

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN  
Form N-CSRS  
May 06, 2004

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 811-7492  
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Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
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(Exact name of registrant as specified in charter)

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

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

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700  
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Date of fiscal year end: August 31  
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Date of reporting period: February 29, 2004  
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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  
Municipal Closed-End  
Exchange-Traded  
Funds

SEMIANNUAL REPORT February 29, 2004

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.  
NPC

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

NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND  
NCU

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NAC

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
NVX

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
NZH

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NKL

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND  
NKX

Photo of: Man holding up small boy.

Photo of: 2 women with 2 girls looking at seashells.

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

Logo: NUVEEN Investments

FASTER INFORMATION  
RECEIVE YOUR  
NUVEEN FUND REPORT  
ELECTRONICALLY

By registering for electronic delivery, you will receive an e-mail as soon as your Nuveen Fund information is available. Click on the link and you will be taken directly to the report. Your Fund report can be viewed and saved on your computer. Your report will arrive faster via e-mail than by traditional mail.

Registering is easy and only takes a few minutes (see instructions at right).

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SOME COMMON CONCERNS:

WILL MY E-MAIL ADDRESS BE DISTRIBUTED TO OTHER COMPANIES?

No, your e-mail address is strictly confidential and will not be used for anything other than notification of shareholder information.

WHAT IF I CHANGE MY MIND AND WANT TO RECEIVE INVESTOR MATERIALS THROUGH REGULAR MAIL DELIVERY AGAIN?

If you decide you do not like receiving your reports electronically, it's a simple process to go back to regular mail delivery.

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to [WWW.INVESTORDELIVERY.COM](http://WWW.INVESTORDELIVERY.COM) and follow the simple instructions, using the address sheet that accompanied this report as a guide.
- 2 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen and follow the simple instructions.
- 3 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to [WWW.NUVEEN.COM](http://WWW.NUVEEN.COM)
- 2 Select ACCESS YOUR ACCOUNT. Select the E-REPORT ENROLLMENT section. Click on Enrollment Today.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

Logo: NUVEEN Investments

Timothy R. Schwertfeger  
Chairman of the Board

Photo of: Timothy R. Schwertfeger

Sidebar text: WE THINK THAT MUNICIPAL BOND INVESTMENTS LIKE YOUR NUVEEN FUND CAN BE IMPORTANT BUILDING BLOCKS IN A WELL-BALANCED PORTFOLIO.

Dear  
SHAREHOLDER

By coincidence, this letter is dated April 15 - the one day every year when the value of tax-free income may be the most obvious.

So on this date in particular, I am very pleased to report that for the period ended February 29, 2004, your Nuveen California Fund continued to provide you with attractive monthly tax-free income.

While tax-free income always is welcome, many of you may have begun to wonder whether interest rates will rise, and whether that possibility should cause you to adjust your holdings of tax-free municipal bond investments. We believe that these are questions that should be thought through with a clear focus on your long-term financial goals and not on day-to-day market movements. By maintaining a carefully balanced portfolio with the help of a trusted investment professional, you may be able to reduce your overall investment risk over the long-term, and give yourself a better chance to meet your ultimate financial goals. We think that municipal bond investments like your Nuveen Fund can be important building blocks in a well-balanced portfolio - not only on April 15, but on every other day of the year as well.

As you read through this report, please don't skip the inside front cover. I urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's expenses. Sign up is quick and easy.

Since 1898, Nuveen Investments has offered financial products and solutions that incorporate careful research, diversification and the application of conservative risk-management principles. We are grateful that you have chosen us as a partner as you pursue your financial goals. We look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

April 15, 2004

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

Portfolio Managers'  
COMMENTS

Portfolio managers Tom O'Shaughnessy and Scott Romans review national and state

economic and market conditions, key investment strategies, and the six-month performance of the Funds. With 21 years of experience at Nuveen, Tom has managed NPC and NCL since January 2003. Scott, who joined Nuveen in 2000, also assumed portfolio management responsibility for the remaining six Funds in January 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE REPORTING PERIOD ENDED FEBRUARY 29, 2004?

During this reporting period, the greatest influences on the national economy and the municipal market continued to be historically low interest rates, little movement in the reported rate of inflation, and growing evidence of economic improvement. Since its last credit easing in June 2003, the Federal Reserve has maintained the fed funds rate at 1.0%, the lowest level since 1958. This accommodative monetary policy helped to spur economic growth of 4.1% (annualized) in the fourth quarter of 2003, bringing the growth in the gross domestic product (GDP) for all of 2003 to a solid 3.1%. Over the six-month reporting period, inflation remained under control, with the increase in the core CPI averaging 1.2% year-over-year.

In this generally favorable environment, many municipal bonds performed well during the six months ended February 29, 2004. Although municipal supply nationally in 2003 reached \$382.7 billion, breaking the record set in 2002, issuance slowed somewhat during the last half of 2003. Tighter supply continued into the first two months of 2004, with national issuance totaling \$42.5 billion, a decrease of 26% from January-February 2003. For the entire six-month period ended February 2004, we saw \$26 billion less in new bonds coming to market than in the preceding six months.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN CALIFORNIA?

Despite a period of enormous political and financial uncertainty, California generally managed to track the national economic recovery over the six months ended February 29, 2004. While the state economy remained hindered by the slow recovery of the technology sector, a strong housing market helped to fuel growth in construction, financial services (driven by demand for mortgage financing), and consumer spending. Increased defense spending also had positive implications for the state's aerospace industry. In addition, California's \$100 billion export industry, covering agricultural, computer, and electronic products, was aided by the decline in the U.S. dollar. In general, the Bay Area and Silicon Valley remained the weakest areas in the aftermath of the technology downturn, while other parts of the state, especially Riverside County in southern California, showed stronger economic growth. Although the state continued to lose jobs in the government, manufacturing, and business services sectors, the educational and health services, the leisure and hospitality and construction industries all experienced recent gains.

Following the October 2003 governor's recall election, attention turned to developing potential solutions to the state's fiscal crisis. Legal challenges to two bond proposals (\$1.9 billion in pension obligation bonds and \$10.7 billion in fiscal recovery bonds) caused both Moody's and Fitch to downgrade California's general obligation debt to Baal/BBB from A3/A in December 2003. Standard & Poor's, which had downgraded the state in July 2003, kept its rating at BBB, and all three agencies maintained negative outlooks for the state. In January 2004, the governor proposed a \$79 billion

budget for fiscal 2005. The budget proposal avoids tax increases and includes expenditure cuts and spending deferrals, among other measures. To take effect,

this budget must be passed by a two-thirds legislative majority before June 30, 2004. We believe a punctual budget agreement would send a strong positive signal to investors, facilitate the issuance of future bonds at more cost-effective yields for the state, and strengthen California's credit outlook.

On March 2, 2004 (following the close of this reporting period), California voters approved the issuance of \$15 billion in economic recovery bonds (ERBs) as well as a resolution calling for future limits on spending and borrowing. Moody's and S&P subsequently revised their outlooks for California to stable and positive, respectively.

California continued to rank as the nation's largest issuer of municipal bonds, with \$57.9 billion in new bonds in 2003, up 18% over 2002. In the first two months of 2004, however, supply fell 57% from January-February 2003 levels, as state issuance totaled \$5.4 billion. This decline was due primarily to a delay in some issuance as issuing authorities waited for the outcome of the March 2004 referenda.

IN THIS ENVIRONMENT, WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE SIX MONTHS ENDED FEBRUARY 29, 2004?

Over this reporting period, our major focus continued to be on careful management of the Funds' durations<sup>1</sup> as a way to mitigate some of the inherent interest rate risk within each Fund's portfolio and better position each Fund for potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline if market interest rates rise (since bond prices move in the opposite direction of interest rates). The longer the duration of a Fund's portfolio, the greater its interest rate risk. Overall, we were able to shorten the durations of all of these Funds during the course of the six-month period.

As noted earlier, the supply of new issue municipal bonds in California began to soften during the course of this six-month reporting period. This presented some challenges in finding securities that we believed had the potential to add value and carried the types of structures and features we prefer. The supply of attractive insured bonds was particularly tight at times, which meant there were occasional periods in managing NPC, NCL, NKL and NKX when it took a little longer than normal to make a desired purchase.

For NCU, NAC, NVX and NZH, one of our strategies over the longer term has centered on purchasing and selling California general obligation bonds (GOs) to take advantage of general market moves. In February 2004, we bought part of the \$2 billion issuance of state GOs for each of these four Funds, with the goal of modestly increasing their GO holdings. As the state continues to work its way out of its current credit problems, we anticipate that the yield spreads on these bonds relative to national AAA credits with similar maturities may narrow. If this occurs, it may provide us with the opportunity to sell some of these GO holdings at attractive prices in the future.

In NCU, NAC, NVX and NZH, we also continued to purchase both investment-grade and smaller, unrated land-secured offerings. In our opinion, the market prices did not reflect our assessment of the actual risks of holding these securities, resulting in some opportunities to buy bonds we considered to be undervalued. Two such additions to NAC, NVX and NZH during this six-month period were issues by the Capistrano Unified School District on behalf of the Talega development, and by the Patterson Community Facilities District. On the other side, in September 2003 our research indicated a weakening credit picture for bonds issued for the Sacramento-Yolo Port District, and we were able to close out NVX's \$3.84 million position in that credit shortly before the issue was downgraded.

In NPC and NCL, we focused on taking advantage of some of the beneficial tax

positions within both Funds. NCL, in particular, had a large amount of tax loss carryforward, which over time can

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

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serve to offset realized capital gains within the portfolio.

HOW DID THE FUNDS PERFORM?

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

TOTAL RETURNS ON NET ASSET VALUE

For periods ended 2/29/04

(6-mo. cumulative, all others annualized)

| Uninsured Funds  | 6-Mo.  | 1-yr.  | 5-Yr. | 10-Yr. |
|--|--------|--------|-------|--------|
| NCU  | 12.14% | 9.63%  | 6.97% | 7.00%  |
| NAC  | 11.54% | 10.39% | --    | --     |
| NVX  | 11.81% | 9.97%  | --    | --     |
| NZH  | 12.99% | 10.87% | --    | --     |
| Lehman Brothers CA<br>Tax-Exempt Municipal<br>Bond Index <sup>2</sup>            | 6.97%  | 6.17%  | 5.85% | 6.40%  |
| Lipper CA Municipal<br>Debt Funds category<br>average <sup>3</sup>               | 11.51% | 9.11%  | 6.32% | 6.67%  |
| Insured Funds  | 6-Mo.  | 1-yr.  | 5-Yr. | 10-Yr. |
| NPC  | 10.46% | 9.07%  | 6.55% | 7.08%  |
| NCL  | 10.44% | 9.12%  | 6.90% | 6.99%  |
| NKL  | 12.73% | 10.38% | --    | --     |
| NKX  | 13.17% | 11.12% | --    | --     |
| Lehman Brothers CA<br>Insured Tax-Exempt<br>Municipal Bond<br>Index <sup>2</sup> | 7.05%  | 6.53%  | 6.12% | 6.55%  |
| Lipper CA Insured  |        |        |       |        |

Municipal Debt Funds  
category average<sup>3</sup> 11.14% 8.91% 6.26% 6.77%

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Past performance is not predictive of future results.

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

For the six months ended February 29, 2004, the total returns of all eight of the Funds in this report outperformed their respective Lehman Brothers California Municipal Bond benchmarks. The use of leverage was the primary factor that influenced the Funds'six-month returns relative to these unmanaged, unleveraged indexes. While leveraging can add volatility to net asset value and share price, this strategy can also provide opportunities for additional income and total return for common shareholders during periods of low or falling interest rates, which was the case during this relatively short reporting period.

The Funds' total return performances during this period, when compared with each other, also were influenced by their durations. Generally, the longer the duration of a Fund, the more its value will be affected by changes in prevailing interest rates. Over this six-month reporting period, interest rates generally declined which caused bond prices to rise and helped enhance the Funds' cumulative returns. Among the Funds shown in this report, the best performers over the reporting period were the ones with the longest durations as of February 29, 2004.

In addition to leverage and duration, NCU, NAC, NVX, NZH, NKL and NKX all held bonds backed by revenues from the 1998 master tobacco settlement agreement. Recently, in the wake of some favorable legal developments, the market took a more optimistic view of these securities. As a result, over the six-month reporting period, tobacco bonds generally appreciated and made strong contributions to these Fund's returns.

Looking at other factors that affected each Fund's performance over the reporting period, NCU was helped by its water and sewer bond holdings. NAC benefited from its allocation to non-rated, land-secured offerings, but saw some of its multifamily housing bonds trail the general market. NVX and NZH had good performance from their toll road holdings, although NVX's allocation to multifamily housing bonds constrained its performance since this sector did not do as well as many others over this reporting period.

Among the insured Funds, NPC and NCL benefited from the generally strong performance of insured California bonds over a period of budget and political uncertainty and generally falling interest rates. NKL and NKX took advantage of their ability to invest up to 20% of their assets in uninsured, investment-grade quality bonds to enhance their returns over the reporting period. In particular, NKL was helped by the performance of some of its multifamily housing bonds, while NKX benefited

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

3 The Lipper California Municipal Debt Funds category average is calculated using all the California leveraged and unleveraged closed-end exchange-traded funds in the Lipper peer group for the respective periods. The Lipper California Insured Municipal Debt Funds category average is



calculated using all the insured California leveraged and unleveraged closed-end exchange-traded funds in the Lipper peer group for the respective periods. Fund and Lipper returns assume reinvestment of dividends.

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from rising prices among some of its water and sewer bonds.

#### WHAT ABOUT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining at historically low levels, the dividend-paying capabilities of these Funds benefited from their leveraged structure over the six months ended February 2004. The extent of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, the Funds generally pay relatively low dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. During this six-month period, continued low short-term rates enabled us to increase the dividends of NPC, NAC and NVX. Leverage also helped to support the dividends of NCL and NCU, both of which had offered shareholders 45 consecutive months of steady or increasing dividends as of February 29, 2004. NZH, NKL and NKX, which were introduced in late 2001 and 2002, each have continued to provide stable, attractive dividends since their inceptions.

All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of February 29, 2004, all of the Funds in this report except NKX had positive UNII.

As of February 29, 2004, all eight Funds were trading at share price discounts to their net asset values (see charts on individual Performance Overview pages).

#### HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF FEBRUARY 29, 2004?

We believed that, given the current geopolitical and economic climate, maintaining strong credit quality was a vital requirement. NPC and NCL continued to be 100% invested in insured and/or U.S. guaranteed securities. NKL and NKX, which are allowed to invest up to 20% of their assets in uninsured, investment-grade quality securities, held 80% and 82% of their portfolios, respectively, in insured bonds as of February 29, 2004. The other Funds also offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 63% in NAC to 67% in NCU and NZH, and 71% in NVX. At the same time, NCU, NVX and NZH had modest increases in their holdings rated BBB or lower over the course of the reporting period, due in part to the downgrade of California general obligation bonds by Moody's in December 2003.

As of February 29, 2004, potential call exposure during 2004-2005 ranged from zero in NKL and NKX to 1% in NVX, 2% in NAC and NZH, and 8% in NPC and NCL. NCU, which marked its ten-year anniversary in mid-2003, faces potential calls on 19%

of its portfolio over this period as the Fund continues to work its way through a period typically associated with increased call exposure. The actual number of bond calls in all of these Funds will depend largely on market interest rates.

In general, we believe that these Funds can continue to serve as attractive sources of tax-free income, while simultaneously offering the potential for portfolio diversification. In our opinion, the Funds represent a quality component of a well-balanced core investment portfolio that can continue to benefit shareholders over time.

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Nuveen Insured California Premium Income Municipal Fund, Inc.

Performance

OVERVIEW As of February 29, 2004

NPC

Pie Chart:

CREDIT QUALITY

|                             |     |
|-----------------------------|-----|
| Insured                     | 78% |
| Insured and U.S. Guaranteed | 3%  |
| U.S. Guaranteed             | 19% |

PORTFOLIO SNAPSHOT

|   |           |
|---|-----------|
| Share Price                                       | \$16.22   |
| Common Share Net Asset Value                      | \$16.68   |
| Premium/(Discount) to NAV                         | -2.76%    |
| Market Yield                                      | 5.70%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 8.70%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$107,420 |
| Average Effective Maturity (Years)                | 18.89     |
| Leverage-Adjusted Duration                        | 8.49      |

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

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 9.18%          | 9.07%  |
| 5-Year  | 5.99%          | 6.55%  |
| 10-Year | 7.38%          | 7.08%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/General | 25% |
| U.S. Guaranteed        | 22% |
| Water and Sewer        | 18% |
| Utilities              | 12% |
| Tax Obligation/Limited | 10% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

|     |       |
|-----|-------|
| Mar | 0.076 |
| Apr | 0.076 |
| May | 0.076 |
| Jun | 0.076 |
| Jul | 0.076 |
| Aug | 0.076 |
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.077 |
| Jan | 0.077 |
| Feb | 0.077 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 15.8  |
|        | 15.9  |
|        | 16.25 |
|        | 15.67 |
|        | 15.91 |
|        | 16    |
|        | 15.85 |
|        | 16.1  |
|        | 15.82 |
|        | 16.25 |
|        | 16.39 |
|        | 16.42 |
|        | 16.6  |
|        | 16.75 |
|        | 16.35 |
|        | 16.2  |
|        | 16.27 |
|        | 15.9  |
|        | 15.25 |
|        | 14.55 |
|        | 15.03 |
|        | 14.85 |
|        | 14.81 |
|        | 15.07 |
|        | 15.02 |
|        | 15.16 |
|        | 15.2  |
|        | 15.04 |
|        | 15.35 |
|        | 15.36 |
|        | 15.3  |

|         |       |
|---------|-------|
|         | 15.32 |
|         | 15.44 |
|         | 15.39 |
|         | 15.75 |
|         | 15.79 |
|         | 15.72 |
|         | 15.64 |
|         | 15.88 |
|         | 16.07 |
|         | 16.12 |
|         | 16.31 |
|         | 16.42 |
|         | 16.09 |
|         | 16.06 |
|         | 16.21 |
|         | 16.09 |
|         | 16.27 |
| 2/29/04 | 16.22 |

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

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0615 per share.

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Nuveen Insured California Premium Income Municipal Fund 2, Inc.

Performance

OVERVIEW As of February 29, 2004

NCL

Pie Chart:

CREDIT QUALITY

|                             |     |
|-----------------------------|-----|
| Insured                     | 95% |
| Insured and U.S. Guaranteed | 3%  |
| U.S. Guaranteed             | 2%  |

PORTFOLIO SNAPSHOT

|   |           |
|---|-----------|
| Share Price                                       | \$15.55   |
| Common Share Net Asset Value                      | \$15.65   |
| Premium/(Discount) to NAV                         | -0.64%    |
| Market Yield                                      | 5.86%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 8.95%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$198,683 |

|                                    |       |
|------------------------------------|-------|
| Average Effective Maturity (Years) | 19.54 |
| Leverage-Adjusted Duration         | 7.88  |

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

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 10.07%         | 9.12%  |
| 5-Year  | 6.37%          | 6.90%  |
| 10-Year | 7.74%          | 6.99%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 31% |
| Tax Obligation/General            | 19% |
| Water and Sewer                   | 14% |
| Education and Civic Organizations | 11% |
| Utilities                         | 8%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 15    |
|        | 15.3  |
|        | 15.2  |
|        | 14.99 |
|        | 15.14 |
|        | 15.18 |
|        | 15.2  |
|        | 15.41 |
|        | 15.48 |
|        | 15.43 |
|        | 15.65 |
|        | 15.51 |

|         |       |
|---------|-------|
|         | 15.77 |
|         | 16.35 |
|         | 15.75 |
|         | 15.5  |
|         | 15.52 |
|         | 15.28 |
|         | 14.71 |
|         | 14.37 |
|         | 14.42 |
|         | 14.36 |
|         | 14.29 |
|         | 14.32 |
|         | 14.69 |
|         | 14.62 |
|         | 14.74 |
|         | 14.7  |
|         | 14.95 |
|         | 14.84 |
|         | 14.92 |
|         | 14.93 |
|         | 15.2  |
|         | 15.26 |
|         | 15.19 |
|         | 15.32 |
|         | 15.33 |
|         | 15.3  |
|         | 15.33 |
|         | 15.43 |
|         | 15.6  |
|         | 15.59 |
|         | 15.53 |
|         | 15.52 |
|         | 15.46 |
|         | 15.44 |
|         | 15.51 |
|         | 15.53 |
| 2/29/04 | 15.55 |

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

7

Nuveen California Premium Income Municipal Fund

Performance

OVERVIEW As of February 29, 2004

NCU

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 59% |
| AA                  | 8%  |

|             |     |
|-------------|-----|
| A           | 7%  |
| BBB         | 17% |
| NR          | 4%  |
| BB or lower | 5%  |

PORTFOLIO SNAPSHOT

|   |          |
|---|----------|
| Share Price                                       | \$13.87  |
| Common Share Net Asset Value                      | \$14.86  |
| Premium/(Discount) to NAV                         | -6.66%   |
| Market Yield                                      | 6.32%    |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.65%    |
| Net Assets Applicable to<br>Common Shares (\$000) | \$85,810 |
| Average Effective Maturity (Years)                | 17.92    |
| Leverage-Adjusted Duration                        | 10.28    |

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

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 10.76%         | 9.63%  |
| 5-Year  | 5.58%          | 6.97%  |
| 10-Year | 7.06%          | 7.00%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 32% |
| Tax Obligation/General | 14% |
| Healthcare             | 14% |
| Water and Sewer        | 10% |
| Utilities              | 8%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 3/1/03  | 13.35 |
|         | 13.55 |
|         | 13.48 |
|         | 13.19 |
|         | 13.47 |
|         | 13.47 |
|         | 13.47 |
|         | 13.5  |
|         | 13.51 |
|         | 13.78 |
|         | 13.85 |
|         | 14.09 |
|         | 14.35 |
|         | 14.6  |
|         | 14.47 |
|         | 14.29 |
|         | 14.37 |
|         | 14.24 |
|         | 13.65 |
|         | 13.1  |
|         | 13.08 |
|         | 12.8  |
|         | 12.91 |
|         | 13.02 |
|         | 13.02 |
|         | 13.18 |
|         | 13.19 |
|         | 13.31 |
|         | 13.45 |
|         | 13.43 |
|         | 13.28 |
|         | 13.35 |
|         | 13.57 |
|         | 13.65 |
|         | 13.65 |
|         | 13.69 |
|         | 13.66 |
|         | 13.64 |
|         | 13.6  |
|         | 13.61 |
|         | 13.62 |
|         | 13.71 |
|         | 13.8  |
|         | 13.87 |
|         | 13.77 |
|         | 13.78 |
|         | 13.77 |
|         | 13.84 |
| 2/29/04 | 13.87 |

