California Index	7.46%	6.27%	6.70%
S&P Municipal Bond Index	6.47%	5.19%	5.92%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	6.21%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	97.8%
Short-Term Municipal Bonds	0.9%
Other Assets Less Liabilities	1.3%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/Limited	22.5%
Health Care	19.1%
Tax Obligation/General	14.9%
Utilities	14.2%
Water and Sewer	7.4%
Housing/Single Family	5.7%
Consumer Staples	5.1%

Other	11.1%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	15.8%
AA	24.7%
A	38.7%
BBB	11.1%
BB or Lower	7.8%
N/R (not rated)	1.9%
Total	100%

1 Since inception returns are from 4/28/09.

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NKX

Nuveen California AMT-Free Municipal Income Fund
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	10-Year
NKX at Common Share NAV	16.16%	8.74%	6.39%
NKX at Common Share Price	17.55%	9.19%	5.97%
S&P Municipal Bond California Index	7.46%	6.27%	5.11%
S&P Municipal Bond Index	6.47%	5.19%	4.75%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	5.62%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	140.0%
Short-Term Municipal Bonds	1.2%
Other Assets Less Liabilities	2.7%
Net Assets Plus Floating Rate Obligations, iMTP Shares, at Liquidation Value & VRDP Shares, at Liquidation Value	143.9%
Floating Rate Obligations	(0.9)%
iMTP Shares, at Liquidation Value	(4.7)%
VRDP Shares, at Liquidation Value	(38.3)%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/Limited	32.8%
Tax Obligation/General	22.8%

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Health Care	14.7%
Water and Sewer	11.2%
Transportation	4.2%
Other	14.3%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	4.6%
AA	55.7%
A	17.4%
BBB	8.5%
BB or Lower	7.3%
N/R (not rated)	6.5%
Total	100%

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NAC

Nuveen California Dividend Advantage Municipal Fund
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	10-Year
NAC at Common Share NAV	15.39%	9.42%	6.57%
NAC at Common Share Price	16.21%	10.98%	7.04%
S&P Municipal Bond California Index	7.46%	6.27%	5.11%
S&P Municipal Bond Index	6.47%	5.19%	4.75%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	5.62%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	143.2%
Short-Term Municipal Bonds	1.2%
Other Assets Less Liabilities	1.8%
Net Assets Plus Floating Rate Obligations & VRDP Shares, at Liquidation Value	146.2%
Floating Rate Obligations	(5.4)%
VRDP Shares, at Liquidation Value	(40.8)%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/Limited	23.5%
Tax Obligation/General	22.3%
Health Care	21.3%
Water and Sewer	8.8%

U.S. Guaranteed	5.7%
Transportation	5.0%
Other	13.4%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	8.8%
AA	47.6%
A	19.2%
BBB	11.1%
BB or Lower	8.0%
N/R (not rated)	5.3%
Total	100%

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NVX

Nuveen California Dividend Advantage Municipal Fund 2
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	10-Year
NVX at Common Share NAV	12.57%	8.25%	6.37%
NVX at Common Share Price	12.72%	8.25%	6.78%
S&P Municipal Bond California Index	7.46%	6.27%	5.11%
S&P Municipal Bond Index	6.47%	5.19%	4.75%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	5.62%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	138.7%
Short-Term Municipal Bonds	0.7%
Other Assets Less Liabilities	3.0%
Net Assets Plus Floating Rate Obligations & VRDP Shares, at Liquidation Value	142.4%
Floating Rate Obligations	(0.4)%
VRDP Shares, at Liquidation Value	(42.0)%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/General	22.4%
Tax Obligation/Limited	20.9%
Health Care	15.2%
Water and Sewer	8.7%

Utilities	8.6%
Transportation	7.4%
U.S. Guaranteed	5.9%
Consumer Staples	5.5%
Other	5.4%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	10.1%
AA	41.6%
A	20.6%
BBB	12.9%
BB or Lower	9.8%
N/R (not rated)	5.0%
Total	100%

NZH

Nuveen California Dividend Advantage Municipal Fund 3
Performance Overview and Holding Summaries as of February 28, 2015

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 28, 2015

	Average Annual		
	1-Year	5-Year	10-Year
NZH at Common Share NAV	15.18%	8.82%	5.98%
NZH at Common Share Price	18.47%	8.36%	6.47%
S&P Municipal Bond California Index	7.46%	6.27%	5.11%
S&P Municipal Bond Index	6.47%	5.19%	4.75%
Lipper California Municipal Debt Funds Classification Average	12.44%	8.90%	5.62%

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. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. 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.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