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



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

Nuveen California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of February 29, 2004

NAC

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 56% |
| AA                  | 7%  |
| A                   | 12% |
| BBB                 | 17% |
| NR                  | 8%  |

PORTFOLIO SNAPSHOT

|   |           |
|---|-----------|
| Share Price                                       | \$15.25   |
| Common Share Net Asset Value                      | \$16.02   |
| Premium/(Discount) to NAV                         | -4.81%    |
| Market Yield                                      | 6.45%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.85%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$375,070 |
| Average Effective Maturity (Years)                | 19.37     |
| Leverage-Adjusted Duration                        | 8.84      |

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

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 15.31%         | 10.39% |
| Since Inception | 6.66%          | 8.66%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 26% |
| Tax Obligation/General | 14% |
| Transportation         | 14% |

|            |    |
|------------|----|
| Healthcare | 9% |
| Utilities  | 9% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |       |
|-----|-------|
| Mar | 0.08  |
| Apr | 0.08  |
| May | 0.08  |
| Jun | 0.08  |
| Jul | 0.08  |
| Aug | 0.08  |
| Sep | 0.081 |
| Oct | 0.081 |
| Nov | 0.081 |
| Dec | 0.082 |
| Jan | 0.082 |
| Feb | 0.082 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 14.35 |
|        | 14.4  |
|        | 14.62 |
|        | 14.89 |
|        | 15.04 |
|        | 15.35 |
|        | 15.66 |
|        | 15.89 |
|        | 15.69 |
|        | 15.44 |
|        | 15.49 |
|        | 15.2  |
|        | 14.6  |
|        | 14.07 |
|        | 14.36 |
|        | 14.36 |
|        | 14.06 |
|        | 14.3  |
|        | 14.48 |
|        | 14.56 |
|        | 14.68 |
|        | 14.75 |
|        | 14.74 |
|        | 14.54 |
|        | 14.52 |
|        | 14.7  |
|        | 14.88 |
|        | 14.82 |
|        | 14.72 |
|        | 14.97 |
|        | 15.13 |
|        | 15.13 |
|        | 15.33 |
|        | 15.21 |
|        | 15.29 |
|        | 15.33 |

|         |       |
|---------|-------|
|         | 15.29 |
|         | 15.46 |
|         | 15.13 |
|         | 15.2  |
|         | 15.17 |
|         | 15.14 |
| 2/29/04 | 15.25 |

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

9

Nuveen California Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of February 29, 2004

NVX

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 69% |
| A                   | 7%  |
| BBB                 | 17% |
| NR                  | 7%  |

PORTFOLIO SNAPSHOT

|   |           |
|---|-----------|
| Share Price                                       | \$14.32   |
| Common Share Net Asset Value                      | \$15.40   |
| Premium/(Discount) to NAV                         | -7.01%    |
| Market Yield                                      | 6.37%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.73%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$227,745 |
| Average Effective Maturity (Years)                | 19.68     |
| Leverage-Adjusted Duration                        | 9.79      |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/27/01)

|        | ON SHARE PRICE | ON NAV |
|--------|----------------|--------|
| 1-Year | 12.37%         | 9.97%  |

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|                 |       |       |
|-----------------|-------|-------|
| Since Inception | 4.61% | 8.70% |
|-----------------|-------|-------|

-----  
 TOP FIVE SECTORS (as a % of total investments)  
 -----

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 31% |
| Tax Obligation/General            | 20% |
| Education and Civic Organizations | 13% |
| Water and Sewer                   | 8%  |
| Housing/Multifamily               | 7%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |       |
|-----|-------|
| Mar | 0.074 |
| Apr | 0.074 |
| May | 0.074 |
| Jun | 0.075 |
| Jul | 0.075 |
| Aug | 0.075 |
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 13.55 |
|        | 13.7  |
|        | 13.91 |
|        | 14.06 |
|        | 14.04 |
|        | 14.42 |
|        | 14.72 |
|        | 14.8  |
|        | 14.52 |
|        | 14.52 |
|        | 14.71 |
|        | 14.35 |
|        | 13.97 |
|        | 13.03 |
|        | 13.4  |
|        | 13.19 |
|        | 13.17 |
|        | 13.24 |
|        | 13.52 |
|        | 13.5  |
|        | 13.55 |
|        | 13.72 |
|        | 13.8  |
|        | 13.59 |
|        | 13.65 |
|        | 13.74 |

|         |       |
|---------|-------|
|         | 13.97 |
|         | 14    |
|         | 13.82 |
|         | 14.1  |
|         | 14.18 |
|         | 14.01 |
|         | 14.05 |
|         | 14.02 |
|         | 14.02 |
|         | 14.2  |
|         | 14.26 |
|         | 14.28 |
|         | 14.11 |
|         | 14.31 |
|         | 14.3  |
|         | 14.2  |
| 2/29/04 | 14.32 |

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

10

Nuveen California Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of February 29, 2004

NZH

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 66% |
| AA                  | 1%  |
| A                   | 8%  |
| BBB                 | 18% |
| NR                  | 7%  |

PORTFOLIO SNAPSHOT

|   |           |
|---|-----------|
| Share Price                                       | \$13.70   |
| Common Share Net Asset Value                      | \$15.05   |
| Premium/(Discount) to NAV                         | -8.97%    |
| Market Yield                                      | 6.31%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.63%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$362,820 |

|                                    |       |
|------------------------------------|-------|
| Average Effective Maturity (Years) | 19.24 |
| Leverage-Adjusted Duration         | 10.55 |

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

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 11.16%         | 10.87% |
| Since Inception | 2.40%          | 8.17%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 33% |
| Tax Obligation/General | 20% |
| Water and Sewer        | 8%  |
| Utilities              | 8%  |
| Healthcare             | 8%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |       |
|-----|-------|
| Mar | 0.072 |
| Apr | 0.072 |
| May | 0.072 |
| Jun | 0.072 |
| Jul | 0.072 |
| Aug | 0.072 |
| Sep | 0.072 |
| Oct | 0.072 |
| Nov | 0.072 |
| Dec | 0.072 |
| Jan | 0.072 |
| Feb | 0.072 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 13.12 |
|        | 13.23 |
|        | 13.3  |
|        | 13.63 |
|        | 13.7  |
|        | 13.97 |
|        | 14.24 |
|        | 14.39 |
|        | 13.92 |
|        | 14.02 |
|        | 14.2  |
|        | 14.15 |
|        | 13.42 |
|        | 12.89 |

|         |       |
|---------|-------|
|         | 13.16 |
|         | 12.68 |
|         | 12.71 |
|         | 12.71 |
|         | 12.87 |
|         | 12.85 |
|         | 13.11 |
|         | 13.2  |
|         | 13.17 |
|         | 13.1  |
|         | 13.12 |
|         | 13.13 |
|         | 13.29 |
|         | 13.41 |
|         | 13.54 |
|         | 13.4  |
|         | 13.62 |
|         | 13.55 |
|         | 13.43 |
|         | 13.32 |
|         | 13.31 |
|         | 13.5  |
|         | 13.74 |
|         | 13.71 |
|         | 13.51 |
|         | 13.69 |
|         | 13.81 |
|         | 13.61 |
| 2/29/04 | 13.7  |

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

Nuveen Insured California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of February 29, 2004

NKL

Pie Chart:

CREDIT QUALITY

|                 |     |
|-----------------|-----|
| Insured         | 80% |
| AAA (uninsured) | 1%  |
| AA (uninsured)  | 3%  |
| A (uninsured)   | 5%  |
| BBB (uninsured) | 11% |

PORTFOLIO SNAPSHOT

-----

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|   |           |
|---|-----------|
| Share Price                                       | \$15.16   |
| Common Share Net Asset Value                      | \$15.85   |
| Premium/(Discount) to NAV                         | -4.35%    |
| Market Yield                                      | 6.02%     |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.19%     |
| Net Assets Applicable to<br>Common Shares (\$000) | \$241,880 |
| Average Effective Maturity (Years)                | 21.55     |
| Leverage-Adjusted Duration                        | 10.07     |

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

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 10.78%         | 10.38% |
| Since Inception | 7.26%          | 12.17% |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 28% |
| Tax Obligation/General            | 27% |
| Utilities                         | 14% |
| Water and Sewer                   | 11% |
| Education and Civic Organizations | 6%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|        |       |
|--------|-------|
| 3/1/03 | 14.71 |
|        | 14.75 |



|         |       |
|---------|-------|
|         | 14.85 |
|         | 15    |
|         | 15    |
|         | 15.18 |
|         | 15.47 |
|         | 15.37 |
|         | 15.38 |
|         | 15.27 |
|         | 15.25 |
|         | 15.02 |
|         | 14.36 |
|         | 13.8  |
|         | 13.9  |
|         | 13.71 |
|         | 13.91 |
|         | 14    |
|         | 14.55 |
|         | 14.26 |
|         | 14.35 |
|         | 14.42 |
|         | 14.47 |
|         | 14.32 |
|         | 14.36 |
|         | 14.51 |
|         | 14.84 |
|         | 14.75 |
|         | 14.65 |
|         | 14.8  |
|         | 14.6  |
|         | 14.74 |
|         | 14.74 |
|         | 14.6  |
|         | 14.75 |
|         | 14.83 |
|         | 14.97 |
|         | 14.96 |
|         | 14.76 |
|         | 14.9  |
|         | 14.97 |
|         | 15    |
| 2/29/04 | 15.16 |

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

2 The Fund also paid shareholders a capital gains distribution in December 2003 of \$0.1252 per share.

Nuveen Insured California Tax-Free Advantage Municipal Fund

Performance

OVERVIEW As of February 29, 2004

NKX

Pie Chart:

| CREDIT QUALITY  |     |
|-----------------|-----|
| Insured         | 82% |
| A (uninsured)   | 5%  |
| BBB (uninsured) | 13% |

PORTFOLIO SNAPSHOT

|   |          |
|---|----------|
| Share Price                                       | \$15.04  |
| Common Share Net Asset Value                      | \$15.13  |
| Premium/(Discount) to NAV                         | -0.59%   |
| Market Yield                                      | 6.02%    |
| Taxable-Equivalent Yield <sup>1</sup>             | 9.19%    |
| Net Assets Applicable to<br>Common Shares (\$000) | \$88,974 |
| Average Effective Maturity (Years)                | 21.81    |
| Leverage-Adjusted Duration                        | 10.39    |

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

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 9.62%          | 11.12% |
| Since Inception | 6.07%          | 10.47% |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/General | 32% |
| Tax Obligation/Limited | 30% |
| Healthcare             | 12% |
| Transportation         | 9%  |
| Water and Sewer        | 8%  |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |        |
|-----|--------|
| Mar | 0.0755 |
| Apr | 0.0755 |
| May | 0.0755 |
| Jun | 0.0755 |
| Jul | 0.0755 |
| Aug | 0.0755 |
| Sep | 0.0755 |

|     |        |
|-----|--------|
| Oct | 0.0755 |
| Nov | 0.0755 |
| Dec | 0.0755 |
| Jan | 0.0755 |
| Feb | 0.0755 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 3/1/03  | 14.7  |
|         | 14.76 |
|         | 14.85 |
|         | 14.82 |
|         | 14.78 |
|         | 15.15 |
|         | 15.45 |
|         | 15.95 |
|         | 15.19 |
|         | 15.02 |
|         | 15.5  |
|         | 15.3  |
|         | 15.06 |
|         | 14.2  |
|         | 14.45 |
|         | 14.08 |
|         | 13.85 |
|         | 13.56 |
|         | 13.64 |
|         | 14.2  |
|         | 14.15 |
|         | 14.02 |
|         | 14.64 |
|         | 14.35 |
|         | 14.37 |
|         | 14.26 |
|         | 14.55 |
|         | 14.66 |
|         | 14.42 |
|         | 14.56 |
|         | 14.48 |
|         | 14.1  |
|         | 14.07 |
|         | 14    |
|         | 14.07 |
|         | 14.55 |
|         | 14.74 |
|         | 15    |
|         | 14.89 |
|         | 14.97 |
|         | 14.8  |
|         | 14.94 |
| 2/29/04 | 15.04 |

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

Shareholder  
MEETING REPORT

The Shareholder Meeting was held in Chicago, Illinois, on November 17, 2003.

|   | NPC  |  | NCL  |  |
|---|--|--|--|--|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: |  |  |  |  |
|   | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| =====   |  |  |  |  |
| William E. Bennett                                    |  |  |  |  |
| For   | 5,822,643  | --   | 11,840,525   | --   |
| Withhold  | 72,948   | --   | 92,030   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| Robert P. Bremner                                     |  |  |  |  |
| For   | 5,827,310  | --   | 11,842,695   | --   |
| Withhold  | 68,281   | --   | 89,860   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| Lawrence H. Brown                                     |  |  |  |  |
| For   | 5,825,593  | --   | 11,842,895   | --   |
| Withhold  | 69,998   | --   | 89,660   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| Jack B. Evans   |  |  |  |  |
| For   | 5,827,093  | --   | 11,841,295   | --   |
| Withhold  | 68,498   | --   | 91,260   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| Anne E. Impellizzeri                                  |  |  |  |  |
| For   | 5,826,410  | --   | 11,841,995   | --   |
| Withhold  | 69,181   | --   | 90,560   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| William L. Kissick                                    |  |  |  |  |
| For   | 5,827,410  | --   | 11,841,995   | --   |
| Withhold  | 68,181   | --   | 90,560   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |
| =====   |  |  |  |  |
| Thomas E. Leafstrand                                  |  |  |  |  |
| For   | 5,826,193  | --   | 11,842,595   | --   |
| Withhold  | 69,398   | --   | 89,960   | --   |
| Total   | 5,895,591  | --   | 11,932,555   | --   |

|                 |           |    |            |    |
|-----------------|-----------|----|------------|----|
| =====           |           |    |            |    |
| Peter R. Sawers |           |    |            |    |
| For             | 5,825,193 | -- | 11,842,595 | -- |
| Withhold        | 70,398    | -- | 89,960     | -- |
| -----           |           |    |            |    |
| Total           | 5,895,591 | -- | 11,932,555 | -- |
| =====           |           |    |            |    |

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|                                     | NPC  |  | NCL  |  |
|-------------------------------------|--|--|--|--|
| -----                               |  |  |  |  |
| APPROVAL OF THE BOARD MEMBERS       |  |  |  |  |
| WAS REACHED AS FOLLOWS: (CONTINUED) |  |  |  |  |
|                                     | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| =====                               |  |  |  |  |
| William J. Schneider                |  |  |  |  |
| For                                 | --   | 1,711  | --   | 3,331  |
| Withhold                            | --   | 4  | --   | 7  |
| -----                               |  |  |  |  |
| Total                               | --   | 1,715  | --   | 3,338  |
| =====                               |  |  |  |  |
| Timothy R. Schwertfeger             |  |  |  |  |
| For                                 | --   | 1,711  | --   | 3,331  |
| Withhold                            | --   | 4  | --   | 7  |
| -----                               |  |  |  |  |
| Total                               | --   | 1,715  | --   | 3,338  |
| =====                               |  |  |  |  |
| Judith M. Stockdale                 |  |  |  |  |
| For                                 | 5,823,310  | --   | 11,841,695   | --   |
| Withhold                            | 72,281   | --   | 90,860   | --   |
| -----                               |  |  |  |  |
| Total                               | 5,895,591  | --   | 11,932,555   | --   |
| =====                               |  |  |  |  |
| Sheila W. Wellington                |  |  |  |  |
| For                                 | 5,823,410  | --   | 11,840,995   | --   |
| Withhold                            | 72,181   | --   | 91,560   | --   |
| -----                               |  |  |  |  |
| Total                               | 5,895,591  | --   | 11,932,555   | --   |
| =====                               |  |  |  |  |

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Shareholder  
MEETING REPORT (continued)

NAC

NVX

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-----  
 APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|                      | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
|----------------------|--|--|--|--|
| =====                |  |  |  |  |
| William E. Bennett   |  |  |  |  |
| For                  | 22,471,003   | --   | 14,392,024   | --   |
| Withhold             | 146,371  | --   | 87,046   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Robert P. Bremner    |  |  |  |  |
| For                  | 22,475,129   | --   | 14,399,117   | --   |
| Withhold             | 142,245  | --   | 79,953   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Lawrence H. Brown    |  |  |  |  |
| For                  | 22,475,937   | --   | 14,397,091   | --   |
| Withhold             | 141,437  | --   | 81,979   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Jack B. Evans        |  |  |  |  |
| For                  | 22,459,337   | --   | 14,394,917   | --   |
| Withhold             | 158,037  | --   | 84,153   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Anne E. Impellizzeri |  |  |  |  |
| For                  | 22,475,379   | --   | 14,397,412   | --   |
| Withhold             | 141,995  | --   | 81,658   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| William L. Kissick   |  |  |  |  |
| For                  | 22,474,079   | --   | 14,320,231   | --   |
| Withhold             | 143,295  | --   | 158,839  | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Thomas E. Leafstrand |  |  |  |  |
| For                  | 22,473,379   | --   | 14,398,096   | --   |
| Withhold             | 143,995  | --   | 80,974   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |
| Peter R. Sawers      |  |  |  |  |
| For                  | 22,456,079   | --   | 14,393,896   | --   |
| Withhold             | 161,295  | --   | 85,174   | --   |
| Total                | 22,617,374   | --   | 14,479,070   | --   |
| =====                |  |  |  |  |

|  | NAC  |  | NVX  |  |
|--|--|--|--|--|
| APPROVAL OF THE BOARD MEMBERS<br>WAS REACHED AS FOLLOWS: (CONTINUED) |  |  |  |  |
|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| William J. Schneider   |  |  |  |  |
| For  | --   | 6,435  | --   | 4,038  |
| Withhold   | --   | 77   | --   | 8  |
| Total  | --   | 6,512  | --   | 4,046  |
| Timothy R. Schwertfeger  |  |  |  |  |
| For  | --   | 6,435  | --   | 4,017  |
| Withhold   | --   | 77   | --   | 29   |
| Total  | --   | 6,512  | --   | 4,046  |
| Judith M. Stockdale  |  |  |  |  |
| For  | 22,462,479   | --   | 14,378,621   | --   |
| Withhold   | 154,895  | --   | 100,449  | --   |
| Total  | 22,617,374   | --   | 14,479,070   | --   |
| Sheila W. Wellington   |  |  |  |  |
| For  | 22,456,729   | --   | 14,372,916   | --   |
| Withhold   | 160,645  | --   | 106,154  | --   |
| Total  | 22,617,374   | --   | 14,479,070   | --   |

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Shareholder  
MEETING REPORT (continued)

|   | NKL  |  |
|---|--|--|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: |  |  |
|   | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| William E. Bennett                                    |  |  |
| For   | 14,978,316   | --   |
| Withhold  | 96,605   | --   |

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|                      |            |    |
|----------------------|------------|----|
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Robert P. Bremner    |            |    |
| For                  | 14,979,491 | -- |
| Withhold             | 95,430     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Lawrence H. Brown    |            |    |
| For                  | 14,978,866 | -- |
| Withhold             | 96,055     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Jack B. Evans        |            |    |
| For                  | 14,981,166 | -- |
| Withhold             | 93,755     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Anne E. Impellizzeri |            |    |
| For                  | 14,979,866 | -- |
| Withhold             | 95,055     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| William L. Kissick   |            |    |
| For                  | 14,978,533 | -- |
| Withhold             | 96,388     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Thomas E. Leafstrand |            |    |
| For                  | 14,979,533 | -- |
| Withhold             | 95,388     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |
| Peter R. Sawers      |            |    |
| For                  | 14,979,866 | -- |
| Withhold             | 95,055     | -- |
| -----                |            |    |
| Total                | 15,074,921 | -- |
| =====                |            |    |

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NKL

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: (CONTINUED)

| Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
|--|--|
| =====  | =====  |



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|                         |            |       |
|-------------------------|------------|-------|
| William J. Schneider    |            |       |
| For                     | --         | 4,546 |
| Withhold                | --         | 30    |
| -----                   |            |       |
| Total                   | --         | 4,576 |
| =====                   |            |       |
| Timothy R. Schwertfeger |            |       |
| For                     | --         | 4,546 |
| Withhold                | --         | 30    |
| -----                   |            |       |
| Total                   | --         | 4,576 |
| =====                   |            |       |
| Judith M. Stockdale     |            |       |
| For                     | 14,979,866 | --    |
| Withhold                | 95,055     | --    |
| -----                   |            |       |
| Total                   | 15,074,921 | --    |
| =====                   |            |       |
| Sheila W. Wellington    |            |       |
| For                     | 14,965,358 | --    |
| Withhold                | 109,563    | --    |
| -----                   |            |       |
| Total                   | 15,074,921 | --    |
| =====                   |            |       |

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)                 | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---|--|------------------------|
| -----                                     |  |                        |
| EDUCATION AND CIVIC ORGANIZATIONS - 11.2% |  |                        |
| \$ 2,000                                  | California Educational Facilities Authority, Revenue Bonds,<br>Santa Clara University, Series 1996, 5.750%, 9/01/26 -<br>MBIA Insured                                      | 9/06 at 102            |
| 5,000                                     | California Educational Facilities Authority, Student Loan<br>Revenue Bonds, Cal Loan Program, Series 2001A,<br>5.400%, 3/01/21 (Alternative Minimum Tax) -<br>MBIA Insured | 3/08 at 102            |
| 2,000                                     | University of California, Revenue Bonds, Multiple Purpose<br>Projects, Series 2002O, 5.125%, 9/01/31 - FGIC Insured  | 9/10 at 101            |
| 2,350                                     | University of California, Multiple Purpose Projects, Revenue<br>Bonds, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured   | 5/13 at 100            |
| -----                                     |  |                        |
| HEALTHCARE - 4.5%                         |  |                        |
| 3,000                                     | California Health Facilities Financing Authority, Insured<br>Revenue Bonds, Sutter Health, Series 1998A,   | 8/08 at 101            |

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5.375%, 8/15/30 - MBIA Insured

|       |  |             |
|-------|--|-------------|
| 1,500 | California Statewide Communities Development Authority, Certificates of Participation, Members of the Sutter Health Obligated Group, 5.500%, 8/15/19 - FSA Insured | 8/09 at 101 |
|-------|--|-------------|

-----  
HOUSING/MULTIFAMILY - 1.9%

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

|     |  |             |
|-----|--|-------------|
| 980 | Los Angeles, California, FHA-Insured Section 8 Revenue Refunding Mortgage Loan Bonds, Series 1993A, 6.300%, 1/01/25 - MBIA Insured | 7/04 at 100 |
|-----|--|-------------|

-----  
HOUSING/SINGLE FAMILY - 0.5%

|     |  |             |
|-----|--|-------------|
| 545 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
|-----|--|-------------|

-----  
TAX OBLIGATION/GENERAL - 35.0%

|       |  |             |
|-------|--|-------------|
|       | State of California, Various Purpose General Obligation Bonds: |             |
| 7,995 | 5.750%, 3/01/22 - MBIA Insured                                 | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 - MBIA Insured                                 | 3/10 at 101 |

|       |   |             |
|-------|---|-------------|
| 2,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
|-------|---|-------------|

|       |  |             |
|-------|--|-------------|
| 3,570 | California, General Obligation Bonds, Series 2004, 5.000%, 2/01/17 - AMBAC Insured | 2/14 at 100 |
|-------|--|-------------|

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

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

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

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

San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C:

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|       |                               |             |
|-------|-------------------------------|-------------|
| 1,335 | 5.000%, 7/01/21 - FSA Insured | 7/11 at 102 |
| 3,500 | 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 4,895 | 5.000%, 7/01/23 - FSA Insured | 7/11 at 102 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED - 14.6%  |                        |
| \$ 2,000                  | California State Public Works Board, Department of Health Services Lease Revenue Bonds, Series 1999A, 5.750%, 11/01/24 - MBIA Insured                                   | 11/09 at 101           |
| 1,900                     | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured | 9/12 at 100            |
| 5,000                     | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility - Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured        | 1/11 at 100            |
| 3,000                     | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1994A, 5.000%, 11/15/22 - AMBAC Insured               | 11/07 at 102           |
| 2,805                     | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured    | 10/11 at 100           |
| -----                     |   |                        |
|                           | U.S. GUARANTEED - 31.3%   |                        |
| 6,000                     | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19                            | No Opt. C              |
| 5,135                     | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax)         | No Opt. C              |
| 6,220                     | Riverside County, California, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax)    | No Opt. C              |
| 1,485                     | San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13  | No Opt. C              |
| 4,800                     | University of California, Hospital Revenue Bonds, Davis Medical Center, Series 1996, 5.750%, 7/01/24 (Pre-refunded)   | 7/06 at 101            |

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to 7/01/06) - AMBAC Insured

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| UTILITIES - 16.3% |   |             |
|-------------------|---|-------------|
| 4,000             | California Pollution Control Financing Authority,<br>Pollution Control Revenue Bonds, Southern California<br>Edison Company, Series 1992B, 6.400%, 12/01/24<br>(Alternative Minimum Tax) - MBIA Insured | 6/04 at 101 |
| 4,000             | Chula Vista, California, Industrial Development Revenue<br>Bonds, San Diego Gas and Electric Company,<br>Series 1992A, 6.400%, 12/01/27 (Alternative<br>Minimum Tax)                                    | 6/04 at 101 |
| 3,600             | Sacramento Municipal Utility District, California,<br>Electric Revenue Refunding Bonds, Series 2003S,<br>5.000%, 11/15/13 - MBIA Insured  | No Opt. C   |
| 5,000             | Turlock Irrigation District, California, Certificates<br>of Participation, Series 2003A, 5.000%, 1/01/33 -<br>MBIA Insured  | 1/13 at 100 |

---

| WATER AND SEWER - 25.5% |   |             |
|-------------------------|---|-------------|
| 3,000                   | Los Angeles, California, Wastewater System Revenue<br>Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured                            | 5/04 at 102 |
| 5,500                   | Orange County Sanitation District, California, Certificates<br>of Participation, Series 2003, 5.000%, 2/01/33 -<br>FGIC Insured       | 8/13 at 100 |
| 3,400                   | San Diego Public Facilities Financing Authority,<br>California, Sewer Revenue Bonds, Series 1997A,<br>5.250%, 5/15/22 - FGIC Insured  | 5/07 at 101 |
|                         | Santa Clara Valley Water District, California, Certificates<br>of Participation, Series 2004A:  |             |
| 1,400                   | 5.000%, 2/01/19 - FGIC Insured  | 2/14 at 100 |
| 445                     | 5.000%, 2/01/20 - FGIC Insured  | 2/14 at 100 |
| 2,150                   | Santa Clara Valley Water District, California, Water<br>Utility System Revenue Bonds, Series 2000A,<br>5.125%, 6/01/31 - FGIC Insured | 6/10 at 100 |
|                         | Santa Fe Springs Public Financing Authority, California,<br>Water Revenue Bonds, Series 2003A:  |             |
| 1,045                   | 5.000%, 5/01/28 - MBIA Insured  | 5/13 at 100 |
| 2,310                   | 5.000%, 5/01/33 - MBIA Insured  | 5/13 at 100 |

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| PRINCIPAL AMOUNT (000)                           | DESCRIPTION(1)   | OPTIONAL CALL PROVISION |
|--|--|-------------------------|
| WATER AND SEWER (CONTINUED)                      |  |                         |
| \$ 1,345   | West Basin Municipal Water District, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured                             | 8/13 at 100             |
| 5,000  | Wheeler Ridge-Maricopa Water Storage District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured | 11/06 at 102            |
| \$ 132,935                                       | Total Long-Term Investments (cost \$135,489,010) - 140.8%  |                         |
| -----  |  |                         |
| Other Assets Less Liabilities - 1.1%             |  |                         |
| -----  |  |                         |
| Preferred Shares, at Liquidation Value - (41.9)% |  |                         |
| -----  |  |                         |
| Net Assets Applicable to Common Shares - 100%    |  |                         |
| =====  |  |                         |

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

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

See accompanying notes to financial statements.

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL AMOUNT (000)                    | DESCRIPTION(1)  | OPTIONAL CALL PROVISION |
|---|---|-------------------------|
| EDUCATION AND CIVIC ORGANIZATIONS - 16.9% |   |                         |
| \$ 2,400                                  | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996: 5.750%, 9/01/21 - MBIA Insured | 9/06 at 102             |
| 3,000                                     | 5.750%, 9/01/26 - MBIA Insured  | 9/06 at 102             |

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|       |   |              |
|-------|---|--------------|
| 2,000 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured                               | 11/10 at 100 |
| 5,000 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102  |
| 1,295 | California Infrastructure Economic Development Bank, Revenue Bonds, Asian Art Museum of San Francisco Project, Series 2000: 5.500%, 6/01/19 - MBIA Insured        | 6/10 at 101  |
| 1,000 | 5.500%, 6/01/20 - MBIA Insured  | 6/10 at 101  |
| 5,380 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/16 - FSA Insured   | 5/14 at 100  |
| 6,000 | University of California, Multiple Purpose Projects, Revenue Bonds, Series 2003A: 5.000%, 5/15/27 - AMBAC Insured   | 5/13 at 100  |
| 4,750 | 5.000%, 5/15/33 - AMBAC Insured   | 5/13 at 100  |

-----  
HEALTHCARE - 5.1%

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

-----  
HOUSING/MULTIFAMILY - 4.6%

|       |  |             |
|-------|--|-------------|
| 4,000 | ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments Project, Series 1999A: 5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured | 9/09 at 100 |
| 1,370 | 5.875%, 3/01/32 (Alternative Minimum Tax) - FSA Insured  | 9/09 at 100 |
| 3,110 | Los Angeles Community Redevelopment Agency, California, FNMACollateralized Multifamily Housing Revenue Refunding Bonds, Angelus Plaza Section 8 Project, Series 1995A, 7.400%, 6/15/10                         | 6/05 at 105 |

-----  
HOUSING/SINGLE FAMILY - 0.8%

|       |  |             |
|-------|--|-------------|
| 1,505 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997C-2, 5.625%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 8/07 at 101 |
|-------|--|-------------|

---

| TAX OBLIGATION/GENERAL - 27.7% |   |             |
|--------------------------------|---|-------------|
| 1,460                          | ABC Unified School District, Los Angeles County,<br>California, General Obligation Bonds, Election of 1997,<br>Series 2000B, 5.750%, 8/01/16 - FGIC Insured | 8/10 at 101 |
| 2,770                          | Anaheim Union High School District, Orange County,<br>California, General Obligation Bonds, Series 2003,<br>5.000%, 8/01/27 - MBIA Insured                  | 8/13 at 100 |
| 485                            | California State, General Obligation Veterans Welfare<br>Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative<br>Minimum Tax) - FSA Insured                  | 6/04 at 102 |
|                                | State of California, Various Purpose General<br>Obligation Bonds:   |             |
| 7,995                          | 5.750%, 3/01/22 - MBIA Insured  | 3/10 at 101 |
| 2,500                          | 5.500%, 9/01/24 - FSA Insured   | 9/09 at 101 |
| 2,000                          | 5.750%, 3/01/27 - MBIA Insured  | 3/10 at 101 |
| 8,900                          | California, General Obligation Bonds, Series 2003,<br>5.000%, 2/01/31 - MBIA Insured  | 2/13 at 100 |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|------------------------------------|--|------------------------|
| <hr/>                              |  |                        |
| TAX OBLIGATION/GENERAL (continued) |  |                        |
| \$ 3,000                           | California, General Obligation Veterans Welfare Bonds,<br>Series 2001BZ, 5.375%, 12/01/24 (Alternative<br>Minimum Tax) - MBIA Insured          | 6/07 at 101            |
| 2,500                              | California, General Obligation Bonds, Series 2004,<br>5.000%, 2/01/18 - AMBAC Insured  | 2/14 at 100            |
| 2,575                              | Calipatria Unified School District, Imperial County,<br>California, General Obligation Bonds, Series 1996A,<br>5.625%, 8/01/13 - AMBAC Insured | 8/06 at 102            |
|                                    | Campbell Union High School District, Santa Clara County,<br>California, General Obligation Bonds, Series 2003:                                 |                        |
| 2,520                              | 5.000%, 8/01/27 - FGIC Insured   | 8/11 at 102            |
| 4,000                              | 5.000%, 8/01/32 - FGIC Insured   | 8/11 at 102            |
|                                    | Fresno Unified School District, Fresno County, California,<br>General Obligation Bonds, Election of 1995, Series 2001F:                        |                        |
| 1,065                              | 5.125%, 8/01/21 - FSA Insured  | 8/09 at 102            |
| 1,160                              | 5.125%, 8/01/22 - FSA Insured  | 8/09 at 102            |
| 1,220                              | 5.125%, 8/01/23 - FSA Insured  | 8/09 at 102            |

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|       |  |             |
|-------|--|-------------|
| 1,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 2000, Series 2000A, 5.250%, 8/01/25 - MBIA Insured | 8/10 at 101 |
| 1,750 | Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds, Election of 1999, Series A, 5.250%, 8/01/24 - FGIC Insured               | 8/09 at 100 |
| 1,270 | Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 (WI, settling 3/04/04) - FGIC Insured                 | 8/13 at 100 |
| 1,125 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured                              | No Opt. C   |
| 2,000 | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured   | 6/10 at 102 |

-----  
TAX OBLIGATION/LIMITED - 46.6%

|       |  |              |
|-------|--|--------------|
|       | Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Anaheim Public Improvements Project, Series 1997C:  |              |
| 5,130 | 0.000%, 9/01/18 - FSA Insured  | No Opt. C    |
| 8,000 | 0.000%, 9/01/21 - FSA Insured  | No Opt. C    |
| 3,500 | California Department of Transportation, Federal Highway Grant Anticipation Bonds, Series 2004A, 5.000%, 2/01/15 (WI, settling 3/10/04) - FGIC Insured                                   | No Opt. C    |
| 3,450 | California State Public Works Board, Department of Health Services Lease Revenue Bonds, Series 1999A, 5.750%, 11/01/24 - MBIA Insured  | 11/09 at 101 |
| 5,000 | Compton Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Projects, Series 1995A, 6.500%, 8/01/13 - FSA Insured                      | 8/05 at 102  |
| 4,000 | Contra Costa County, California, Refunding Certificates of Participation, Merrithew Memorial Hospital Replacement Project, Series 1997, 5.500%, 11/01/22 - MBIA Insured                  | 11/07 at 102 |
| 1,835 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/32 - AMBAC Insured                  | 9/12 at 100  |
| 6,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility - Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured                         | 1/11 at 100  |
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured | 11/07 at 102 |



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|       |  |             |
|-------|--|-------------|
| 5,000 | Kern County Board of Education, California, Refunding<br>Certificates of Participation, Series 1998A,<br>5.200%, 5/01/28 - MBIA Insured  | 5/08 at 102 |
| 5,000 | La Quinta Redevelopment Agency, California, Tax<br>Allocation Refunding Bonds, Project Area 1, Series 1998,<br>5.200%, 9/01/28 - AMBAC Insured   | 9/07 at 102 |
| 6,000 | City of Los Angeles, California, Certificates of<br>Participation, Municipal Improvement Corporation,<br>Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured                                | 6/13 at 100 |
| 3,865 | Los Angeles County Metropolitan Transportation<br>Authority, California, Proposition C Sales Tax Revenue<br>Bonds, Second Senior Lien, Series 2000A,<br>5.250%, 7/01/30 - FGIC Insured | 7/10 at 101 |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|------------------------------------|---|------------------------|
| -----                              |   |                        |
| TAX OBLIGATION/LIMITED (continued) |   |                        |
| \$ 1,935                           | Menifee Union School District, Riverside County, California,<br>Certificates of Participation, School Project, Series 1996,<br>6.125%, 9/01/24 - FSA Insured  | 9/06 at 102            |
| 2,690                              | Norwalk Community Facilities Financing Authority,<br>Los Angeles County, California, Tax Allocation Revenue<br>Refunding Bonds, Series 1995A, 6.000%, 9/01/15 -<br>FSA Insured  | 9/05 at 102            |
| 2,780                              | Pittsburg Redevelopment Agency, California, Tax<br>Allocation Refunding Bonds, Los Medanos Community<br>Development Project, Series 2003A, 5.000%, 8/01/12 -<br>MBIA Insured  | No Opt. C              |
| 4,140                              | Plumas County, California, Certificates of Participation,<br>Capital Improvement Program, Series 2003A,<br>5.000%, 6/01/28 - AMBAC Insured  | 6/13 at 101            |
| 2,000                              | Poway Redevelopment Agency, California, Tax Allocation<br>Refunding Bonds, Paguay Redevelopment Project,<br>Series 2000, 5.750%, 6/15/33 - MBIA Insured   | 12/10 at 102           |
| 5,000                              | City of San Bernardino, California, San Bernardino<br>Joint Powers Financing Authority, Refunding Certificates<br>of Participation, Police Station, South Valle Refundings<br>and 201 Building Projects, 5.500%, 9/01/20 - MBIA Insured | 9/09 at 102            |
| 3,500                              | San Francisco Bay Area Rapid Transit District, California,<br>Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 -<br>FGIC Insured   | 7/09 at 101            |
| 1,930                              | Santa Margarita/Dana Point Authority, Orange County,<br>California, Revenue Bonds Refinancing, Improvement  | No Opt. C              |

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Districts 1, 2, 2A and 8, Series 1994A, 7.250%, 8/01/05 - MBIA Insured

|       |  |              |
|-------|--|--------------|
| 3,000 | South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, Foothill Area, Series 1994C, 8.000%, 8/15/08 - FGIC Insured | No Opt. C    |
| 5,450 | Visalia, California, Refunding Certificates of Participation, Motor Vehicle License Fee Enhancement, Series 1996A, 5.375%, 12/01/26 - MBIA Insured | 12/06 at 102 |

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TRANSPORTATION - 6.5%

|       |  |             |
|-------|--|-------------|
| 6,500 | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured  | 1/10 at 65  |
| 4,000 | Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 - AMBAC Insured   | 8/13 at 100 |
| 5,000 | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2, Issue 27A, 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |

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U.S. GUARANTEED - 7.6%

|       |   |              |
|-------|---|--------------|
| 2,865 | Central Unified School District, Fresno County, California, General Obligation Bonds, Election of 1992, Series 1993, 5.625%, 3/01/18 - AMBAC Insured  | 3/04 at 101  |
| 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, Election of 1996, Series 1996, 5.700%, 11/01/10 - MBIA Insured                                    | 11/06 at 102 |
| 4,320 | Riverside County, California, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax)                            | No Opt. C    |
| 2,500 | San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Series 2, Issue 8B, 6.100%, 5/01/20 (Pre-refunded to 5/01/04) - FGIC Insured | 5/04 at 101  |

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UTILITIES - 12.0%

|       |   |              |
|-------|---|--------------|
| 3,740 | California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 1999B, 5.450%, 9/01/29 - MBIA Insured | 9/09 at 101  |
| 3,215 | Modesto Irrigation District, California, Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/15 - MBIA Insured   | 10/06 at 102 |

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|       |   |              |
|-------|---|--------------|
| 3,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002-II, 5.125%, 7/01/26 - FSA Insured  | 7/12 at 101  |
| 1,790 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 1,950 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 (Alternative Minimum Tax) - AMBAC Insured                                   | 8/12 at 100  |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | UTILITIES (continued)  |                        |
|                           | Santa Clara, California, Electric Revenue Subordinate Bonds, Series 2003A:   |                        |
| \$ 2,800                  | 5.000%, 7/01/24 - MBIA Insured   | 7/13 at 100            |
| 5,000                     | 5.000%, 7/01/28 - MBIA Insured   | 7/13 at 100            |
| -----                     |  |                        |
|                           | WATER AND SEWER - 20.4%  |                        |
| 3,530                     | Castaic Lake Water Agency, California, Revenue Refunding Certificates of Participation, Water System Improvement Projects, Series 1994A, 8.000%, 8/01/04 - MBIA Insured      | No Opt. C              |
| 2,975                     | Chino Basin Regional Financing Authority, California, Revenue Bonds, Chino Basin Municipal Water District Sewer System Project, Series 1994, 6.000%, 8/01/16 - AMBAC Insured | 8/04 at 102            |
| 12,500                    | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured  | 8/13 at 100            |
| 2,775                     | Pomona Public Financing Authority, California, Revenue Bonds, Water Facilities Project, Series 1999AC, 5.500%, 5/01/29 - FGIC Insured  | 5/09 at 101            |
| 1,000                     | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 - AMBAC Insured   | 12/10 at 101           |
| 3,675                     | San Dieguito Water District, California, Water Revenue Bonds, Series 2004, 5.000%, 10/01/23 - FGIC Insured   | 10/14 at 100           |
| 465                       | Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A,  | 2/14 at 100            |

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|            |  |              |
|------------|--|--------------|
|            | 5.000%, 2/01/21 - FGIC Insured   |              |
| 2,000      | South San Joaquin Irrigation District, San Joaquin County, California, Revenue Refunding Certificates of Participation, Series 1993, 5.500%, 1/01/15 - AMBAC Insured | 7/04 at 100  |
| 5,000      | West Basin Municipal Water District, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 - MBIA Insured   | 8/13 at 100  |
|            | Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003:   |              |
| 2,010      | 5.000%, 10/01/28 - FGIC Insured  | 10/13 at 100 |
| 2,530      | 5.000%, 10/01/33 - FGIC Insured  | 10/13 at 100 |
| -----      |  |              |
| \$ 282,400 | Total Long-Term Investments (cost \$270,921,090) - 148.2%  |              |
| =====      |  |              |
|            | Other Assets Less Liabilities - (0.4)%   |              |
| -----      |  |              |
|            | Preferred Shares, at Liquidation Value - (47.8)%   |              |
| -----      |  |              |
|            | Net Assets Applicable to Common Shares - 100%  |              |
| =====      |  |              |

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- \* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings: Using the higher of Standard & Poor's or Moody's rating.
- (WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

Nuveen California Premium Income Municipal Fund (NCU)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)          | OPTIONAL C<br>PROVISIO |
|---------------------------|-------------------------|------------------------|
| -----                     |                         |                        |
|                           | CONSUMER STAPLES - 5.8% |                        |

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|    |       |   |             |
|----|-------|---|-------------|
| \$ | 1,500 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 6/12 at 100 |
|    | 3,870 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29                         | 5/12 at 100 |

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EDUCATION AND CIVIC ORGANIZATIONS - 2.0%

|       |   |             |
|-------|---|-------------|
| 1,500 | University of California, Multiple Purpose Projects, Revenue Bonds, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
|-------|---|-------------|

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HEALTHCARE - 21.5%

|       |  |              |
|-------|--|--------------|
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30                       | 12/09 at 101 |
| 5,150 | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15                  | 5/04 at 101  |
| 1,500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31                  | 8/11 at 102  |
| 8,100 | California Statewide Community Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C    |
| 2,000 | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center Project, Series 1993A, 6.000%, 12/01/06                       | 6/04 at 102  |

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HOUSING/MULTIFAMILY - 9.1%

|       |  |             |
|-------|--|-------------|
| 1,600 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13) | 7/08 at 101 |
| 5,580 | Los Angeles Community Redevelopment Agency, California, Multifamily Housing Revenue Refunding Bonds, Angelus Plaza Project, Series 1995A, 7.400%, 6/15/10                      | 6/05 at 105 |

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HOUSING/SINGLE FAMILY - 2.7%

|       |  |             |
|-------|--|-------------|
| 1,020 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 2/07 at 102 |
|-------|--|-------------|

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|       |   |             |
|-------|---|-------------|
| 1,000 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1994F-3, 6.100%, 8/01/15 (Alternative Minimum Tax) - MBIA Insured  | 8/05 at 102 |
| 225   | California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, Series 1996C, 7.500%, 8/01/27 (Alternative Minimum Tax) | No Opt. C   |