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.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	141.3%
Short-Term Municipal Bonds	1.3%
Other Assets Less Liabilities	2.7%
Net Assets Plus Floating Rate Obligations & VRDP Shares, at Liquidation Value	145.3%
Floating Rate Obligations	(0.2)%
VRDP Shares, at Liquidation Value	(45.1)%
Net Assets	100%

Portfolio Composition

(% of total investments)

Tax Obligation/Limited	30.4%
Health Care	21.0%
Tax Obligation/General	11.4%
Water and Sewer	9.5%

Transportation	7.5%
Consumer Staples	5.5%
Utilities	4.8%
Other	9.9%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	4.3%
AA	50.4%
A	19.4%
BBB	11.5%
BB or Lower	8.6%
N/R (not rated)	5.8%
Total	100%

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Report of Independent Registered Public Accounting Firm

To the Board of Directors/Trustees and Shareholders of
Nuveen California Municipal Value Fund, Inc.
Nuveen California Municipal Value Fund 2
Nuveen California AMT-Free Municipal Income Fund
Nuveen California Dividend Advantage Municipal Fund
Nuveen California Dividend Advantage Municipal Fund 2
Nuveen California Dividend Advantage Municipal Fund 3:

We have audited the accompanying statement of assets and liabilities, including the portfolios of investments, of Nuveen California Municipal Value Fund, Inc., Nuveen California Municipal Value Fund 2, Nuveen California AMT-Free Municipal Income Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2 and Nuveen California Dividend Advantage Municipal Fund 3 (the “Funds”) as of February 28, 2015, and the related statements of operations, changes in net assets and cash flows (Nuveen California AMT-Free Municipal Income Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2 and Nuveen California Dividend Advantage Municipal Fund 3), and the financial highlights for the year then ended. 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. The statements of changes in net assets and the financial highlights for the periods presented through February 28, 2014, were audited by other auditors whose report dated April 25, 2014, expressed an unqualified opinion on those statements and those financial highlights.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2015, by correspondence with the custodian and brokers or other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 position of the Funds as of February 28, 2015, the results of their operations, the changes in their net assets, their cash flows (Nuveen California AMT-Free Municipal Income Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2 and Nuveen California Dividend Advantage Municipal Fund 3) and the financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP
Chicago, Illinois
April 28, 2015

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NCA

Nuveen California Municipal Value Fund, Inc.
Portfolio of Investments

February 28,
2015

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 99.8% (99.6% of Total Investments)			
	MUNICIPAL BONDS – 99.8% (99.6% of Total Investments)			
	Consumer Staples – 4.2% (4.2% of Total Investments)			
\$ 2,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.650%, 6/01/41	12/18 at 100.00	B+	\$ 1,800,880
225	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	BBB+	224,998
3,940	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.000%, 6/01/33	6/17 at 100.00	B	3,335,486
3,570	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	3,017,114
3,500	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 5.500%, 6/01/45	6/15 at 100.00	B–	2,853,130
13,235	Total Consumer Staples			11,231,608
	Education and Civic Organizations – 0.6% (0.6% of Total Investments)			
65	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 100.00	A3	65,658
95	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006, 5.000%, 11/01/21	11/15 at 100.00	A2	97,908
450	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education – Multiple Projects, Series 2014A, 7.250%, 6/01/43	6/22 at 102.00	N/R	513,112
700	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–	808,381
1,310	Total Education and Civic Organizations			1,485,059
	Health Care – 15.9% (15.9% of Total Investments)			

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555	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	634,082
350	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA	403,872
690	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA	785,772
	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011:			
560	5.000%, 8/15/31	8/21 at 100.00	AA–	654,399
670	5.250%, 8/15/41	8/21 at 100.00	AA–	759,056
1,000	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42	8/20 at 100.00	AA–	1,204,290
5,365	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (UB)	11/16 at 100.00	AA–	5,786,099
3,870	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27	2/17 at 100.00	Baa1	4,072,014
1,560	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35	3/15 at 100.00	A	1,563,058
2,625	California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	A+	2,935,931
1,000	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31	7/17 at 100.00	N/R	1,030,110

22 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 3,000	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Insured Series 2008K, 5.500%, 7/01/41 – AGC Insured	7/17 at 100.00	AA	\$ 3,249,300
1,000	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2008C, 5.625%, 7/01/35	7/18 at 100.00	A	1,116,330
1,460	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 100.00	A+	1,544,081
2,710	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured	No Opt. Call	Aa3	3,147,096
1,890	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43	11/15 at 100.00	AA–	1,947,569
2,940	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39	11/19 at 100.00	Ba1	3,263,077
2,900	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00	Ba1	3,109,612
1,750	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB	2,152,080
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+	3,256,320
38,895	Total Health Care Housing/Multifamily – 2.3% (2.2% of Total Investments)			42,614,148
1,020	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	1,140,187
1,060	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	1,161,728
65	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A: 5.250%, 8/15/39	8/24 at 100.00	BBB	71,728
175	5.250%, 8/15/49		BBB	192,021