-----  
TAX OBLIGATION/GENERAL - 21.6%

|       |  |              |
|-------|--|--------------|
| 4,000 | California State, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax)                     | 6/04 at 101  |
|       | California, General Obligation Bonds, Series 2003:   |              |
| 1,000 | 5.250%, 11/01/19 - RAAI Insured  | 11/13 at 100 |
| 1,055 | 5.250%, 2/01/21  | 8/13 at 100  |
| 1,500 | 5.000%, 2/01/31 - MBIA Insured   | 2/13 at 100  |
| 1,750 | California, General Obligation Bonds, Series 2004, 5.000%, 2/01/23   | 2/14 at 100  |
| 1,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured        | 8/12 at 101  |
| 2,250 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured | 7/13 at 100  |

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Nuveen California Premium Income Municipal Fund (NCU) (continued)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
|                           | -----<br>TAX OBLIGATION/GENERAL (continued)  |                        |
| \$ 6,000                  | North Orange County Community College District, California, General Obligation Bonds, Series 2003B, 0.000%, 8/01/27 - FGIC Insured | No Opt. C              |
| 3,000                     | Pomona Unified School District, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured       | 8/11 at 103            |
|                           | -----<br>TAX OBLIGATION/LIMITED - 47.3%  |                        |
| 1,000                     | Bell Community Redevelopment Agency, California, Bell Redevelopment Area Tax Allocation Bonds,                                     | 10/13 at 100           |

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|       |  |              |
|-------|--|--------------|
|       | Series 2003, 5.625%, 10/01/33 - RAAI Insured   |              |
| 985   | Beverly Hills Public Financing Authority, California, Lease Revenue Refunding Bonds, Series 2003A, 5.250%, 6/01/15 - MBIA Insured  | 6/13 at 100  |
| 5,920 | California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home - Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 - AMBAC Insured | 11/09 at 101 |
| 2,330 | Carlsbad, California, Limited Obligation Improvement Bonds, Assessment District 96-1, Series 1998, 5.500%, 9/02/28   | 3/04 at 100  |
|       | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B:   |              |
| 1,000 | 5.625%, 6/01/33  | 6/13 at 100  |
| 1,000 | 5.500%, 6/01/33  | 6/13 at 100  |
| 3,500 | Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 - MBIA Insured                                       | 8/11 at 100  |
| 1,840 | City of Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured  | 6/13 at 100  |
| 1,890 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Multifamily Housing Bonds, Grand Central Square Project, Series 1993A, 5.750%, 12/01/13 (Alternative Minimum Tax)           | 6/04 at 101  |
| 2,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/15 - FGIC Insured                               | 3/13 at 100  |
| 1,000 | Poway, California, Community Facilities District 88-1, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09  | 8/08 at 102  |
| 6,570 | Sacramento City Finance Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20   | No Opt. C    |
| 1,500 | Sacramento City Finance Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - MBIA Insured  | No Opt. C    |
| 1,500 | San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998, 5.800%, 9/01/18  | 9/08 at 101  |
| 1,000 | San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998, 5.800%, 9/01/27  | 9/08 at 101  |
| 2,050 | Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured   | 12/11 at 102 |
| 2,000 | Vista, California, Mobile Home Park Revenue Bonds, Vista Manor Mobile Home Park Project, Series 1999A,   | 3/09 at 102  |

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5.750%, 3/15/29

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| TRANSPORTATION - 8.5% |   |             |
|-----------------------|---|-------------|
| 3,000                 | California Infrastructure Economic Development Bank,<br>Revenue Bonds, Bay Area Toll Bridges, 1st Lien<br>Series 2003A, 5.000%, 7/01/22 - FSA Insured   | 7/13 at 100 |
| 2,000                 | Foothill-Eastern Transportation Corridor Agency, California,<br>Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35  | 1/10 at 100 |
| 2,000                 | San Francisco City and County Airports Commission,<br>California, Revenue Bonds, San Francisco International<br>Airport, Series 2, Issue 10A, 5.700%, 5/01/26<br>(Alternative Minimum Tax) - MBIA Insured | 5/06 at 102 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| <hr/>                     |   |                        |
| U.S. GUARANTEED - 4.9%    |   |                        |
| \$ 3,500                  | Puerto Rico, Public Improvement General Obligation Bonds,<br>Series 2000, 5.750%, 7/01/21 (Pre-refunded to<br>7/01/10) - MBIA Insured   | 7/10 at 100            |
| <hr/>                     |   |                        |
| UTILITIES - 12.0%         |   |                        |
| 1,000                     | California Pollution Control Financing Authority,<br>Pollution Control Revenue Bonds, Southern California<br>Edison Company, Series 1992B, 6.400%, 12/01/24<br>(Alternative Minimum Tax) - FGIC Insured | 6/04 at 101            |
| 2,250                     | California Department of Water Resources, Power<br>Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18  | 5/12 at 101            |
| 275                       | Los Angeles Department of Water and Power, California,<br>Power System Revenue Bonds, Series 2003A-2,<br>5.000%, 7/01/21 - MBIA Insured   | 7/13 at 100            |
| 1,500                     | Merced Irrigation District, California, Revenue Refunding<br>Bonds, Electric System Project, Series 2001,<br>6.500%, 9/01/22  | 9/05 at 102            |
| 4,580                     | Sacramento Municipal Utility District, California, Electric<br>Revenue Refunding Bonds, Series 2002Q,<br>5.250%, 8/15/20 - FSA Insured  | 8/12 at 100            |
| <hr/>                     |   |                        |
| WATER AND SEWER - 14.5%   |   |                        |
| 5,000                     | Culver City, California, Wastewater Facilities Revenue  | 9/09 at 102            |



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|       |         |  |             |
|-------|---------|--|-------------|
|       |         | Refunding Bonds, Series 1999A, 5.700%, 9/01/29 -<br>FGIC Insured   |             |
| 3,495 |         | Orange County Sanitation District, California, Certificates<br>of Participation, Series 2003, 5.250%, 2/01/21 -<br>FGIC Insured                                | 8/13 at 100 |
| 1,000 |         | Sacramento County Water Financing Authority, California,<br>Revenue Bonds, Agency Zones 40-41 System Projects,<br>Series 2003, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 100 |
| 1,795 |         | Woodbridge Irrigation District, California, Certificates<br>of Participation, Water Systems Project, Series 2003,<br>5.500%, 7/01/33                           | 7/13 at 100 |
| ----- |         |  |             |
| \$    | 124,580 | Total Long-Term Investments (cost \$121,108,384) - 149.9%  |             |
| ===== |         |  |             |
|       |         | Other Assets Less Liabilities - 0.2%   |             |
| ----- |         |  |             |
|       |         | Preferred Shares, at Liquidation Value - (50.1)%   |             |
| ----- |         |  |             |
|       |         | Net Assets Applicable to Common Shares - 100%  |             |
| ===== |         |  |             |

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund (NAC)  
Portfolio of  
INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)          | OPTIONAL C<br>PROVISIO   |              |
|---------------------------|-------------------------|--|--------------|
|                           | CONSUMER STAPLES - 5.4% |  |              |
| \$                        | 5,000                   | California Statewide Community Development Authority,<br>Certificates of Participation, Pride Industries and Pride<br>One, Inc., Series 1999, 7.250%, 11/01/29 | 11/09 at 102 |
|                           | 5,200                   | Golden State Tobacco Securitization Corporation,<br>California, Tobacco Settlement Asset-Backed Bonds,<br>Series 2003A-1, 6.250%, 6/01/33                      | 6/13 at 100  |

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|       |   |             |
|-------|---|-------------|
|       | Northern California Tobacco Securitization Authority,<br>Tobacco Settlement Asset-Backed Bonds, Series 2001A:                           |             |
| 2,500 | 5.250%, 6/01/31   | 6/11 at 100 |
| 4,500 | 5.375%, 6/01/41   | 6/11 at 100 |
| 3,940 | Southern California Tobacco Securitization Authority,<br>Tobacco Settlement Asset-Backed Bonds, Senior<br>Series 2001A, 5.250%, 6/01/27 | 6/12 at 100 |

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EDUCATION AND CIVIC ORGANIZATIONS - 10.4%

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

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HEALTHCARE - 13.4%

|        |   |              |
|--------|---|--------------|
| 8,400  | California Health Facilities Financing Authority, Kaiser<br>Permanente, Revenue Bonds, Series 1998B,<br>5.250%, 10/01/14 (Optional put 10/01/08)  | 10/08 at 101 |
| 15,000 | California Health Facilities Financing Authority, Revenue<br>Bonds, Cedars-Sinai Medical Center, Series 1999A,<br>6.125%, 12/01/30  | 12/09 at 101 |
| 8,000  | Central California Joint Powers Health Financing<br>Authority, Certificates of Participation, Community<br>Hospitals of Central California Obligated Group<br>Project, Series 2000, 6.000%, 2/01/30 | 2/10 at 101  |
| 10,500 | Duarte, California, Certificates of Participation, City<br>of Hope National Medical Center, Series 1999A,<br>5.250%, 4/01/31  | 4/09 at 101  |
| 2,800  | Upland, California, Certificates of Participation,<br>San Antonio Community Hospital, Series 1993,<br>5.250%, 1/01/08   | 7/04 at 102  |

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|                            |  |             |
|----------------------------|--|-------------|
| 2,500                      | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22  | 6/12 at 101 |
| -----                      |  |             |
| HOUSING/MULTIFAMILY - 8.1% |  |             |
| 10,250                     | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08)   | 7/08 at 101 |
| 5,250                      | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37  | 8/12 at 105 |
| 5,000                      | Contra Costa County, California, Multifamily Housing Revenue Bonds, Delta View Apartments Project, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax)  | 6/09 at 102 |
| 7,500                      | Housing Authority of the County of San Bernardino, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential/Redlands Lawn & Tennis Apartments, Issue 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C   |

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| PRINCIPAL AMOUNT (000)                                       | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|--|---|---------------------|
| -----  |   |                     |
| LONG-TERM CARE - 2.3%  |   |                     |
| \$ 8,500   | Riverside County Public Financing Authority, California, Certificates of Participation, Air Force Village West, Series 1999, 5.800%, 5/15/29        | 5/09 at 101         |
| -----  |   |                     |
| TAX OBLIGATION/GENERAL - 19.9%                               |   |                     |
| California, General Obligation Refunding Bonds, Series 2002: |   |                     |
| 8,000  | 5.000%, 2/01/12   | No Opt. C           |
| 6,435  | 6.000%, 4/01/16 - AMBAC Insured   | No Opt. C           |
| California, General Obligation Bonds, Series 2003:           |   |                     |
| 2,000  | 5.250%, 11/01/19 - RAAI Insured   | 11/13 at 100        |
| 5,200  | 5.250%, 2/01/20   | 8/13 at 100         |
| 3,000  | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 4.900%, 8/01/20 - FGIC Insured                   | 8/12 at 100         |
| 1,000  | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Election of 2001, Series 2001A, 5.000%, 6/01/26 - | 8/11 at 100         |

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MBIA Insured

|        |   |             |
|--------|---|-------------|
| 18,500 | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 1999C, 5.250%, 7/01/24 - MBIA Insured         | 7/09 at 101 |
| 10,845 | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 2002E, 5.000%, 7/01/19 - MBIA Insured         | 7/12 at 100 |
| 1,750  | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2001, 5.125%, 8/01/21 - FSA Insured                 | 8/08 at 101 |
| 5,000  | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 - FSA Insured            | 7/13 at 101 |
| 2,700  | Ventura County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/15 - MBIA Insured                     | 8/12 at 101 |
| 3,605  | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/21 - FSA Insured | 8/11 at 101 |

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TAX OBLIGATION/LIMITED - 37.5%

|       |   |              |
|-------|---|--------------|
|       | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001:                                  |              |
| 1,110 | 5.375%, 11/01/18 - FSA Insured  | 11/11 at 100 |
| 1,165 | 5.375%, 11/01/19 - FSA Insured  | 11/11 at 100 |
| 1,990 | Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured                   | 9/12 at 100  |
| 2,300 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2, Talega, Series 2003, 6.000%, 9/01/33      | 9/13 at 100  |
| 3,515 | Dinuba Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project 2, Series 2001, 4.875%, 9/01/21 - MBIA Insured                   | 9/11 at 102  |
| 3,490 | Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2 Project, Series 1998A, 5.250%, 9/01/17 - MBIA Insured | 9/08 at 102  |
| 3,980 | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured                                       | 3/12 at 101  |
| 4,500 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured    | No Opt. C    |
| 2,000 | Lee Lake Water District, Riverside County, California,  | 9/13 at 102  |

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|        |   |              |
|--------|---|--------------|
|        | Special Tax Bonds, Community Facilities District 1<br>of Sycamore Creek, Series 2003, 6.500%, 9/01/24   |              |
| 2,200  | Lincoln, California, Special Tax Bonds, Community<br>Facilities District No. 2003-1, Lincoln Crossing Project,<br>Series A, 6.500%, 9/01/25   | 9/13 at 102  |
| 5,000  | Los Angeles County Metropolitan Transportation<br>Authority, California, Proposition C Sales Tax Revenue<br>Refunding Bonds, Second Senior Lien, Series 1998A,<br>5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101  |
| 10,000 | Los Angeles County Public Works Financing Authority,<br>California, Revenue Bonds, Los Angeles County Regional<br>Park and Open Space District, Series 1997A,<br>5.000%, 10/01/16                 | 10/07 at 101 |

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/LIMITED (continued)  |                        |
| \$ 9,200                  | Norco Redevelopment Agency, California, Tax Allocation<br>Refunding Bonds, Project Area 1, Series 2001,<br>5.000%, 3/01/19 - MBIA Insured                                     | 3/11 at 102            |
| 5,545                     | Oakland Joint Power Financing Authority, California,<br>Lease Revenue Refunding Bonds, Oakland Convention<br>Centers, Series 2001, 5.500%, 10/01/14 - AMBAC Insured           | No Opt. C              |
| 3,290                     | Oakland Redevelopment Agency, California, Subordinate<br>Lien Tax Allocation Bonds, Central District<br>Redevelopment Project, Series 2003,<br>5.500%, 9/01/16 - FGIC Insured | 3/13 at 100            |
| 4,000                     | Orange County Local Transportation Authority, California,<br>Limited Sales Tax Revenue Refunding Bonds,<br>Measure M, Series 1997A, 5.700%, 2/15/08 -<br>AMBAC Insured        | No Opt. C              |
| 5,600                     | Palm Springs Financing Authority, California, Lease<br>Revenue Refunding Bonds, Convention Center Project,<br>Series 2001A, 5.000%, 11/01/22 - MBIA Insured                   | 11/11 at 101           |
| 8,100                     | Poway Redevelopment Agency, California, Tax Allocation<br>Refunding Bonds, Paguay Redevelopment Project,<br>Series 2000, 5.750%, 6/15/33 - MBIA Insured                       | 12/10 at 102           |
| 1,055                     | Poway Redevelopment Agency, California, Tax Allocation<br>Bonds, Paguay Redevelopment Project, Series 2001,<br>5.375%, 12/15/16 - AMBAC Insured                               | 12/11 at 101           |

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|        |  |             |
|--------|--|-------------|
| 2,000  | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2001A, 5.500%, 8/01/19 - MBIA Insured   | 8/11 at 100 |
| 1,860  | Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 - MBIA Insured                      | 8/13 at 100 |
| 7,800  | Riverside County Public Financing Authority, California, Reassessment Revenue Bonds, Rancho Village Project/AD No. 159, Junior Lien, Series 1999B, 6.000%, 9/02/07 | No Opt. C   |
| 1,725  | Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Senior Lien, Series 2003A, 5.750%, 9/15/38                                | 9/13 at 100 |
| 1,120  | Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Subordinate Lien, Series 2003B, 6.625%, 9/15/38                           | 9/13 at 100 |
| 2,500  | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured                                     | No Opt. C   |
| 1,150  | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District No. 4, Series 2003C, 6.000%, 9/01/33  | 3/04 at 102 |
| 1,205  | San Francisco City and County, California, Certificates of Participation, 30 Van Ness Avenue Property, Series 2001A, 4.600%, 9/01/18 - MBIA Insured                | 9/09 at 101 |
| 24,060 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 1998, 5.250%, 8/01/29                                   | 8/08 at 102 |
| 2,695  | City of San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 - AMBAC Insured               | 6/12 at 100 |
| 1,595  | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-01, Series 2003B, 6.000%, 9/01/24                          | 9/09 at 102 |
| 2,810  | West Patterson Financing Authority, California, Community Facilities District 01-1, Special Tax Bonds, Series 2003B, 7.000%, 9/01/38                               | 9/13 at 103 |
| 1,350  | West Patterson Financing Authority, California, Community Facilities District No. 1, Special Tax Bonds, Series 2004A, 6.125%, 9/01/39 (WI, settling 3/09/04)       | 9/13 at 103 |
| -----  |  |             |
|        | TRANSPORTATION - 19.8%   |             |
| 8,150  | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 5.750%, 1/15/40                                       | 1/10 at 101 |
| 8,515  | Los Angeles Harbors Department, California, Revenue  | 8/11 at 100 |

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Refunding Bonds, Series 2001B, 5.500%, 8/01/18  
(Alternative Minimum Tax) - AMBAC Insured

|        |  |             |
|--------|--|-------------|
| 23,000 | Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 (Alternative Minimum Tax) - FGIC Insured  | 5/10 at 100 |
| 5,000  | San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Series 2, Issue 13B, 5.625%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TRANSPORTATION (continued)  |                        |
| \$ 23,275                 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 24A, 5.750%, 5/01/30 (Alternative Minimum Tax) - FSA Insured | 5/10 at 101            |
| -----                     |   |                        |
|                           | U.S. GUARANTEED - 2.7%  |                        |
| 3,600                     | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 2000D, 5.625%, 7/01/14 (Pre-refunded to 7/01/10)  | 7/10 at 100            |
| 5,000                     | Puerto Rico, Public Improvement General Obligation Bonds, Series 2000, 5.750%, 7/01/16 (Pre-refunded to 7/01/10) - MBIA Insured   | 7/10 at 100            |
| -----                     |   |                        |
|                           | UTILITIES - 12.3%   |                        |
| 9,750                     | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18   | 5/12 at 101            |
| 3,630                     | Imperial Irrigation District, California, Certificates of Participation, Electric System Revenue Bonds, Series 2003, 5.250%, 11/01/23 - FSA Insured   | 11/13 at 100           |
| 7,000                     | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured  | 7/11 at 100            |
| 8,370                     | Los Angeles Department of Water and Power, California, Power System Revenue Refunding Bonds, Series 2001A-2, 5.375%, 7/01/19 - MBIA Insured   | 7/11 at 100            |
| 1,200                     | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured   | 7/13 at 100            |

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|  |  |              |
|--|--|--------------|
| 7,000  | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.750%, 9/01/31                             | 9/05 at 102  |
| 5,630  | Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured | 7/12 at 100  |
| -----  |  |              |
| WATER AND SEWER - 11.0%                          |  |              |
| 11,000   | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 - FSA Insured         | 12/11 at 100 |
| 14,000   | Orange County, California, Water District, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29                                    | 8/09 at 101  |
| 8,250  | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32   | 12/11 at 102 |
| 5,115  | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured          | 11/12 at 100 |
| -----  |  |              |
| \$ 496,160                                       | Total Long-Term Investments (cost \$497,519,550) - 142.8%  |              |
| =====  |  |              |
| Other Assets Less Liabilities - 3.9%             |  |              |
| -----  |  |              |
| Preferred Shares, at Liquidation Value - (46.7)% |  |              |
| -----  |  |              |
| Net Assets Applicable to Common Shares - 100%    |  |              |
| =====  |  |              |

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.



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Portfolio of  
INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | CONSUMER STAPLES - 5.4%  |                        |
| \$ 4,625                  | California County Tobacco Securitization Agency,<br>Tobacco Settlement Asset-Backed Bonds, Stanislaus<br>County Tobacco Funding Corporation, Series 2002A,<br>5.500%, 6/01/33    | 6/12 at 100            |
| 3,200                     | Golden State Tobacco Securitization Corporation,<br>California, Tobacco Settlement Asset-Backed Bonds,<br>Series 2003A-1, 6.250%, 6/01/33  | 6/13 at 100            |
| 3,000                     | Northern California Tobacco Securitization Authority,<br>Tobacco Settlement Asset-Backed Bonds, Series 2001A,<br>5.375%, 6/01/41   | 6/11 at 100            |
| 2,800                     | Southern California Tobacco Securitization Authority,<br>Tobacco Settlement Asset-Backed Bonds, Senior<br>Series 2001A, 5.500%, 6/01/36  | 6/12 at 100            |
| -----                     |  |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 19.2%  |                        |
| 2,000                     | California Educational Facilities Authority, Revenue<br>Bonds, Stanford University, Series 2001Q,<br>5.250%, 12/01/32  | 6/11 at 101            |
| 15,000                    | California Educational Facilities Authority, Student Loan<br>Revenue Bonds, Cal Loan Program, Series 2001A,<br>5.400%, 3/01/21 (Alternative Minimum Tax) -<br>MBIA Insured       | 3/08 at 102            |
| 8,880                     | California State Public Works Board, Lease Revenue Bonds,<br>University of California System, Series 2002A:<br>5.375%, 10/01/16 - FSA Insured                                    | 10/12 at 100           |
| 10,570                    | 5.375%, 10/01/18 - FSA Insured   | 10/12 at 100           |
| 620                       | California Statewide Community Development Authority,<br>Revenue Bonds, Notre Dame de Namur University,<br>Series 2003, 6.500%, 10/01/23   | 10/13 at 100           |
| 3,000                     | Long Beach Bond Financing Authority, California, Lease<br>Revenue Refunding Bonds, Long Beach Aquarium of<br>the South Pacific, Series 2001, 5.250%, 11/01/30 -<br>AMBAC Insured | 11/11 at 101           |
| -----                     |  |                        |
|                           | HEALTHCARE - 8.0%  |                        |
| 2,000                     | California Health Facilities Financing Authority, Revenue<br>Bonds, Casa Colina, Inc., Series 2001, 6.000%, 4/01/22  | 4/12 at 100            |
| 500                       | California Infrastructure Economic Development Bank,<br>Revenue Bonds, Kaiser Hospital Assistance LLC,   | 8/11 at 102            |

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

|       |  |             |
|-------|--|-------------|
| 5,355 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 6/01/09)                                      | No Opt. C   |
| 2,185 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11                                    | No Opt. C   |
| 3,000 | Central California Joint Powers Health Financing Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group Project, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 2,500 | Torrance, California, Revenue Bonds, Torrance Memorial Medical Center, Series 2001A, 5.500%, 6/01/31   | 6/11 at 101 |
| 1,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22  | 6/12 at 101 |

-----  
HOUSING/MULTIFAMILY - 10.2%

|       |  |             |
|-------|--|-------------|
| 2,450 | ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08)          | No Opt. C   |
| 4,750 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08)                                   | 7/08 at 101 |
| 5,962 | California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Alternative Minimum Tax) (Mandatory put 6/01/16) | 6/11 at 102 |

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

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HOUSING/MULTIFAMILY (continued)

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

|                                |   |             |
|--------------------------------|---|-------------|
| -----                          |   |             |
| HOUSING/SINGLE FAMILY - 1.7%   |   |             |
| 3,585                          | California Rural Home Mortgage Finance Authority,<br>Single Family Mortgage Revenue Bonds, Mortgage-Backed<br>Securities Program, Series 2001A, 5.650%, 12/01/31<br>(Alternative Minimum Tax) | 6/11 at 102 |
| -----                          |   |             |
| LONG-TERM CARE - 0.7%          |   |             |
| 1,550                          | California Health Facilities Financing Authority, Revenue<br>Bonds, Northern California Retired Officers Community<br>Corporation - Paradise Valley Estates, Series 2002,<br>5.125%, 1/01/22  | 1/13 at 100 |
| -----                          |   |             |
| TAX OBLIGATION/GENERAL - 29.0% |   |             |
| 5,000                          | California, General Obligation Refunding Bonds,<br>Series 2002, 5.000%, 2/01/12   | No Opt. C   |
| 7,225                          | California, General Obligation Veterans Welfare Bonds,<br>Series 2001BV, 5.600%, 12/01/32 - FSA Insured   | 6/06 at 101 |
| 3,000                          | California, General Obligation Bonds, Series 2003:<br>5.250%, 2/01/20   | 8/13 at 100 |
| 1,400                          | 5.250%, 2/01/21   | 8/13 at 100 |
| 3,615                          | Colton Joint Unified School District, San Bernardino<br>County, California, General Obligation Bonds,<br>Series 2002A, 5.500%, 8/01/22 - FGIC Insured   | 8/12 at 102 |
| 3,005                          | Contra Costa County Community College District, California,<br>General Obligation Bonds, Series 2002:<br>5.000%, 8/01/21 - FGIC Insured   | 8/12 at 100 |
| 3,300                          | 5.000%, 8/01/22 - FGIC Insured  | 8/12 at 100 |
| 1,325                          | Golden West Schools Financing Authority, California,<br>Revenue Bonds, School District General Obligation<br>Refunding Program, Series 1998A, 6.650%, 8/01/13 -<br>MBIA Insured               | No Opt. C   |
| 8,330                          | Los Angeles Unified School District, California,<br>General Obligation Bonds, Election of 1997, Series 2000D,<br>5.375%, 7/01/25 - FGIC Insured   | 7/10 at 100 |
| 10,840                         | Los Angeles Unified School District, California,<br>General Obligation Bonds, Election of 1997, Series 2002E,<br>5.000%, 7/01/19 - MBIA Insured   | 7/12 at 100 |
| 1,250                          | Los Angeles Unified School District, Los Angeles<br>County, California, General Obligation Bonds,<br>Series 2003A, 5.250%, 7/01/20 - FSA Insured  | 7/13 at 100 |
| 4,050                          | Santa Rosa High School District, Sonoma County,<br>California, General Obligation Bonds, Series 2001,<br>5.300%, 5/01/26 - FGIC Insured   | 5/11 at 101 |

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|       |   |             |
|-------|---|-------------|
| 1,160 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured          | 8/12 at 100 |
| 7,600 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 - AMBAC Insured | 8/11 at 101 |

-----  
TAX OBLIGATION/LIMITED - 45.7%

|       |  |              |
|-------|--|--------------|
| 9,000 | Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 - MBIA Insured                      | 8/11 at 100  |
| 4,900 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16   | 12/13 at 100 |
| 1,400 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2, Talega, Series 2003, 6.000%, 9/01/33                             | 9/13 at 100  |
| 4,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32                          | 12/13 at 102 |
| 4,845 | Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 - MBIA Insured   | 4/08 at 102  |
| 5,000 | Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 - MBIA Insured | 5/07 at 101  |

Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|------------------------------------|---|------------------------|
| -----                              |   |                        |
| TAX OBLIGATION/LIMITED (continued) |   |                        |
| \$ 2,000                           | Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20                                | 10/13 at 102           |
| 1,265                              | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102            |

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|        |  |              |
|--------|--|--------------|
| 1,320  | Lincoln, California, Special Tax Bonds, Community Facilities District No. 2003-1, Lincoln Crossing Project, Series A, 6.500%, 9/01/25  | 9/13 at 102  |
| 8,000  | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Lien, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101  |
| 5,000  | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Lien, Series 2003A, 5.250%, 7/01/13 - MBIA Insured  | No Opt. C    |
| 3,295  | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured                     | 3/13 at 100  |
| 615    | Oceanside, California, Community Facilities Special Tax Revenue Bonds, Morro Hills, Series 2004, 5.750%, 9/01/33   | 3/14 at 100  |
| 2,000  | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33  | 8/11 at 101  |
| 4,400  | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26  | No Opt. C    |
| 6,000  | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 - AMBAC Insured                                       | 10/11 at 102 |
| 1,055  | Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Senior Lien, Series 2003A, 5.750%, 9/15/38  | 9/13 at 100  |
| 700    | Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Subordinate Lien, Series 2003B, 6.625%, 9/15/38   | 9/13 at 100  |
| 700    | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District No. 4, Series 2003C, 6.000%, 9/01/33  | 3/04 at 102  |
| 975    | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-01, Series 2003B, 6.000%, 9/01/24  | 9/09 at 102  |
|        | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A:  |              |
| 16,090 | 5.000%, 6/01/25 - MBIA Insured   | 6/11 at 100  |
| 4,000  | 5.000%, 6/01/26 - MBIA Insured   | 6/11 at 100  |
| 1,930  | West Patterson Financing Authority, California, Community Facilities District 01-1, Special Tax Bonds, Series 2003B, 6.750%, 9/01/30   | 9/13 at 103  |
| 850    | West Patterson Financing Authority, California, Community Facilities District No. 1, Special Tax Bonds, Series 2004A, 6.125%, 9/01/39 (WI, settling 3/09/04)                             | 9/13 at 103  |

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|       |   |             |
|-------|---|-------------|
| 3,045 | Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36 | 5/11 at 102 |
| 5,100 | Yucaipa, California, Special Tax Bonds, Chapman Heights Community Facilities District 98-1, Series 1998, 6.000%, 9/01/28              | 9/09 at 102 |

-----  
 TRANSPORTATION - 8.9%

|       |  |              |
|-------|--|--------------|
| 7,000 | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/27   | 1/14 at 101  |
| 5,585 | Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 (Alternative Minimum Tax) - MBIA Insured  | 11/12 at 100 |
| 2,000 | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2, Issue 28A, 5.250%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured | 5/12 at 100  |

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

-----  
 TRANSPORTATION (continued)

|          |   |             |
|----------|---|-------------|
|          | San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Series 2, Issue 29A:                                       |             |
| \$ 2,430 | 5.250%, 5/01/18 (Alternative Minimum Tax) - FGIC Insured  | 5/13 at 100 |
| 2,555    | 5.250%, 5/01/19 (Alternative Minimum Tax) - FGIC Insured  | 5/13 at 100 |
| 1,000    | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport Revenue Bonds, Second Series 29B, 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |

-----  
 UTILITIES - 6.5%

|       |  |             |
|-------|--|-------------|
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18                    | 5/12 at 101 |
|       | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2:                     |             |
| 750   | 5.000%, 7/01/21 - MBIA Insured   | 7/13 at 100 |
| 1,000 | 5.000%, 7/01/23 - MBIA Insured   | 7/13 at 100 |
| 3,000 | Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.850%, 9/01/36 | 9/05 at 102 |

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|            |   |              |
|------------|---|--------------|
| 1,000      | Merced Irrigation District, California, Revenue<br>Certificates of Participation, Electric System Project,<br>Series 2002, 6.500%, 9/01/34  | 9/05 at 103  |
| 2,000      | Santa Clara, California, Electric Revenue Subordinate<br>Bonds, Series 2003A, 5.250%, 7/01/20 - MBIA Insured  | 7/13 at 100  |
| -----      |   |              |
|            | WATER AND SEWER - 11.7%   |              |
| 2,740      | California Department of Water Resources, Water System<br>Revenue Bonds, Central Valley Project, Series 2002Z,<br>5.000%, 12/01/18 - FGIC Insured                                 | 12/12 at 100 |
| 4,900      | East Bay Municipal Utility District, Alameda and Contra<br>Costa Counties, California, Water System Subordinated<br>Revenue Bonds, Series 2001, 5.000%, 6/01/26 -<br>MBIA Insured | 6/11 at 100  |
| 6,885      | San Diego Public Facilities Financing Authority,<br>California, Subordinate Lien Water Revenue Bonds,<br>Series 2002, 5.000%, 8/01/21 - MBIA Insured                              | 8/12 at 100  |
| 10,000     | San Francisco City and County Public Utilities<br>Commission, California, Clean Water Revenue<br>Refunding Bonds, Series 2003A, 5.250%, 10/01/20 -<br>MBIA Insured                | 4/13 at 100  |
| -----      |   |              |
| \$ 314,612 | Total Long-Term Investments (cost \$316,987,317) - 147.0%   |              |
| =====      |   |              |
|            | Other Assets Less Liabilities - 1.3%  |              |
|            | -----   |              |
|            | Preferred Shares, at Liquidation Value - (48.3)%  |              |
|            | -----   |              |
|            | Net Assets Applicable to Common Shares - 100%   |              |
|            | =====   |              |

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISION |
|---------------------------|--|-------------------------|
| -----                     |  |                         |
|                           | CONSUMER STAPLES - 5.4%  |                         |
| \$ 11,240                 | California County Tobacco Securitization Agency,<br>Tobacco Settlement Asset-Backed Bonds, Merced<br>County Tobacco Funding Corporation, Series 2002A,<br>5.500%, 6/01/33  | 6/12 at 100             |
| 6,100                     | Golden State Tobacco Securitization Corporation,<br>California, Tobacco Settlement Asset-Backed Bonds,<br>Series 2003A-1, 6.250%, 6/01/33                                  | 6/13 at 100             |
| 4,200                     | Southern California Tobacco Securitization Authority,<br>Tobacco Settlement Asset-Backed Bonds, Senior<br>Series 2001A, 5.500%, 6/01/36                                    | 6/12 at 100             |
| -----                     |  |                         |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 9.2%   |                         |
| 9,000                     | California Educational Facilities Authority, Student<br>Loan Revenue Bonds, Cal Loan Program, Series 2001A,<br>5.400%, 3/01/21 (Alternative Minimum Tax) -<br>MBIA Insured | 3/08 at 102             |
| 3,600                     | California State Public Works Board, Lease Revenue<br>Bonds, University of California System, Series 2002A,<br>5.375%, 10/01/17 - FSA Insured                              | 10/12 at 100            |
| 620                       | California Statewide Community Development<br>Authority, Revenue Bonds, Notre Dame de Namur<br>University, Series 2003, 6.500%, 10/01/23                                   | 10/13 at 100            |
| 7,595                     | San Francisco State University Foundation, Inc.,<br>California, Auxiliary Organization Revenue Bonds,<br>Student Housing, Series 2001, 5.000%, 9/01/26 -<br>MBIA Insured   | 9/11 at 100             |
| 2,990                     | University of California, Revenue Bonds, Multiple<br>Purpose Projects, Series 2000K, 5.000%, 9/01/23   | 9/08 at 101             |
| 3,820                     | University of California, Revenue Bonds, Research<br>Facilities, Series 2001E, 5.000%, 9/01/26 - AMBAC Insured   | 9/09 at 101             |
| 4,000                     | University of California, Multiple Purpose Projects,<br>Revenue Bonds, Series 2003A, 5.000%, 5/15/23 -<br>AMBAC Insured  | 5/13 at 100             |
| -----                     |  |                         |
|                           | HEALTHCARE - 11.9%   |                         |
|                           | California Health Facilities Financing Authority, Revenue<br>Bonds, Casa Colina, Inc., Series 2001:  |                         |



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

-----  
HOUSING/MULTIFAMILY - 7.5%

|       |   |             |
|-------|---|-------------|
| 4,000 | ABAG Finance Authority for Nonprofit Corporations,<br>California, Multifamily Housing Revenue Refunding<br>Bonds, United Dominion/2000 Post Apartments,<br>Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08)                    | No Opt. C   |
| 5,250 | California Statewide Community Development<br>Authority, GNMA Collateralized Housing Revenue<br>Refunding Bonds, Crowne Pointe Project, Series 2002F,<br>6.750%, 8/20/37  | 8/12 at 105 |
| 7,500 | Housing Authority of the County of San Bernardino,<br>California, Multifamily Housing Revenue Refunding<br>Bonds, Equity Residential/Redlands Lawn & Tennis<br>Apartments, Series 1999A, 5.200%, 6/15/29<br>(Mandatory put 6/15/09) | No Opt. C   |

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

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HOUSING/MULTIFAMILY (continued)

|          |  |              |
|----------|--|--------------|
| \$ 3,610 | San Bernardino County Housing Authority, California, | 11/11 at 105 |
|----------|--|--------------|

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GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41

San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B:

|       |   |             |
|-------|---|-------------|
| 1,250 | 5.350%, 2/20/26 (Alternative Minimum Tax) | 8/11 at 102 |
| 2,880 | 5.450%, 2/20/43 (Alternative Minimum Tax) | 8/11 at 102 |

-----  
HOUSING/SINGLE FAMILY - 0.8%

|       |   |             |
|-------|---|-------------|
| 2,865 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1998B, 5.150%, 2/01/18 (Alternative Minimum Tax) - AMBAC Insured | 2/08 at 101 |
|-------|---|-------------|

-----  
INDUSTRIALS - 1.3%

|       |   |           |
|-------|---|-----------|
| 4,715 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management, Inc. Project, Series 2002B, 4.450%, 7/01/27 (Alternative Minimum Tax) (Mandatory put 7/01/05) | No Opt. C |
|-------|---|-----------|

-----  
LONG-TERM CARE - 1.5%

|  |   |             |
|--|---|-------------|
| California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly, Series 2002A: |   |             |
| 1,500  | 5.125%, 3/01/22   | 3/12 at 101 |
| 1,315  | 5.250%, 3/01/32   | 3/12 at 101 |
| 2,450  | California Health Facilities Financing Authority, Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |

-----  
TAX OBLIGATION/GENERAL - 29.3%

|  |  |              |
|--|--|--------------|
| 8,500  | California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/18 (Alternative Minimum Tax) | 6/04 at 102  |
| 10   | California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax) | 12/06 at 102 |
| 9,335  | California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured                                 | No Opt. C    |
| California, General Obligation Refunding Bonds, Series 2002: |  |              |
| 8,450  | 5.000%, 2/01/12  | No Opt. C    |
| 2,780  | 6.000%, 4/01/16 - AMBAC Insured  | No Opt. C    |
| 5,000  | 5.000%, 4/01/21 - AMBAC Insured  | 4/12 at 100  |
| 1,950  | California, Various Purpose General Obligation Bonds,  | 11/11 at 100 |

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Series 2001, 5.000%, 11/01/30 - MBIA Insured

|        |  |             |
|--------|--|-------------|
| 14,300 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured              | 6/07 at 100 |
| 1,840  | Compton Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.250%, 9/01/18 - MBIA Insured      | 9/13 at 100 |
| 3,000  | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/23 - FGIC Insured            | 8/12 at 100 |
| 2,500  | Fullerton Joint Union High School District, Orange County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |
| 2,260  | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/22 - FGIC Insured          | 8/11 at 100 |
|        | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A:                                 |             |
| 3,750  | 5.250%, 7/01/20 - FSA Insured  | 7/13 at 100 |
| 7,200  | 5.000%, 7/01/22 - FSA Insured  | 7/13 at 100 |
| 2,710  | Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/22 - FSA Insured   | 8/13 at 100 |
| 2,250  | Puerto Rico, Public Improvement General Obligation Refunding Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured                               | 7/11 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | TAX OBLIGATION/GENERAL (continued)  |                        |
| \$ 5,000                  | Riverside Unified School District, Riverside County, California, General Obligation Bonds, Series 2002A, 5.000%, 2/01/27 - FGIC Insured                   | 2/12 at 100            |
| 10,810                    | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured  | 7/11 at 100            |
| 4,000                     | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured | 7/12 at 100            |
| 1,000                     | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A,   | 8/12 at 100            |

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5.000%, 8/01/24 - FGIC Insured

1,630 West Contra Costa Unified School District, 8/11 at 101  
 Contra Costa County, California, General Obligation  
 Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured

-----  
 TAX OBLIGATION/LIMITED - 48.9%

4,000 Beaumont Financing Authority, California, Local Agency 9/12 at 102  
 Revenue Bonds, Series 2002A, 6.750%, 9/01/25

7,135 Brentwood Infrastructure Financing Authority, Contra 11/11 at 100  
 Costa County, California, Capital Improvement Revenue  
 Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured

3,350 California State Public Works Board, Lease Revenue 12/12 at 100  
 Bonds, Department of General Services, Capital  
 East End, Series 2002A, 5.250%, 12/01/17 -  
 AMBAC Insured

8,210 California State Public Works Board, Lease Revenue 12/13 at 100  
 Bonds, Department of Corrections, Series 2003C,  
 5.500%, 6/01/16

2,630 California State Public Works Board, Lease Revenue No Opt. C  
 Bonds, Department of Corrections, Series 2001B,  
 5.250%, 1/01/12 - AMBAC Insured

4,510 California State Public Works Board, Lease Revenue 12/11 at 102  
 Bonds, Department of Mental Health, Hospital  
 Addition, Series 2001A, 5.000%, 12/01/26 -  
 AMBAC Insured

15,000 California State Public Works Board, Lease Revenue 3/12 at 100  
 Bonds, Department of General Services, Series 2002B,  
 5.000%, 3/01/27 - AMBAC Insured

Capistrano Unified School District, Orange County, California,  
 Special Tax Bonds, Community Facilities District 90-2, Talega,  
 Series 2003:

1,750 5.875%, 9/01/23 9/13 at 100  
 550 6.000%, 9/01/33 9/13 at 100

1,810 Cerritos Public Financing Authority, California, No Opt. C  
 Tax Allocation Revenue Bonds, Los Cerritos  
 Redevelopment Projects, Series 2002A,  
 5.000%, 11/01/14 - AMBAC Insured

1,270 Coalinga Public Financing Authority, California, No Opt. C  
 Local Obligation Senior Lien Revenue Bonds,  
 Series 1998A, 6.000%, 9/15/18 - AMBAC Insured

2,000 Daly City Housing Development Finance Agency, 12/13 at 102  
 California, Mobile Home Park Revenue Bonds,  
 Franciscan Mobile Home Park Project, Series 2002A,  
 5.800%, 12/15/25

1,000 Fullerton Community Facilities District 1, California, 9/12 at 100  
 Special Tax Bonds, Amerige Heights, Series 2002,  
 6.100%, 9/01/22

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|       |  |              |
|-------|--|--------------|
| 3,000 | Lake Elsinore Public Financing Authority, California,<br>Local Agency Revenue Refunding Bonds, Series 2003H,<br>6.000%, 10/01/20   | 10/13 at 102 |
| 5,250 | Lammersville School District, San Joaquin County,<br>California, Special Tax Bonds, Community Facilities<br>District of Mountain House, Series 2002, 6.300%, 9/01/24                             | 9/12 at 101  |
| 2,000 | Lee Lake Water District, Riverside County, California,<br>Special Tax Bonds, Community Facilities District 1 of<br>Sycamore Creek, Series 2003, 6.500%, 9/01/24                                  | 9/13 at 102  |
| 2,200 | Lincoln, California, Special Tax Bonds, Community<br>Facilities District No. 2003-1, Lincoln Crossing Project,<br>Series A, 6.500%, 9/01/25  | 9/13 at 102  |
| 5,425 | Lodi, California, Certificates of Participation,<br>Public Improvement Financing Project, Series 2002,<br>5.000%, 10/01/26 - MBIA Insured  | 10/12 at 100 |
| 6,075 | Los Angeles County Metropolitan Transportation<br>Authority, California, Proposition C Sales Tax Revenue<br>Refunding Bonds, Second Senior Lien, Series 2003A,<br>5.250%, 7/01/13 - MBIA Insured | No Opt. C    |
| 1,000 | Monterey County, California, Certificates of Participation,<br>Master Plan Financing, Series 2001, 5.250%, 8/01/15 -<br>MBIA Insured   | 8/11 at 100  |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|------------------------------------|---|------------------------|
| -----                              |   |                        |
| TAX OBLIGATION/LIMITED (continued) |   |                        |
| \$ 1,000                           | Norco, California, Special Tax Bonds, Community Facilities<br>District 01-1, Series 2002, 6.750%, 9/01/22   | 9/12 at 102            |
| 3,000                              | Oakland Redevelopment Agency, California, Subordinate<br>Lien Tax Allocation Bonds, Central District<br>Redevelopment Project, Series 2003, 5.500%, 9/01/19 -<br>FGIC Insured | 3/13 at 100            |
| 1,000                              | Oceanside, California, Community Facilities Special<br>Tax Revenue Bonds, Morro Hills, Series 2004,<br>5.750%, 9/01/33  | 3/14 at 100            |
| 4,520                              | Ontario Redevelopment Financing Authority, California,<br>Lease Revenue Bonds, Capital Projects, Series 2001,<br>5.000%, 8/01/24 - AMBAC Insured                              | 8/11 at 101            |
| 2,000                              | Orange County, California, Special Tax Bonds, Community<br>Facilities District 02-1 of Ladera Ranch, Series 2003A,<br>5.550%, 8/15/33   | 8/11 at 101            |
| 11,165                             | Palm Desert Financing Authority, California, Tax Allocation   | 4/12 at 102            |