		8/24 at 100.00		
2,290	California Statewide Community Development Authority, Multifamily Housing Revenue Bonds, Harbor City Lights, Series 1999Y, 6.650%, 7/01/39 (Alternative Minimum Tax)	7/15 at 100.00	N/R	2,292,336
1,160	San Dimas Housing Authority, California, Mobile Home Park Revenue Bonds, Charter Oak Mobile Home Estates Acquisition Project, Series 1998A, 5.700%, 7/01/28	7/15 at 100.00	N/R	1,161,311
5,770	Total Housing/Multifamily Housing/Single Family – 0.8% (0.8% of Total Investments)			6,019,311
2,125	California Department of Veteran Affairs, Home Purchase Revenue Bonds, Series 2007, 5.000%, 12/01/42 (Alternative Minimum Tax)	12/16 at 100.00	AA	2,174,470
55	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	A–	57,399
2,180	Total Housing/Single Family Long-Term Care – 1.8% (1.8% of Total Investments)			2,231,869
4,000	ABAG Finance Authority for Non-Profit Corporations, California, Health Facility Revenue Bonds, The Institute on Aging, Series 2008A, 5.650%, 8/15/38	8/18 at 100.00	A+	4,512,120
260	California Statewide Community Development Authority, Certificates of Participation, Internext Group, Series 1999, 5.375%, 4/01/17	4/15 at 100.00	BBB+	261,100
4,260	Total Long-Term Care Tax Obligation/General – 19.5% (19.4% of Total Investments)			4,773,220
	California State, General Obligation Bonds, Various Purpose Series 2009:			
2,500	6.000%, 4/01/38	4/19 at 100.00	Aa3	3,002,450
1,000	6.000%, 11/01/39	11/19 at 100.00	Aa3	1,228,960
2,000	California State, General Obligation Bonds, Various Purpose Series 2010, 5.500%, 3/01/40	3/20 at 100.00	Aa3	2,348,880

Nuveen Investments 23

NCA		Nuveen California Municipal Value Fund, Inc. Portfolio of Investments (continued)		February 28, 2015	
Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value	
Tax Obligation/General (continued)					
California State, General Obligation Bonds, Various Purpose Series 2013:					
\$ 1,000	5.000%, 2/01/29	No Opt. Call	Aa3	\$	1,162,360
2,500	5.000%, 4/01/37	4/23 at 100.00	Aa3		2,851,125
2,500	5.000%, 2/01/43	No Opt. Call	Aa3		2,839,075
2,240	5.000%, 11/01/43	11/23 at 100.00	Aa3		2,568,899
California State, General Obligation Bonds, Various Purpose Series 2014:					
5,000	5.000%, 5/01/32	5/24 at 100.00	Aa3		5,849,350
1,970	5.000%, 10/01/39	10/24 at 100.00	Aa3		2,283,841
1,000	5.000%, 5/01/44	5/24 at 100.00	Aa3		1,148,130
6,000	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 – AGM Insured	No Opt. Call	AA		674,880
2,000	Puerto Rico, General Obligation Bonds, Public Improvement Series 2002A, 5.500%, 7/01/20 – NPFG Insured	No Opt. Call	AA–		2,143,460
10,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2010C, 0.000%, 7/01/47	No Opt. Call	AA–		2,644,400
11,875	San Mateo Union High School District, San Mateo County, California, General Obligation Bonds, Election 2010 Series 2011A, 0.000%, 9/01/41	9/36 at 100.00	AA+		7,838,212
1,320	Tahoe Forest Hospital District, Placer and Nevada Counties, California, General Obligation Bonds, Series 2010B, 5.500%, 8/01/35	8/18 at 100.00	Aa3		1,490,293
20,860	Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42	No Opt. Call	Aa2		12,093,794
73,765	Total Tax Obligation/General Tax Obligation/Limited – 21.1% (21.1% of Total Investments)				52,168,109
1,000	Artesia Redevelopment Agency, California, Tax Allocation Revenue Bonds, Artesia Redevelopment	6/15 at 100.00	BBB+		1,003,990