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|        |   |             |
|--------|---|-------------|
|        | Revenue Refunding Bonds, Project Area 1, Series 2002,<br>5.100%, 4/01/30 - MBIA Insured   |             |
| 5,000  | Pomoma Public Financing Authority, California, Revenue<br>Refunding Bonds, Merged Redevelopment Projects,<br>Series 2001AD, 5.000%, 2/01/27 - MBIA Insured            | 2/11 at 100 |
| 5,500  | Puerto Rico Highway and Transportation Authority,<br>Highway Revenue Bonds, Series 2002D, 5.375%, 7/01/36   | 7/12 at 100 |
| 4,400  | Puerto Rico Public Finance Corporation, Commonwealth<br>Appropriation Bonds, Series 2002E, 6.000%, 8/01/26  | No Opt. C   |
| 1,735  | Rohnert Park Finance Authority, California, Rancho Feliz<br>Mobile Home Park Revenue Bonds, Senior Lien,<br>Series 2003A, 5.750%, 9/15/38                             | 9/13 at 100 |
| 1,125  | Rohnert Park Finance Authority, California, Rancho Feliz<br>Mobile Home Park Revenue Bonds, Subordinate Lien,<br>Series 2003B, 6.625%, 9/15/38                        | 9/13 at 100 |
| 1,700  | Roseville, California, Special Tax Bonds, Community<br>Facilities District 1 - Crocker, Series 2003,<br>6.000%, 9/01/27   | 9/09 at 103 |
| 1,150  | Sacramento, California, Special Tax Bonds, North Natomas<br>Community Facilities District No. 4, Series 2003C,<br>6.000%, 9/01/33                                     | 3/04 at 102 |
| 14,505 | San Diego Redevelopment Agency, California,<br>Subordinate Tax Allocation Bonds, Centre City<br>Redevelopment Project, Series 2001A,<br>5.000%, 9/01/26 - FSA Insured | 9/11 at 101 |
| 8,725  | San Francisco Bay Area Rapid Transit District, California,<br>Sales Tax Revenue Bonds, Series 2001,<br>5.000%, 7/01/26 - AMBAC Insured                                | 7/11 at 100 |
| 10,000 | San Jose Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Area Redevelopment Project,<br>Series 2002, 5.000%, 8/01/27 - MBIA Insured                 | 8/10 at 101 |
| 2,100  | San Marcos Public Facilities Authority, California,<br>Special Tax Revenue Bonds, Series 2002, 6.300%, 9/01/20  | 9/07 at 102 |
| 1,595  | San Marcos Public Facilities Authority, California,<br>Special Tax Bonds, Community Facilities District 99-01,<br>Series 2003B, 6.000%, 9/01/24                       | 9/09 at 102 |
| 1,595  | Santa Clara Valley Transportation Authority, California,<br>Sales Tax Revenue Bonds, Series 2001A,<br>5.000%, 6/01/22 - MBIA Insured                                  | 6/11 at 100 |
| 2,810  | West Patterson Financing Authority, California,<br>Community Facilities District 01-1, Special Tax Bonds,<br>Series 2003B, 7.000%, 9/01/38                            | 9/13 at 103 |
| 1,375  | West Patterson Financing Authority, California,<br>Community Facilities District No. 1, Special Tax<br>Bonds, Series 2004A, 6.125%, 9/01/39 (WI,<br>settling 3/09/04) | 9/13 at 103 |

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|                        |   |              |
|------------------------|---|--------------|
| 2,500                  | Yucaipa-Calimesa Joint Unified School District,<br>San Bernardino County, California, General Obligation<br>Refunding Bonds, Series 2001A, 5.000%, 10/01/26 -<br>MBIA Insured | 10/11 at 100 |
| -----                  |   |              |
| TRANSPORTATION - 10.2% |   |              |
| 11,750                 | Foothill-Eastern Transportation Corridor Agency,<br>California, Toll Road Refunding Revenue Bonds,<br>Series 1999, 0.000%, 1/15/28  | 1/14 at 101  |
| 1,500                  | Port of Oakland, California, Revenue Refunding Bonds,<br>Series 1997I, 5.600%, 11/01/19 - MBIA Insured  | 11/07 at 102 |
| 1,000                  | Port of Oakland, California, Revenue Bonds, Series 2002M,<br>5.250%, 11/01/20 - FGIC Insured  | 11/12 at 100 |

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continue  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)  | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|----------------------------|--|------------------------|
| -----                      |  |                        |
| TRANSPORTATION (continued) |  |                        |
| \$ 3,000                   | Airports Commission of the City and County of<br>San Francisco, California, Revenue Bonds, San Francisco<br>International Airport, Series 2, Issue 26B, 5.000%, 5/01/30 -<br>FGIC Insured                                  | 5/10 at 101            |
|                            | Airports Commission of the City and County of San Francisco,<br>California, Revenue Bonds, San Francisco International Airport,<br>Second Series, Issue 29B:   |                        |
| 4,110                      | 5.125%, 5/01/17 - FGIC Insured   | 5/13 at 100            |
| 10,625                     | 5.125%, 5/01/18 - FGIC Insured   | 5/13 at 100            |
| 5,140                      | 5.125%, 5/01/19 - FGIC Insured   | 5/13 at 100            |
| -----                      |  |                        |
| UTILITIES - 12.0%          |  |                        |
| 15,000                     | California Pollution Control Financing Authority,<br>Pollution Control Revenue Refunding Bonds, Pacific Gas<br>and Electric Company, Series 1996A Remarketed,<br>5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102            |
| 9,000                      | California Department of Water Resources, Power<br>Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18   | 5/12 at 101            |
| 1,200                      | Los Angeles Department of Water and Power, California,<br>Power System Revenue Bonds, Series 2003A-2,<br>5.000%, 7/01/21 - MBIA Insured  | 7/13 at 100            |

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|            |  |              |
|------------|--|--------------|
| 1,600      | Merced Irrigation District, California, Revenue<br>Certificates of Participation, Electric System Project,<br>Series 2002, 6.500%, 9/01/34               | 9/05 at 103  |
| 5,000      | Merced Irrigation District, California, Revenue<br>Certificates of Participation, Electric System Project,<br>Series 2003, 5.700%, 9/01/36               | 9/13 at 102  |
| 2,250      | Salinas Valley Solid Waste Authority, California,<br>Revenue Bonds, Series 2002, 5.125%, 8/01/22<br>(Alternative Minimum Tax) - AMBAC Insured            | 8/12 at 100  |
| 6,085      | Southern California Public Power Authority, Revenue<br>Bonds, Magnolia Power Project, Series 2003-1A,<br>5.250%, 7/01/16 - AMBAC Insured                 | 7/13 at 100  |
| -----      |  |              |
|            | WATER AND SEWER - 12.1%  |              |
| 8,000      | California Department of Water Resources, Water<br>System Revenue Bonds, Central Valley Project,<br>Series 2003Y, 5.250%, 12/01/13 - FGIC Insured        | 6/13 at 100  |
| 7,000      | Carmichael Water District, Sacramento County, California,<br>Water Revenue Certificates of Participation, Series 1999,<br>5.125%, 9/01/29 - MBIA Insured | 9/09 at 102  |
| 1,000      | Pico Rivera Water Authority, California, Revenue Bonds,<br>Series 2001A, 6.250%, 12/01/32  | 12/11 at 102 |
|            | San Diego Public Facilities Financing Authority, California,<br>Subordinate Lien Water Revenue Bonds, Series 2002:                                       |              |
| 2,500      | 5.000%, 8/01/23 - MBIA Insured   | 8/12 at 100  |
| 6,260      | 5.000%, 8/01/24 - MBIA Insured   | 8/12 at 100  |
|            | San Francisco City and County Public Utilities Commission,<br>California, Clean Water Revenue Refunding Bonds, Series 2003A:                             |              |
| 3,315      | 5.250%, 10/01/18 - MBIA Insured  | 4/13 at 100  |
| 12,000     | 5.250%, 10/01/19 - MBIA Insured  | 4/13 at 100  |
| -----      |  |              |
| \$ 512,655 | Total Long-Term Investments (cost \$522,264,223) - 150.1%  |              |
| =====      |  |              |

Other Assets Less Liabilities - 1.4%

Preferred Shares, at Liquidation Value - (51.5)%

Net Assets Applicable to Common Shares - 100%

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.



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

See accompanying notes to financial statements.

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Nuveen Insured California Dividend Advantage Municipal Fund (NKL)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | CONSUMER STAPLES - 2.5%   |                        |
| \$ 5,500                  | Golden State Tobacco Securitization Corporation,<br>California, Tobacco Settlement Asset-Backed<br>Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42   | 6/13 at 100            |
| -----                     |   |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 9.5%  |                        |
| 1,000                     | California Educational Facilities Authority, Revenue Bonds,<br>Claremont University Center, Series 1999B,<br>5.250%, 3/01/18  | 3/09 at 101            |
| 1,675                     | California Educational Facilities Authority, Revenue Bonds,<br>University of San Diego, Series 2002A, 5.250%, 10/01/30  | 10/12 at 100           |
| 9,000                     | California State University, Systemwide Revenue Bonds,<br>Series 2002A, 5.125%, 11/01/26 - AMBAC Insured  | 11/12 at 100           |
| 1,000                     | California Statewide Community Development Authority,<br>Student Housing Revenue Bonds, EAH - Irvine East<br>Campus Apartments, LLC Project, Series 2002A,<br>5.500%, 8/01/22 - ACA Insured | 8/12 at 100            |
| 9,000                     | University of California, Revenue Bonds, Multiple<br>Purpose Projects, Series 2000K, 5.300%, 9/01/30  | 9/08 at 101            |
| -----                     |   |                        |
|                           | HEALTHCARE - 5.6%   |                        |
| 5,000                     | ABAG Finance Authority for Non-Profit Corporations,<br>California, Insured Revenue Bonds, Sansum-Santa Barbara<br>Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26                  | 4/12 at 100            |
| 2,500                     | California Health Facilities Financing Authority, Revenue<br>Bonds, Cedars-Sinai Medical Center, Series 1999A:<br>6.125%, 12/01/30  | 12/09 at 101           |
| 3,000                     | 6.250%, 12/01/34  | 12/09 at 101           |
| 2,160                     | California Health Facilities Financing Authority, Revenue<br>Bonds, Adventist Health System/West, Series 2003A,   | 3/13 at 100            |

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5.000%, 3/01/15

|                                |   |              |
|--------------------------------|---|--------------|
| -----                          |   |              |
| HOUSING/MULTIFAMILY - 0.9%     |   |              |
| 1,905                          | Los Angeles, California, GNMA Mortgage-Backed Securities Program, Multifamily Housing Revenue Bonds, Park Plaza West Senior Apartments Project, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax) | 7/11 at 102  |
| -----                          |   |              |
| LONG-TERM CARE - 3.4%          |   |              |
| 3,000                          | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22                                     | 11/12 at 100 |
| 5,000                          | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging Project, Series 2003, 5.000%, 11/15/18   | 11/13 at 100 |
| -----                          |   |              |
| TAX OBLIGATION/GENERAL - 40.0% |   |              |
| 5,920                          | Cajon Valley Union School District, San Diego County, California, General Obligation Bonds, Series 2002B, 5.125%, 8/01/32 - MBIA Insured  | 8/10 at 102  |
| 9,000                          | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 - MBIA Insured   | 2/12 at 100  |
| 2,900                          | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21  | 8/13 at 100  |
| 2,000                          | California, General Obligation Bonds, Series 2004, 5.000%, 2/01/20  | 2/14 at 100  |
| 1,490                          | Campbell Union High School District, Santa Clara County, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/32 - FGIC Insured  | 8/11 at 102  |
| 2,315                          | Compton Community College District, Los Angeles County, California, General Obligation Bonds, Series 2004A: 5.250%, 7/01/22 - MBIA Insured  | 7/14 at 100  |
| 2,560                          | 5.250%, 7/01/23 - MBIA Insured  | 7/14 at 100  |
| 2,415                          | El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 - FSA Insured  | 6/13 at 100  |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|------------------------------------|--|------------------------|
| -----                              |  |                        |
| TAX OBLIGATION/GENERAL (continued) |  |                        |
| \$ 10,000                          | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FSA Insured                       | 8/12 at 101            |
| 2,070                              | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Election of 1995, Series 2002G, 5.125%, 8/01/26 - FSA Insured       | 8/10 at 102            |
|                                    | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Election of 2001, Series 2002B:                                     |                        |
| 1,135                              | 5.125%, 8/01/23 - FGIC Insured   | 8/10 at 102            |
| 1,190                              | 5.125%, 8/01/24 - FGIC Insured   | 8/10 at 102            |
| 1,245                              | 5.125%, 8/01/25 - FGIC Insured   | 8/10 at 102            |
| 1,255                              | 5.125%, 8/01/26 - FGIC Insured   | 8/10 at 102            |
| 5,000                              | Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 2002E, 5.125%, 1/01/27 - MBIA Insured                | 7/12 at 100            |
|                                    | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A:   |                        |
| 4,700                              | 5.000%, 7/01/22 - FSA Insured  | 7/13 at 100            |
| 5,500                              | 5.000%, 1/01/28 - MBIA Insured   | 7/13 at 100            |
| 1,500                              | Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/28 - FSA Insured                          | 8/12 at 100            |
| 1,155                              | Montara Sanitary District, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/28 - FGIC Insured   | 8/11 at 101            |
| 2,500                              | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 - FGIC Insured                       | 8/12 at 100            |
| 3,300                              | Peralta Community College District, Alameda County, California, General Obligation Bonds, Election of 2000, Series 2001A, 5.000%, 8/01/31 - FGIC Insured | 8/09 at 102            |
| 3,250                              | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/22 - FSA Insured | 7/11 at 102            |
| 3,500                              | San Mateo County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/26 - FGIC Insured                          | 9/12 at 100            |
| 2,980                              | Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 - FGIC Insured          | 8/11 at 101            |
| 2,460                              | Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 - FSA Insured                       | 8/11 at 101            |
| 10,000                             | Vista Unified School District, San Diego County,   | 8/12 at 100            |

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California, General Obligation Bonds, Series 2002A,  
5.000%, 8/01/23 - FSA Insured

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| TAX OBLIGATION/LIMITED - 40.7% |   |              |
|--------------------------------|---|--------------|
| 1,450                          | Baldwin Park Public Financing Authority, California,<br>Sales Tax and Tax Allocation Bonds, Puente Merced<br>Redevelopment Project, Series 2003, 5.250%, 8/01/21                    | 8/13 at 102  |
| 6,895                          | Brea and Olinda Unified School District, Orange County,<br>California, Refunding Certificates of Participation,<br>Series 2002A, 5.125%, 8/01/26 - FSA Insured                      | 8/11 at 101  |
| 2,290                          | Burbank Public Financing Authority, California, Revenue<br>Refunding Bonds, Golden State Redevelopment Project,<br>Series 2003A, 5.250%, 12/01/19 - AMBAC Insured                   | 12/13 at 100 |
| 2,200                          | California Infrastructure Economic Development Bank,<br>Los Angeles County, Revenue Bonds, Department of<br>Public Social Services, Series 2003, 5.000%, 9/01/28 -<br>AMBAC Insured | 9/13 at 101  |
| 5,100                          | California State Public Works Board, Lease Revenue<br>Bonds, Department of Corrections, Series 2003C,<br>5.500%, 6/01/15  | 12/13 at 100 |
| 7,035                          | Corona-Norco Unified School District, Riverside County,<br>California, Special Tax Bonds, Community Facilities<br>District 98-1, Series 2003, 5.000%, 9/01/28 -<br>MBIA Insured     | 9/13 at 100  |
| 3,145                          | Culver City Redevelopment Agency, California,<br>Tax Allocation Revenue Bonds, Redevelopment Project,<br>Series 2002A, 5.125%, 11/01/25 - MBIA Insured                              | 5/11 at 101  |
| 1,020                          | Desert Sands Unified School District, Riverside<br>County, California, Refunding Certificates of Participation,<br>Series 2002, 5.000%, 3/01/20 - MBIA Insured                      | 3/12 at 101  |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|------------------------------------|--|------------------------|
| <hr/>                              |  |                        |
| TAX OBLIGATION/LIMITED (continued) |  |                        |
| \$ 8,720                           | El Monte, California, Senior Lien Certificates of<br>Participation, Department of Public Services Facility -<br>Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100            |
| 2,115                              | Inglewood Redevelopment Agency, California,<br>Tax Allocation Refunding Bonds, Merged Area<br>Redevelopment Project, Series 1998A, 5.250%, 5/01/23 -<br>AMBAC Insured  | No Opt. C              |
| 1,400                              | Irvine Assessment District, California, Limited  | 3/04 at 103            |

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|       |   |             |
|-------|---|-------------|
|       | Obligation Improvement Bonds, Assessment District 00-18,<br>Group 3, Series 2003, 5.550%, 9/02/26   |             |
| 3,500 | La Quinta Redevelopment Agency, California,<br>Tax Allocation Bonds, Project Area 1, Series 2001,<br>5.100%, 9/01/31 - AMBAC Insured  | 9/11 at 102 |
| 3,400 | La Quinta Redevelopment Agency, California,<br>Tax Allocation Bonds, Project Area 1, Series 2002,<br>5.000%, 9/01/22 - AMBAC Insured  | 9/12 at 102 |
| 1,460 | City of Los Angeles, California, Certificates<br>of Participation, Municipal Improvement Corporation,<br>Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured   | 6/13 at 100 |
| 7,000 | Los Angeles, California, Certificates of Participation,<br>Real Property Acquisition Program, Series 2002,<br>5.200%, 4/01/27 - AMBAC Insured   | 4/12 at 100 |
| 4,690 | Los Angeles County Metropolitan Transportation<br>Authority, California, Proposition C Sales Tax Revenue<br>Refunding Bonds, Second Senior Lien, Series 1998A,<br>5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 8,470 | Ontario Redevelopment Financing Authority, California,<br>Lease Revenue Bonds, Capital Projects, Series 2001,<br>5.200%, 8/01/29 - AMBAC Insured  | 8/11 at 101 |
| 5,000 | Palm Desert Financing Authority, California,<br>Tax Allocation Revenue Refunding Bonds, Project Area 1,<br>Series 2002, 5.000%, 4/01/25 - MBIA Insured  | 4/12 at 102 |
| 4,475 | Riverside County, California, Asset Leasing Corporate<br>Leasehold Revenue Bonds, Riverside County Hospital<br>Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured                              | 6/12 at 101 |
| 3,175 | San Buenaventura Public Facilities Financing Authority,<br>California, Certificates of Participation, Series 2001C,<br>5.250%, 2/01/31 - AMBAC Insured  | 2/11 at 101 |
| 3,730 | San Diego Redevelopment Agency, California,<br>Centre City Project Subordinate Tax Increment and<br>Parking Revenue Bonds, Series 2003B, 5.250%, 9/01/26  | 9/09 at 101 |
| 4,000 | San Jose Financing Authority, California, Lease Revenue<br>Refunding Bonds, Convention Center Project,<br>Series 2001F, 5.000%, 9/01/19 - MBIA Insured  | 9/11 at 100 |
| 2,160 | Temecula Redevelopment Agency, California,<br>Tax Allocation Revenue Bonds, Redevelopment Project 1,<br>Series 2002, 5.125%, 8/01/27 - MBIA Insured   | 8/08 at 102 |
| ----- |   |             |
|       | TRANSPORTATION - 5.4%   |             |
| 2,250 | California Infrastructure Economic Development Bank,<br>Revenue Bonds, Bay Area Toll Bridges, 1st Lien<br>Series 2003A, 5.000%, 7/01/36 - AMBAC Insured   | 7/13 at 100 |
| 7,500 | Foothill-Eastern Transportation Corridor Agency,<br>California, Toll Road Refunding Revenue Bonds,  | 1/14 at 101 |

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Series 1999, 0.000%, 1/15/29

San Francisco City and County Airports Commission, California,  
Revenue Bonds, San Francisco International Airport, Series 2,  
Issue 29A:

|       |  |             |
|-------|--|-------------|
| 2,185 | 5.250%, 5/01/16 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |
| 2,300 | 5.250%, 5/01/17 (Alternative Minimum Tax) - FGIC Insured | 5/13 at 100 |

-----  
U.S. GUARANTEED - 2.1%

|       |  |             |
|-------|--|-------------|
| 4,500 | Southern California Metropolitan Water District,<br>Water Revenue Bonds, Series 1997A, 5.000%, 7/01/30<br>(Pre-refunded to 1/01/08) - MBIA Insured | 1/08 at 101 |
|-------|--|-------------|

-----  
UTILITIES - 21.3%

|        |   |              |
|--------|---|--------------|
| 9,000  | Anaheim Public Financing Authority, California,<br>Electric System Distribution Facilities Revenue Bonds,<br>Series 2002A, 5.000%, 10/01/27 - FSA Insured   | 10/12 at 100 |
| 10,000 | California Pollution Control Financing Authority, Pollution<br>Control Revenue Refunding Bonds, Pacific Gas and<br>Electric Company, Series 1996A Remarketed,<br>5.350%, 12/01/16 (Alternative Minimum Tax) -<br>MBIA Insured | 4/11 at 102  |
| 6,000  | California Department of Water Resources, Power<br>Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18  | 5/12 at 101  |

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Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (co  
Portfolio of INVESTMENTS February 29, 2004 (Unaudited)

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

-----  
UTILITIES (continued)

|          |  |             |
|----------|--|-------------|
| \$ 3,000 | Los Angeles Department of Water and Power, California,<br>Power System Revenue Bonds, Series 2001A-1,<br>5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
|          | Los Angeles Department of Water and Power, California, Power<br>System Revenue Bonds, Series 2003A-2:                                  |             |
| 775      | 5.000%, 7/01/21 - MBIA Insured   | 7/13 at 100 |
| 5,000    | 5.000%, 7/01/30 - MBIA Insured   | 7/13 at 100 |
| 6,000    | Northern California Power Agency, Revenue Refunding<br>Bonds, Hydroelectric Project 1, Series 1998A,<br>5.200%, 7/01/32 - MBIA Insured | 7/08 at 101 |
| 3,000    | Sacramento Municipal Utility District, California,   | 8/11 at 100 |

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|            |   |              |
|------------|---|--------------|
|            | Electric Revenue Bonds, Series 2001N,<br>5.000%, 8/15/28 - MBIA Insured   |              |
| 5,630      | Southern California Public Power Authority, Subordinate<br>Revenue Refunding Bonds, Transmission Project,<br>Series 2002A, 4.750%, 7/01/19 - FSA Insured                          | 7/12 at 100  |
| -----      |   |              |
|            | WATER AND SEWER - 16.6%   |              |
| 3,000      | California Department of Water Resources, Water<br>System Revenue Bonds, Central Valley Project,<br>Series 2002X, 5.150%, 12/01/23 - FGIC Insured                                 | 12/12 at 100 |
| 6,100      | East Bay Municipal Utility District, Alameda and<br>Contra Costa Counties, California, Water System<br>Subordinated Revenue Bonds, Series 2001,<br>5.000%, 6/01/26 - MBIA Insured | 6/11 at 100  |
| 9,000      | Eastern Municipal Water District, California,<br>Water and Sewer Revenue Certificates of Participation,<br>Series 2001B, 5.000%, 7/01/30 - FGIC Insured                           | 7/11 at 100  |
| 4,500      | Los Angeles County Sanitation Districts Financing Authority,<br>California, Capital Projects Revenue Bonds, Senior<br>Lien Series 2003A, 5.000%, 10/01/23 - FSA Insured           | 10/13 at 100 |
| 3,650      | Manteca Financing Authority, California, Sewer Revenue<br>Bonds, Series 2003A, 5.000%, 12/01/33 - MBIA Insured  | 12/13 at 100 |
| 12,000     | Orange County Sanitation District, California, Certificates<br>of Participation, Series 2003, 5.000%, 2/01/33 -<br>FGIC Insured   | 8/13 at 100  |
| -----      |   |              |
| \$ 338,900 | Total Long-Term Investments (cost \$333,952,635) - 148.0%   |              |
| =====      |   |              |
|            | Other Assets Less Liabilities - 0.8%  |              |
|            | -----   |              |
|            | Preferred Shares, at Liquidation Value - (48.8)%  |              |
|            | -----   |              |
|            | Net Assets Applicable to Common Shares - 100%   |              |
| =====      |   |              |

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

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

See accompanying notes to financial statements.

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Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX)  
 Portfolio of  
 INVESTMENTS February 29, 2004 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | CONSUMER STAPLES - 2.4%  |                        |
| \$ 2,000                  | Golden State Tobacco Securitization Corporation, California,<br>Tobacco Settlement Asset-Backed Revenue Bonds,<br>Series 2003A-2, 7.900%, 6/01/42            | 6/13 at 100            |
| -----                     |  |                        |
|                           | HEALTHCARE - 18.6%   |                        |
| 2,700                     | California Health Facilities Financing Authority, Revenue<br>Bonds, Cedars-Sinai Medical Center, Series 1999A,<br>6.250%, 12/01/34                           | 12/09 at 101           |
| 1,500                     | California Health Facilities Financing Authority, Revenue<br>Bonds, USCF - Stanford Health Care, Series 1998A,<br>5.000%, 11/15/31 - FSA Insured             | 11/08 at 101           |
| 1,500                     | California Health Facilities Financing Authority, Revenue<br>Bonds, Adventist Health System/West, Series 2003A,<br>5.000%, 3/01/28                           | 3/13 at 100            |
| 1,800                     | California Infrastructure Economic Development Bank,<br>Revenue Bonds, Kaiser Hospital Assistance LLC,<br>Series 2001A, 5.550%, 8/01/31                      | 8/11 at 102            |
| 6,000                     | California Statewide Community Development Authority,<br>Revenue Refunding Bonds, Sherman Oaks Project,<br>Series 1998A, 5.000%, 8/01/22 - AMBAC Insured     | No Opt. C              |
| 2,000                     | California Statewide Community Development Authority,<br>Hospital Revenue Bonds, Monterey Peninsula Hospital,<br>Series 2003B, 5.250%, 6/01/23 - FSA Insured | 6/13 at 100            |
| -----                     |  |                        |



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LONG-TERM CARE - 5.6%

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

-----  
TAX OBLIGATION/GENERAL - 47.4%

|        |  |             |
|--------|--|-------------|
| 1,000  | Berryessa Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/21 - FSA Insured               | 8/12 at 100 |
| 2,000  | Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured | 8/12 at 101 |
|        | California, General Obligation Refunding Bonds, Series 2002:   |             |
| 1,500  | 5.000%, 2/01/12  | No Opt. C   |
| 3,750  | 5.000%, 4/01/27 - AMBAC Insured  | 4/12 at 100 |
| 3,000  | 5.250%, 4/01/30 - XLCA Insured   | 4/12 at 100 |
| 450    | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FSA Insured                   | 8/12 at 101 |
|        | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B:                                  |             |
| 4,500  | 5.000%, 8/01/26 - FSA Insured  | 8/13 at 100 |
| 2,030  | 5.000%, 8/01/27 - FSA Insured  | 8/13 at 100 |
| 2,000  | The City of Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured  | 9/12 at 100 |
| 10,750 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA Insured           | 7/13 at 100 |
| 1,000  | Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 - FGIC Insured        | 9/13 at 100 |

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| PRINCIPAL<br>AMOUNT (000)          | DESCRIPTION(1) | OPTIONAL C<br>PROVISIO  |
|------------------------------------|----------------|---|
| -----                              |                |   |
| TAX OBLIGATION/GENERAL (CONTINUED) |                |   |
| \$                                 | 3,000          | San Diego Unified School District, California, General<br>Obligation Bonds, Election of 1998, Series 2000B,<br>5.125%, 7/01/22 - MBIA Insured   |
|                                    | 3,855          | San Rafael City High School District, Marin County,<br>California, General Obligation Bonds, Series 2003A,<br>5.000%, 8/01/28 - FSA Insured   |
|                                    | 905            | San Rafael Elementary School District, Marin County,<br>California, General Obligation Bonds, Series 2003C,<br>5.000%, 8/01/28 - MBIA Insured   |
| -----                              |                |   |
| TAX OBLIGATION/LIMITED - 44.2%     |                |   |
|                                    | 550            | Baldwin Park Public Financing Authority, California, Sales<br>Tax and Tax Allocation Bonds, Puente Merced<br>Redevelopment Project, Series 2003, 5.250%, 8/01/21                                |
|                                    | 2,025          | Burbank Public Financing Authority, California, Revenue<br>Refunding Bonds, Golden State Redevelopment Project,<br>Series 2003A, 5.250%, 12/01/22 - AMBAC Insured                               |
|                                    | 4,000          | California State Public Works Board, Lease Revenue<br>Bonds, Department of General Services, Capital East End,<br>Series 2002A, 5.000%, 12/01/27 - AMBAC Insured                                |
|                                    | 2,000          | California State Public Works Board, Lease Revenue<br>Bonds, Department of Corrections, Series 2003C,<br>5.500%, 6/01/16  |
|                                    | 600            | Irvine Assessment District, California, Limited Obligation<br>Improvement Bonds, Assessment District 00-18, Group 3,<br>Series 2003, 5.550%, 9/02/26  |
|                                    | 5,540          | Irvine, California, Public Facilities and Infrastructure<br>Authority, Assessment Revenue Bonds, Series 2003C,<br>5.000%, 9/02/21 - AMBAC Insured   |
|                                    | 2,000          | City of Los Angeles, California, Certificates of<br>Participation, Municipal Improvement Corporation,<br>Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured   |
|                                    | 1,770          | Los Angeles Unified School District, Los Angeles<br>County, California, Certificates of Participation,<br>Series 2002C, Administration Building Project II,<br>5.000%, 10/01/27 - AMBAC Insured |
|                                    | 1,500          | Los Osos, California, Community Services Wastewater<br>Assessment District No. 1, Improvement Bonds,<br>Series 2002, 5.000%, 9/02/33 - MBIA Insured   |
|                                    | 1,165          | Poway, California, Housing Revenue Bonds, Poinsettia<br>Mobile Home Park Project Revenue Bonds, Series 2003,<br>5.000%, 5/01/23   |

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|       |  |              |
|-------|--|--------------|
|       | San Buenaventura, California, Certificates of Participation,<br>Golf Course Financing Project, Series 2002D:   |              |
| 3,000 | 5.000%, 2/01/27 - AMBAC Insured  | 2/12 at 100  |
| 3,300 | 5.000%, 2/01/32 - AMBAC Insured  | 2/12 at 100  |
| 2,405 | San Diego Redevelopment Agency, California, Centre<br>City Project, Subordinate Lien Tax Allocation Bonds,<br>Series 2003A, 5.000%, 9/01/28 - MBIA Insured | 9/11 at 101  |
| 1,200 | San Diego Redevelopment Agency, California, Centre<br>City Project, Subordinate Tax Increment and Parking<br>Revenue Bonds, Series 2003B, 5.250%, 9/01/26  | 9/09 at 101  |
| 1,220 | San Jose Redevelopment Agency, California, Tax<br>Allocation Bonds, Merged Area Redevelopment Project,<br>Series 2002, 5.000%, 8/01/32 - MBIA Insured      | 8/10 at 101  |
| 2,770 | City of San Jose Financing Authority, California,<br>Lease Revenue Refunding Bonds, Civic Center Project,<br>Series 2002B, 5.000%, 6/01/32 - AMBAC Insured | 6/12 at 100  |
| 2,390 | Solano County, California, Certificates of Participation,<br>Series 2002, 5.250%, 11/01/24 - MBIA Insured  | 11/12 at 100 |

-----  
TRANSPORTATION - 13.8%

|       |   |             |
|-------|---|-------------|
| 5,480 | Bay Area Government Association, California,<br>BART SFO Extension Airport Premium Fare Revenue Bonds,<br>Series 2002A, 5.000%, 8/01/26 - AMBAC Insured                                       | 8/12 at 100 |
| 2,000 | Foothill-Eastern Transportation Corridor Agency, California,<br>Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35  | 1/10 at 100 |
| 3,135 | Airports Commission of the City and County of<br>San Francisco, California, Revenue Bonds, San Francisco<br>International Airport, Second Series, Issue 16B,<br>5.000%, 5/01/24 - FSA Insured | 5/08 at 101 |
| 1,300 | Airports Commission of the City and County of<br>San Francisco, California, Revenue Bonds, San Francisco<br>International Airport, Series 2, Issue 26B, 5.000%, 5/01/25 -<br>FGIC Insured     | 5/10 at 101 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | U.S. GUARANTEED - 1.9%   |                        |
| \$ 1,495                  | Southern California Metropolitan Water District, Water<br>Revenue Bonds, Series 1997A, 5.000%, 7/01/30<br>(Pre-refunded to 1/01/08) - MBIA Insured | 1/08 at 101            |

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|                  |   |             |
|------------------|---|-------------|
| UTILITIES - 4.1% |   |             |
| 3,055            | Los Angeles Department of Water and Power, California,<br>Power System Revenue Bonds, Series 2001A-1,<br>5.250%, 7/01/22 - FSA Insured  | 7/11 at 100 |
| 275              | Los Angeles Department of Water and Power, California,<br>Power System Revenue Bonds, Series 2003A-2,<br>5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |

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|                         |   |              |
|-------------------------|---|--------------|
| WATER AND SEWER - 11.3% |   |              |
| 1,350                   | Manteca Financing Authority, California, Sewer Revenue<br>Bonds, Series 2003A, 5.000%, 12/01/33 - MBIA Insured  | 12/13 at 100 |
| 3,000                   | San Diego Public Facilities Financing Authority, California,<br>Subordinate Lien Water Revenue Bonds, Series 2002:<br>5.000%, 8/01/22 - MBIA Insured          | 8/12 at 100  |
| 2,500                   | 5.000%, 8/01/23 - MBIA Insured  | 8/12 at 100  |
| 1,180                   | South Feather Water and Power Agency, California,<br>Water Revenue Certificates of Participation, Solar<br>Photovoltaic Project, Series 2003, 5.375%, 4/01/24 | 4/13 at 100  |
| 1,600                   | Sunnyvale Financing Authority, California, Water and<br>Wastewater Revenue Bonds, Series 2001,<br>5.000%, 10/01/26 - AMBAC Insured                            | 10/11 at 100 |

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|            |   |  |
|------------|---|--|
| \$ 125,860 | Total Long-Term Investments (cost \$126,697,752) - 149.3% |  |
|------------|---|--|

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Other Assets Less Liabilities - 1.3%

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Preferred Shares, at Liquidation Value - (50.6)%

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Net Assets Applicable to Common Shares - 100%

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

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

\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be

other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

See accompanying notes to financial statements.

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Statement of  
ASSETS AND LIABILITIES February 29, 2004 (Unaudited)

|  | INSURED<br>CALIFORNIA<br>PREMIUM INCOME<br>(NPC) | INSURE<br>CALIFORNI<br>PREMIUM INCOME<br>(NCL |
|--|--|---|
| <hr/>  |  |   |
| ASSETS   |  |   |
| Investments, at market value (cost \$135,489,010,<br>\$270,921,090, \$121,108,384 and<br>\$497,519,550, respectively)                | \$151,229,857                                    | \$294,467,06                                  |
| Receivables:   |  |   |
| Interest   | 2,201,467  | 3,695,80                                      |
| Investments sold   | 4,210,176  | 3,291,43                                      |
| Other assets   | 518  | 9,71  |
| <hr/>  |  |   |
| Total assets   | 157,642,018                                      | 301,464,02                                    |
| <hr/>  |  |   |
| LIABILITIES  |  |   |
| Cash overdraft   | 5,079,366  | 2,230,53                                      |
| Payable for investments purchased  | --   | 5,329,48                                      |
| Accrued expenses:  |  |   |
| Management fees  | 77,620   | 148,02  |
| Other  | 59,598   | 64,63   |
| Preferred share dividends payable  | 5,246  | 8,46  |
| <hr/>  |  |   |
| Total liabilities  | 5,221,830  | 7,781,14                                      |
| <hr/>  |  |   |
| Preferred shares, at liquidation value   | 45,000,000                                       | 95,000,00                                     |
| <hr/>  |  |   |
| Net assets applicable to Common shares   | \$107,420,188                                    | \$198,682,88                                  |
| <hr/>  |  |   |
| Common shares outstanding  | 6,441,830  | 12,695,89                                     |
| <hr/>  |  |   |
| Net asset value per Common share outstanding (net assets<br>applicable to Common<br>shares, divided by Common<br>shares outstanding) | \$ 16.68   | \$ 15.6                                       |
| <hr/>  |  |   |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:   |  |   |
| <hr/>  |  |   |
| Common shares, \$.01 par value per share   | \$ 64,418  | \$ 126,95                                     |
| Paid-in surplus  | 89,139,083                                       | 175,908,48                                    |

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|  |               |              |
|--|---------------|--------------|
| Undistributed (Over-distribution of) net investment income | 1,523,995     | 2,220,16     |
| Accumulated net realized gain (loss) from investments      | 951,845       | (3,118,70    |
| Net unrealized appreciation of investments                 | 15,740,847    | 23,545,97    |
| -----  |               |              |
| Net assets applicable to Common shares                     | \$107,420,188 | \$198,682,88 |
| =====  |               |              |
| Authorized shares:   |               |              |
| Common   | 200,000,000   | 200,000,00   |
| Preferred  | 1,000,000     | 1,000,00     |
| =====  |               |              |

See accompanying notes to financial statements.

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|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NZH) |
|--|--|--|
| -----  |  |  |
| ASSETS   |  |  |
| Investments, at market value (cost \$316,987,317,<br>\$522,264,223, \$333,952,635 and<br>\$126,697,752, respectively)                | \$334,723,035                                  | \$544,870,62                                 |
| Receivables:   |  |  |
| Interest   | 4,517,622                                      | 7,688,98                                     |
| Investments sold   | --   | 15,30  |
| Other assets   | 11,531   | 1,68   |
| -----  |  |  |
| Total assets   | 339,252,188                                    | 552,576,59                                   |
| -----  |  |  |
| LIABILITIES  |  |  |
| Cash overdraft   | 519,942  | 1,190,09                                     |
| Payable for investments purchased  | 834,896  | 1,350,56                                     |
| Accrued expenses:  |  |  |
| Management fees  | 90,056   | 143,77                                       |
| Other  | 44,368   | 51,89  |
| Preferred share dividends payable  | 18,025   | 20,38  |
| -----  |  |  |
| Total liabilities  | 1,507,287                                      | 2,756,71                                     |
| -----  |  |  |
| Preferred shares, at liquidation value   | 110,000,000                                    | 187,000,00                                   |
| -----  |  |  |
| Net assets applicable to Common shares   | \$227,744,901                                  | \$362,819,87                                 |
| =====  |  |  |
| Common shares outstanding  | 14,790,660                                     | 24,112,83                                    |
| =====  |  |  |
| Net asset value per Common share outstanding<br>(net assets applicable to Common<br>shares, divided by Common<br>shares outstanding) | \$ 15.40                                       | \$ 15.0                                      |
| =====  |  |  |

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

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|  |               |              |
|--|---------------|--------------|
| Common shares, \$.01 par value per share                   | \$ 147,907    | \$ 241,12    |
| Paid-in surplus  | 210,031,294   | 342,481,87   |
| Undistributed (Over-distribution of) net investment income | 1,959,577     | 2,172,61     |
| Accumulated net realized gain (loss) from investments      | (2,129,595)   | (4,682,13    |
| Net unrealized appreciation of investments                 | 17,735,718    | 22,606,39    |
| -----  |               |              |
| Net assets applicable to Common shares                     | \$227,744,901 | \$362,819,87 |
| =====  |               |              |
| Authorized shares:   |               |              |
| Common   | Unlimited     | Unlimite     |
| Preferred  | Unlimited     | Unlimite     |
| =====  |               |              |

See accompanying notes to financial statements.

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Statement of  
OPERATIONS Six Months Ended February 29, 2004 (Unaudited)

|  | INSURED<br>CALIFORNIA<br>PREMIUM INCOME<br>(NPC) | INSURE<br>CALIFORNI<br>PREMIUM INCOME<br>(NCL |
|--|--|---|
| -----  |  |   |
| INVESTMENT INCOME  | \$ 3,830,399                                     | \$ 7,333,83                                   |
| -----  |  |   |
| EXPENSES   |  |   |
| Management fees  | 480,182  | 915,14  |
| Preferred shares - auction fees  | 56,165   | 118,57  |
| Preferred shares - dividend disbursing agent fees                      | 4,986  | 9,97  |
| Shareholders' servicing agent fees and expenses                        | 5,516  | 8,14  |
| Custodian's fees and expenses  | 20,411   | 39,77   |
| Directors'/Trustees' fees and expenses                                 | 1,823  | 3,58  |
| Professional fees  | 6,166  | 6,99  |
| Shareholders' reports - printing and mailing expenses                  | 4,348  | 4,72  |
| Stock exchange listing fees  | 5,535  | 7,77  |
| Investor relations expense   | 2,934  | 4,71  |
| Portfolio insurance expense  | 1,080  | 2,21  |
| Other expenses   | 7,486  | 11,27   |
| -----  |  |   |
| Total expenses before custodian fee credit and expense reimbursement   | 596,632  | 1,132,89                                      |
| Custodian fee credit   | (2,853)  | (2,88   |
| Expense reimbursement  | --   | -   |
| -----  |  |   |
| Net expenses   | 593,779  | 1,130,00                                      |
| -----  |  |   |
| Net investment income  | 3,236,620  | 6,203,83                                      |
| -----  |  |   |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS                   |  |   |
| Net realized gain (loss) from investments                              | 982,926  | 5,514,53                                      |
| Change in net unrealized appreciation<br>(depreciation) of investments | 6,302,355  | 7,705,14                                      |
| -----  |  |   |
| Net gain from investments  | 7,285,281  | 13,219,67                                     |
| -----  |  |   |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS                                |  |   |

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|  |              |              |
|--|--------------|--------------|
| From net investment income   | (157,677)    | (363,500)    |
| From accumulated net realized gains from investments   | (18,045)     | -            |
| -----  |              |              |
| Decrease in net assets applicable to Common shares<br>from distributions to Preferred shareholders | (175,722)    | (363,500)    |
| -----  |              |              |
| Net increase in net assets applicable to Common shares<br>from operations                          | \$10,346,179 | \$19,059,990 |
| =====  |              |              |

See accompanying notes to financial statements.