Project Area, Series 2007, 5.375%, 6/01/27				
	Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003:			
3,000	5.500%, 10/01/23 – RAAI Insured	5/15 at 100.00	N/R	3,002,700
1,000	5.625%, 10/01/33 – RAAI Insured	5/15 at 100.00	N/R	1,000,470
3,500	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2013F, 5.250%, 9/01/33	9/23 at 100.00	A1	4,110,610
2,500	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2014A, 5.000%, 9/01/39	9/24 at 100.00	A1	2,870,900
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	A1	1,193,140
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	A1	2,459,320
3,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/37	11/22 at 100.00	A1	3,410,820
340	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 98-2, Series 2005, 5.000%, 9/01/24 – FGIC Insured	9/15 at 100.00	AA–	347,109
1,005	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	1,032,336
1,000	Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Refunding Series 2007A, 5.000%, 9/01/23 – AMBAC Insured	9/17 at 100.00	N/R	1,057,390
750	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	10/15 at 100.00	A–	752,062
615	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 – AMBAC Insured	6/15 at 100.00	A1	622,109
675	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+	703,519

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
Tax Obligation/Limited (continued)				
Irvine Unified School District, California, Special Tax Bonds, Community Facilities District Series 2006A:				
\$ 150	5.000%, 9/01/26	9/16 at 100.00	N/R	\$ 153,855
355	5.125%, 9/01/36	9/16 at 100.00	N/R	363,531
2,500	Kern County Board of Education, California, Certificates of Participation, Series 2006A, 5.000%, 6/01/31 – NCFG Insured	6/16 at 100.00	AA-	2,610,075
750	Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Series 2009, 6.000%, 8/01/24	8/19 at 100.00	BBB	878,497
3,520	Los Angeles County Public Works Financing Authority, California, Lease Revenue Bonds, Multiple Capital Facilities Project II, Series 2012, 5.000%, 8/01/42	No Opt. Call	AA	3,948,208
370	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-	471,495
140	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	171,058
5,910	Palmdale Elementary School District, Los Angeles County, California, Special Tax Bonds, Community Facilities District 90-1, Series 1999, 5.800%, 8/01/29	No Opt. Call	AA	5,923,593
160	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	184,306
	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:			
950	5.250%, 9/01/30	9/23 at 100.00	N/R	1,084,206
860	5.750%, 9/01/39	9/23 at 100.00	N/R	994,736
1,130	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-	1,259,667
440	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series	9/21 at 100.00	BBB+	505,472

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	2011A, 5.750%, 9/01/30			
80	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-	100,350
2,000	Roseville, California, Special Tax Bonds, Community Facilities District 1 Fiddymont Ranch, Series 2005, 5.050%, 9/01/30	9/15 at 100.00	N/R	2,015,660
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	1,135,820
170	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District 7, Hunters Point Shipyard Phase One Improvements, Refunding Series 2014, 5.000%, 8/01/39	No Opt. Call	N/R	187,510
65	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-	79,705
	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			
65	7.000%, 8/01/33	2/21 at 100.00	BBB+	79,274
80	7.000%, 8/01/41	2/21 at 100.00	BBB+	97,568
2,750	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/20 – NPF Insured	3/15 at 100.00	AA	2,761,220
	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C:			
400	5.000%, 8/01/24 – NPF Insured	8/17 at 100.00	AA-	428,968
590	5.000%, 8/01/25 – NPF Insured	8/17 at 100.00	AA-	632,728
780	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+	845,146
110	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	126,772
1,360	Tehachapi Redevelopment Agency, California, Tax Allocation Bonds, Series 2007, 5.250%, 12/01/37 – RAAI Insured	12/17 at 100.00	BB+	1,398,284

NCA		Nuveen California Municipal Value Fund, Inc. Portfolio of Investments (continued)		February 28, 2015	
Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value	
	Tax Obligation/Limited (continued)				
\$ 1,925	Travis Unified School District, Solano County, California, Certificates of Participation, Series 2006, 5.000%, 9/01/26 – FGIC Insured	9/16 at 100.00	A3	\$	1,975,993
690	Vista Joint Powers Financing Authority, California, Special Tax Lease Revenue Refunding Bonds, Community Facilities District 90-2, Series 1997A, 5.875%, 9/01/20	3/15 at 100.00	N/R		691,415
1,730	West Contra Costa Healthcare District, California, Certificates of Participation, Series 2004, 5.375%, 7/01/21 – AMBAC Insured	5/15 at 100.00	A–		1,736,211
190	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 100.00	A–		233,523
52,605	Total Tax Obligation/Limited				56,641,321
	Transportation – 7.0% (7.0% of Total Investments)				
1,820	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+		2,192,026
	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A:				
1,945	5.000%, 1/15/42 – AGM Insured	1/24 at 100.00	AA		2,170,756
4,010	5.750%, 1/15/46	1/24 at 100.00	BBB–		4,703,650
4,010	6.000%, 1/15/53	1/24 at 100.00	BBB–		4,746,035
3,000	Los Angeles Harbors Department, California, Revenue Bonds, Series 2014C, 5.000%, 8/01/44	8/24 at 100.00	AA		3,470,790
195	Palm Springs Financing Authority, California, Palm Springs International Airport Revenue Bonds, Series 2006, 5.550%, 7/01/28 (Alternative Minimum Tax)	7/16 at 100.00	N/R		196,170
1,210	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P, 5.000%, 5/01/29 (Alternative Minimum Tax)	No Opt. Call	A+		1,371,862
16,190	Total Transportation				18,851,289
	U.S. Guaranteed – 17.9% (17.9% of Total Investments) (4)				
2,500			AA (4)		2,630,975

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	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		
480	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2005AD, 5.000%, 12/01/22 (Pre-refunded 6/01/15) – AGM Insured	6/15 at 100.00	AAA	486,139
75	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35 (Pre-refunded 10/01/15)	10/15 at 100.00	N/R (4)	77,160
2,065	Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1988, 8.250%, 6/01/21 (Alternative Minimum Tax) (ETM)	No Opt. Call	Aaa	2,564,503
1,615	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2005A, 5.000%, 12/01/22 (Pre-refunded 12/01/15)	12/15 at 100.00	BBB (4)	1,674,432
1,525	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BBB (4)	1,838,342
1,500	Los Angeles Unified School District, California, General Obligation Bonds, Series 2006F, 5.000%, 7/01/24 (Pre-refunded 7/01/16) – FGIC Insured	7/16 at 100.00	Aa2 (4)	1,595,880
21,500	Merced Irrigation District, California, Certificates of Participation, Water and Hydroelectric Series 2008B, 0.000%, 9/01/23 (Pre-refunded 9/01/16)	9/16 at 64.56	A (4)	13,786,015
8,565	Palmdale, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1988A, 0.000%, 3/01/17 (ETM)	No Opt. Call	AA+ (4)	8,464,533
270	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 (Pre-refunded 8/01/15) – FGIC Insured	8/15 at 100.00	AA (4)	275,659
18,520	San Bernardino County, California, GNMA Mortgage-Backed Securities Program Single Family Home Mortgage Revenue Bonds, Series 1988A, 0.000%, 9/01/21 (Alternative Minimum Tax) (ETM)	No Opt. Call	Aaa	12,946,406
625	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	N/R (4)	700,362
910	Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2007A, 5.000%, 4/01/36 (Pre-refunded 4/01/17) – AMBAC Insured	4/17 at 100.00	AA+ (4)	993,511
60,150	Total U.S. Guaranteed			48,033,917

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Utilities – 1.9% (1.9% of Total Investments)			
\$ 2,160	California Statewide Community Development Authority, Certificates of Participation Refunding, Rio Bravo Fresno Project, Series 1999A, 6.500%, 12/01/18	6/15 at 100.00	N/R	\$ 2,116,865
1,800	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37	No Opt. Call	A	2,225,034
605	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	609,997
4,565	Total Utilities			4,951,896
	Water and Sewer – 6.8% (6.8% of Total Investments)			
1,000	Bay Area Water Supply and Conservation Agency, California, Revenue Bonds, Capital Cost Recovery Prepayment Program, Series 2013A, 5.000%, 10/01/29	4/23 at 100.00	AA–	1,189,410
	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012:			
1,375	5.000%, 7/01/37 (Alternative Minimum Tax)	No Opt. Call	Baa3	1,503,769
2,675	5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	2,898,523
1,500	Castaic Lake Water Agency, California, Certificates of Participation, Series 2006C, 5.000%, 8/01/36 – NPFG Insured	8/16 at 100.00	AA–	1,585,095
410	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFG Insured	4/16 at 100.00	AA–	428,507
5,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2007A-2, 5.000%, 7/01/44 – AMBAC Insured	7/17 at 100.00	AA	5,412,450
	Madera Irrigation District, California, Water Revenue Refunding Bonds, Series 2008:			
1,850	5.500%, 1/01/33	1/18 at 100.00	A–	2,043,806
3,000	5.500%, 1/01/38	1/18 at 100.00	A–	3,284,490
16,810	Total Water and Sewer			18,346,050
\$ 289,735	Total Long-Term Investments (cost \$236,880,433)			267,347,797

NCA Nuveen California Municipal Value Fund, Inc.
Portfolio of Investments (continued)

February 28,
2015

Principal		Optional
Amount (000)	Description (1)	Call
		Provisions Ratings (3)
		(2)