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|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NZH) |
|--|--|--|
| -----  |  |  |
| INVESTMENT INCOME  | \$ 8,067,455                                   | \$13,014,950                                 |
| -----  |  |  |
| EXPENSES   |  |  |
| Management fees  | 1,046,183                                      | 1,682,940                                    |
| Preferred shares - auction fees  | 137,293  | 233,390                                      |
| Preferred shares - dividend disbursing agent fees                      | 9,973  | 9,970  |
| Shareholders' servicing agent fees and expenses                        | 1,028  | 2,660  |
| Custodian's fees and expenses  | 35,720   | 55,460                                       |
| Directors'/Trustees' fees and expenses                                 | 3,820  | 5,970  |
| Professional fees  | 11,290   | 15,590                                       |
| Shareholders' reports - printing and mailing expenses                  | 13,611   | 21,040                                       |
| Stock exchange listing fees  | 683  | 1,090  |
| Investor relations expense   | 13,664   | 10,390                                       |
| Portfolio insurance expense  | --   | -  |
| Other expenses   | 10,593   | 14,090                                       |
| -----  |  |  |
| Total expenses before custodian fee credit and expense reimbursement   | 1,283,858                                      | 2,052,640                                    |
| Custodian fee credit   | (17,066)                                       | (6,770)                                      |
| Expense reimbursement  | (490,979)                                      | (797,660)                                    |
| -----  |  |  |
| Net expenses   | 775,813  | 1,248,200                                    |
| -----  |  |  |
| Net investment income  | 7,291,642                                      | 11,766,740                                   |
| -----  |  |  |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS                   |  |  |
| Net realized gain (loss) from investments                              | 84,588   | (287,790)                                    |
| Change in net unrealized appreciation<br>(depreciation) of investments | 17,798,372                                     | 31,715,550                                   |
| -----  |  |  |
| Net gain from investments  | 17,882,960                                     | 31,427,750                                   |
| -----  |  |  |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS                                |  |  |
| From net investment income   | (407,516)                                      | (787,210)                                    |
| From accumulated net realized gains from investments                   | --   | -  |
| -----  |  |  |
| Decrease in net assets applicable to Common shares                     |  |  |



|   |              |             |
|---|--------------|-------------|
| from distributions to Preferred shareholders                              | (407,516)    | (787,21     |
| -----   |              |             |
| Net increase in net assets applicable to Common shares<br>from operations | \$24,767,086 | \$42,407,28 |
| =====   |              |             |

See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS (Unaudited)

|  | INSURED CALIFORNIA<br>PREMIUM INCOME (NPC) |                       | INSURED CALIFORNIA<br>PREMIUM INCOME 2 (NCL) |                       |
|--|--|-----------------------|--|-----------------------|
|  | SIX MONTHS ENDED<br>2/29/04                | YEAR ENDED<br>8/31/03 | SIX MONTHS ENDED<br>2/29/04                  | YEAR ENDED<br>8/31/03 |
| -----  |  |                       |  |                       |
| OPERATIONS   |  |                       |  |                       |
| Net investment income  | \$ 3,236,620                               | \$ 6,404,829          | \$ 6,203,830                                 | \$ 12,528,9           |
| Net realized gain (loss)   |  |                       |  |                       |
| from investments   | 982,926                                    | 524,720               | 5,514,534                                    | (166,1                |
| Change in net unrealized<br>appreciation (depreciation)<br>of investments                                | 6,302,355                                  | (3,552,084)           | 7,705,140                                    | (6,281,3              |
| Distributions to Preferred<br>Shareholders:  |  |                       |  |                       |
| From net investment income   | (157,677)                                  | (382,478)             | (363,506)                                    | (863,5                |
| From accumulated net realized<br>gains from investments  | (18,045)                                   | (42,365)              | --   |                       |
| -----  |  |                       |  |                       |
| Net increase in net assets<br>applicable to Common<br>shares from operations                             | 10,346,179                                 | 2,952,622             | 19,059,998                                   | 5,217,8               |
| -----  |  |                       |  |                       |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS   |  |                       |  |                       |
| From net investment income   | (3,013,115)                                | (6,218,425)           | (5,785,405)                                  | (11,323,7             |
| From accumulated net realized<br>gains from investments  | (339,859)                                  | (490,993)             | --   |                       |
| -----  |  |                       |  |                       |
| Decrease in net assets<br>applicable to<br>Common shares from<br>distributions to<br>Common shareholders | (3,352,974)                                | (6,709,418)           | (5,785,405)                                  | (11,323,7             |
| -----  |  |                       |  |                       |
| CAPITAL SHARE TRANSACTIONS   |  |                       |  |                       |
| Common shares:   |  |                       |  |                       |
| Net proceeds from sale of shares   | --   | --                    | --   |                       |
| Net proceeds from shares issued<br>to shareholders due to<br>reinvestment of distributions               | --   | 47,136                | 227,627                                      | 416,6                 |
| Preferred shares offering costs  | --   | --                    | --   |                       |
| -----  |  |                       |  |                       |
| Net increase (decrease) in net assets  |  |                       |  |                       |

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|   |               |               |               |             |
|---|---------------|---------------|---------------|-------------|
| applicable to Common shares from capital share transactions                     | --            | 47,136        | 227,627       | 416,6       |
| -----   |               |               |               |             |
| Net increase (decrease) in net assets applicable to Common shares               | 6,993,205     | (3,709,660)   | 13,502,220    | (5,689,2    |
| Net assets applicable to Common shares at the beginning of period               | 100,426,983   | 104,136,643   | 185,180,660   | 190,869,9   |
| -----   |               |               |               |             |
| Net assets applicable to Common shares at the end of period                     | \$107,420,188 | \$100,426,983 | \$198,682,880 | \$185,180,6 |
| =====   |               |               |               |             |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 1,523,995  | \$ 1,458,167  | \$ 2,220,162  | \$ 2,165,2  |
| =====   |               |               |               |             |

See accompanying notes to financial statements.

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|  | CALIFORNIA<br>DIVIDEND ADVANTAGE (NAC) |                       | CALIFORNIA<br>DIVIDEND ADVANTAGE 2 (NVX) |                       |
|--|--|-----------------------|--|-----------------------|
|  | SIX MONTHS ENDED<br>2/29/04            | YEAR ENDED<br>8/31/03 | SIX MONTHS ENDED<br>2/29/04              | YEAR ENDED<br>8/31/03 |
| -----  |  |                       |  |                       |
| OPERATIONS   |  |                       |  |                       |
| Net investment income  | \$ 12,257,837                          | \$ 24,749,658         | \$ 7,291,642                             | \$ 14,805,600         |
| Net realized gain (loss) from investments                                | 2,156,054                              | 1,584,946             | 84,588                                   | (1,481,214)           |
| Change in net unrealized appreciation (depreciation) of investments      | 25,906,341                             | (12,671,586)          | 17,798,372                               | (7,762,388)           |
| Distributions to Preferred Shareholders:                                 |  |                       |  |                       |
| From net investment income   | (720,719)                              | (1,616,891)           | (407,516)                                | (1,015,700)           |
| From accumulated net realized gains from investments                     | --                                     | --                    | --                                       | (49,489)              |
| -----  |  |                       |  |                       |
| Net increase in net assets applicable to Common shares from operations   | 39,599,513                             | 12,046,127            | 24,767,086                               | 4,496,809             |
| -----  |  |                       |  |                       |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS                                     |  |                       |  |                       |
| From net investment income   | (11,448,475)                           | (21,948,762)          | (6,744,542)                              | (13,178,729)          |
| From accumulated net realized gains from investments                     | --                                     | --                    | --                                       | (430,161)             |
| -----  |  |                       |  |                       |
| Decrease in net assets applicable to Common shares from distributions to |  |                       |  |                       |

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|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Common shareholders   | (11,448,475)  | (21,948,762)  | (6,744,542)   | (13,608,890)  |
| -----   |               |               |               |               |
| CAPITAL SHARE TRANSACTIONS  |               |               |               |               |
| Common shares:  |               |               |               |               |
| Net proceeds from sale of shares  | --            | --            | --            | (1,664)       |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions              | --            | --            | --            | --            |
| Preferred shares offering costs   | --            | --            | --            | 21,719        |
| -----   |               |               |               |               |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | --            | --            | --            | 20,055        |
| -----   |               |               |               |               |
| Net increase (decrease) in net assets applicable to Common shares                                 | 28,151,038    | (9,902,635)   | 18,022,544    | (9,092,026)   |
| Net assets applicable to Common shares at the beginning of period                                 | 346,918,499   | 356,821,134   | 209,722,357   | 218,814,383   |
| -----   |               |               |               |               |
| Net assets applicable to Common shares at the end of period                                       | \$375,069,537 | \$346,918,499 | \$227,744,901 | \$209,722,357 |
| =====   |               |               |               |               |
| Undistributed (Over-distribution of) net investment income at the end of period                   | \$ 4,234,416  | \$ 4,145,773  | \$ 1,959,577  | \$ 1,819,993  |
| =====   |               |               |               |               |

See accompanying notes to financial statements.

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

|   | INSURED CALIFORNIA<br>DIVIDEND ADVANTAGE (NKL) |                       |
|---|--|-----------------------|
|   | SIX MONTHS ENDED<br>2/29/04                    | YEAR ENDED<br>8/31/03 |
| -----   |  |                       |
| OPERATIONS  |  |                       |
| Net investment income   | \$ 7,834,934                                   | \$ 15,106,899         |
| Net realized gain (loss) from investments                           | 596,820  | 2,233,096             |
| Change in net unrealized appreciation (depreciation) of investments | 20,110,372                                     | (9,779,462)           |
| Distributions to Preferred Shareholders:                            |  |                       |
| From net investment income  | (396,322)                                      | (1,085,060)           |
| From accumulated net realized gains from investments                | (143,985)                                      | (87,519)              |
| -----   |  |                       |

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|   |               |               |
|---|---------------|---------------|
| Net increase in net assets applicable to Common shares from operations                            | 28,001,819    | 6,387,954     |
| -----   |               |               |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS  |               |               |
| From net investment income  | (6,958,450)   | (13,916,900)  |
| From accumulated net realized gains from investments  | (1,910,520)   | (784,735)     |
| -----   |               |               |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders      | (8,868,970)   | (14,701,635)  |
| -----   |               |               |
| CAPITAL SHARE TRANSACTIONS  |               |               |
| Common shares:  |               |               |
| Net proceeds from sale of shares  | (1,575)       | 9,614         |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions              | --            | --            |
| Preferred shares offering costs   | (1,401)       | (7,636)       |
| -----   |               |               |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (2,976)       | 1,978         |
| -----   |               |               |
| Net increase (decrease) in net assets applicable to Common shares                                 | 19,129,873    | (8,311,703)   |
| Net assets applicable to Common shares at the beginning of period                                 | 222,750,508   | 231,062,211   |
| -----   |               |               |
| Net assets applicable to Common shares at the end of period                                       | \$241,880,381 | \$222,750,508 |
| =====   |               |               |
| Undistributed (Over-distribution of) net investment income at the end of period                   | \$ 716,356    | \$ 236,194    |
| =====   |               |               |

See accompanying notes to financial statements.

Notes to  
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The California Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL), Nuveen California Premium Income Municipal Fund (NCU), Nuveen California Dividend Advantage Municipal Fund (NAC), Nuveen California Dividend Advantage Municipal Fund 2 (NVX), Nuveen California Dividend Advantage Municipal Fund 3 (NZH), Nuveen Insured California Dividend Advantage Municipal Fund (NKL) and Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX). Common shares of Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL) and California Dividend Advantage (NAC) are traded on the New York Stock Exchange while Common shares of California Premium

Income (NCU), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

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

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

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

#### Securities Valuation

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

#### Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At February 29, 2004, Insured California Premium Income 2 (NCL), California Dividend Advantage (NAC), California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH) had outstanding when-issued purchase commitments of \$5,329,487, \$1,326,011, \$834,896, and \$1,350,566, respectively. There were no such outstanding purchase commitments in any of the other Funds.

#### Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

Income Taxes

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

Dividends and Distributions to Common Shareholders

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

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

Preferred Shares

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

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

|  | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2 | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3 | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE | INSURED<br>CALIFORNIA<br>TAX-FREE<br>ADVANTAGE |
|--|--|--|--|--|
|--|--|--|--|--|

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

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

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#### Insurance

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

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

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

#### Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the six months ended February 29, 2004.

Custodian Fee Credit

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

Offering Costs

Nuveen Investments, LLC has agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share for Insured California Tax-Free Advantage (NKX). Insured California Tax-Free Advantage's (NKX) share of Common share offering costs (\$176,250) was recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Insured California Tax-Free Advantage (NKX) in connection with its offering of Preferred shares (\$1,044,953) were recorded as a reduction to paid-in surplus.

Indemnifications

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

Use of Estimates

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

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

|  | INSURED CALIFORNIA<br>PREMIUM INCOME (NPC) |                       | INSURED CALIFORNIA<br>PREMIUM INCOME 2 (NCL) |                       | CALIFORNIA<br>PREMIUM INCOME |
|--|--|-----------------------|--|-----------------------|------------------------------|
|  | SIX MONTHS<br>ENDED 2/29/04                | YEAR ENDED<br>8/31/03 | SIX MONTHS<br>ENDED 2/29/04                  | YEAR ENDED<br>8/31/03 | SIX MONTHS<br>ENDED 2/29/04  |
| Common shares:   |  |                       |  |                       |                              |
| Shares sold  | --   | --                    | --   | --                    | --                           |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | --   | 2,919                 | 14,795                                       | 27,169                | --                           |
|  | --   | 2,919                 | 14,795                                       | 27,169                | --                           |
| Preferred shares sold  | --   | --                    | --   | --                    | --                           |



Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

|  | CALIFORNIA DIVIDEND<br>ADVANTAGE (NAC) |                       | CALIFORNIA DIVIDEND<br>ADVANTAGE 2 (NVX) |                       | CALIFORNIA DI<br>ADVANTAGE 3 |
|--|--|-----------------------|--|-----------------------|------------------------------|
|  | SIX MONTHS<br>ENDED 2/29/04            | YEAR ENDED<br>8/31/03 | SIX MONTHS<br>ENDED 2/29/04              | YEAR ENDED<br>8/31/03 | SIX MONTHS<br>ENDED 2/29/04  |
| Common shares:   |  |                       |  |                       |                              |
| Shares sold  | --                                     | --                    | --                                       | --                    | --                           |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | --                                     | --                    | --                                       | --                    | --                           |
|  | --                                     | --                    | --                                       | --                    | --                           |
| Preferred shares sold  | --                                     | --                    | --                                       | --                    | --                           |

|  | INSURED<br>CALIFORNIA DIVIDEND<br>ADVANTAGE (NKL) |                       | INSURE<br>CALIFORNIA T<br>ADVANTAGE |
|--|---|-----------------------|-------------------------------------|
|  | SIX MONTHS<br>ENDED 2/29/04                       | YEAR ENDED<br>8/31/03 | SIX MONTHS<br>ENDED 2/29/04         |
| Common shares:   |   |                       | PERI<br>(C<br>OF                    |
| Shares sold  | --  | --                    | --                                  |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | --  | --                    | 103                                 |
|  | --  | --                    | 103                                 |
| Preferred shares sold  | --  | --                    | --                                  |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the six months ended February 29, 2004, were as follows:

|                      | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) |
|----------------------|---|---|--|--|
| Purchases            | \$13,151,548  | \$67,349,433  | \$15,615,333                             | \$22,325,835                                 |
| Sales and maturities | 20,839,808  | 69,987,291  | 15,068,623                               | 36,237,417                                   |

|                      | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | INSURED<br>CALIFORNIA<br>TAX-FREE<br>ADVANTAGE<br>(NKX) |
|----------------------|--|--|---|---|
| Purchases            | \$21,928,077                                   | \$29,584,624                                   | \$31,092,244  | \$22,515,610  |
| Sales and maturities | 16,112,626                                     | 30,526,185                                     | 26,103,310  | 21,020,770  |

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4. INCOME TAX INFORMATION

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

At February 29, 2004, the cost of investments were as follows:

|                     | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) |
|---------------------|---|---|--|--|
| Cost of investments | \$135,337,247                                       | \$270,776,469   | \$121,061,589                            | \$497,356,359                                |

|                     | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | INSURED<br>CALIFORNIA<br>TAX-FREE<br>ADVANTAGE<br>(NKX) |
|---------------------|--|--|---|---|
| Cost of investments | \$316,962,976                                  | \$522,257,807                                  | \$334,035,834   | \$126,694,893   |

Gross unrealized appreciation and gross unrealized depreciation of investments at February 29, 2004, were as follows:

|  | INSURED<br>CALIFORNIA<br>PREMIUM | INSURED<br>CALIFORNIA<br>PREMIUM | CALIFORNIA<br>PREMIUM | CALIFORNIA<br>DIVIDEND |
|--|----------------------------------|----------------------------------|-----------------------|------------------------|
|--|----------------------------------|----------------------------------|-----------------------|------------------------|

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|  | INCOME<br>(NPC) | INCOME 2<br>(NCL) | INCOME<br>(NCU) | ADVANTAGE<br>(NAC) |
|--|-----------------|-------------------|-----------------|--------------------|
| Gross unrealized:                                |                 |                   |                 |                    |
| Appreciation                                     | \$15,892,610    | \$23,690,599      | \$ 8,587,976    | \$39,085,278       |
| Depreciation                                     | --              | --                | (1,016,288)     | (1,018,647)        |
| Net unrealized<br>appreciation<br>of investments | \$15,892,610    | \$23,690,599      | \$ 7,571,688    | \$38,066,631       |

|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | INSURED<br>CALIFORNIA<br>TAX-FREE<br>ADVANTAGE<br>(NKX) |
|--|--|--|---|---|
| Gross unrealized:                                |  |  |   |   |
| Appreciation                                     | \$18,870,594                                   | \$24,047,797                                   | \$24,054,351  | \$6,202,089   |
| Depreciation                                     | (1,110,535)                                    | (1,434,982)                                    | (151,380)   | (25,746)  |
| Net unrealized<br>appreciation<br>of investments | \$17,760,059                                   | \$22,612,815                                   | \$23,902,971  | \$6,176,343   |

The tax components of undistributed net investment income and net realized gains at August 31, 2003, the Funds' last fiscal year end, were as follows:

|   | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) |
|---|---|---|--|
| Undistributed net tax-exempt income       | \$1,636,577   | \$2,950,611   | \$1,313,927                              |
| Undistributed net ordinary income *       | 59,311  | --  | --                                       |
| Undistributed net long-term capital gains | 326,823   | --  | --                                       |

|   | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) |
|---|--|--|---|
| Undistributed net tax-exempt income       | \$2,921,637                                    | \$3,350,890                                    | \$1,362,657   |
| Undistributed net ordinary income *       | 131  | 1,734  | 1,783,045   |
| Undistributed net long-term capital gains | --   | --   | 227,868   |

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

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

The tax character of distributions paid during the fiscal year ended August 31, 2003, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

|  | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | C   |
|--|---|---|--|-----|
| Distributions from net tax-exempt income       | \$6,123,025   | \$12,130,717  | \$5,376,229                              | \$2 |
| Distributions from net ordinary income *       | 459,740   | --  | 40,993                                   |     |
| Distributions from net long-term capital gains | 533,358   | --  | --                                       |     |

|  | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | C  |
|--|--|--|---|----|
| Distributions from net tax-exempt income       | \$14,174,057                                   | \$22,678,767                                   | \$15,008,754  | \$ |
| Distributions from net ordinary income *       | 540  | --   | 872,254   |    |
| Distributions from net long-term capital gains | 479,390  | --   | --  |    |

At August 31, 2003, the Funds' last fiscal year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

|  | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | CA |
|--|---|--|--|--|----|
|--|---|--|--|--|----|

Expiration year:

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|       |             |             |             |    |    |             |
|-------|-------------|-------------|-------------|----|----|-------------|
| 2004  | \$4,345,091 | \$2,089,738 | \$          | -- | \$ | --          |
| 2005  | 1,283,948   | 1,049,994   |             | -- |    | --          |
| 2006  | --          | --          |             | -- |    | --          |
| 2007  | --          | --          |             | -- |    | --          |
| 2008  | --          | --          |             | -- |    | --          |
| 2009  | 2,185,870   | --          | 1,959,092   |    |    | --          |
| 2010  | 440,510     | --          | --          |    |    | --          |
| 2011  | --          | --          | --          |    |    | 4,394,597   |
| ----- |             |             |             |    |    |             |
| Total | \$8,255,419 | \$3,139,732 | \$1,959,092 |    |    | \$4,394,597 |
| ===== |             |             |             |    |    |             |

The following Funds elected to defer net realized losses from investments incurred from November 1, 2002 through August 31, 2003 ("post-October losses") in accordance with Federal income tax regulations. The following post-October losses were treated as having arisen on the first day of the current fiscal year:

|       | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) |
|-------|---|--|
| ----- |   |  |
|       | \$377,822   | \$2,214,203                                    |
| ===== |   |  |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Insured California Premium Income's (NPC), Insured California Premium Income 2's (NCL) and California Premium Income's (NCU) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS<br>ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|---|----------------|
| For the first \$125 million   | .6500%         |
| For the next \$125 million  | .6375          |
| For the next \$250 million  | .6250          |
| For the next \$500 million  | .6125          |
| For the next \$1 billion  | .6000          |
| For the next \$3 billion  | .5875          |
| For net assets over \$5 billion   | .5750          |
| =====   |                |

Under California Dividend Advantage's (NAC), California Dividend Advantage 2's (NVX), California Dividend Advantage 3's (NZH), Insured California Dividend

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Advantage's (NKL) and Insured California Tax-Free Advantage (NKX) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|--|----------------|
| For the first \$125 million  | .6500%         |
| For the next \$125 million   | .6375          |
| For the next \$250 million   | .6250          |
| For the next \$500 million   | .6125          |
| For the next \$1 billion   | .6000          |
| For net assets over \$2 billion  | .5750          |

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates.

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

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

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

| YEAR ENDING<br>NOVEMBER 30, |      | YEAR ENDING<br>NOVEMBER 30, |      |
|-----------------------------|------|-----------------------------|------|
| 2002*                       | .32% | 2007                        | .32% |
| 2003                        | .32  | 2008                        | .24  |

|      |     |      |     |
|------|-----|------|-----|
| 2004 | .32 | 2009 | .16 |
| 2005 | .32 | 2010 | .08 |
| 2006 | .32 |      |     |

=====

\* From the commencement of operations.

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

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Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

6. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on April 1, 2004, to shareholders of record on March 15, 2004, as follows:

|                    | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME<br>(NPC) | INSURED<br>CALIFORNIA<br>PREMIUM<br>INCOME 2<br>(NCL) | CALIFORNIA<br>PREMIUM<br>INCOME<br>(NCU) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NAC) |
|--------------------|---|---|--|--|
| Dividend per share | \$ .0770  | \$ .0760  | \$ .0730                                 | \$ .0820                                     |

=====

|                    | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NVX) | CALIFORNIA<br>DIVIDEND<br>ADVANTAGE 3<br>(NZH) | INSURED<br>CALIFORNIA<br>DIVIDEND<br>ADVANTAGE<br>(NKL) | INSURED<br>CALIFORNIA<br>TAX-FREE<br>ADVANTAGE<br>(NKX) |
|--------------------|--|--|---|---|
| Dividend per share | \$ .0760                                       | \$ .0720                                       | \$ .0760  | \$ .0755  |

=====

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Financial  
HIGHLIGHTS (Unaudited)

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Financial  
HIGHLIGHTS (Unaudited)



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Selected data for a Common share outstanding throughout each period:

|   | Investment Operations  |                       |                                       |  |  |  | Total |
|---|------------------------|-----------------------|---------------------------------------|--|--|--|-------|
|   | Beginning Common Share | Net Investment Income | Net Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share-holders+ | Distributions from Capital Gains to Preferred Share-holders+ |  |       |
| =====                                     |                        |                       |                                       |  |  |  |       |
| INSURED CALIFORNIA PREMIUM INCOME (NPC)   |                        |                       |                                       |  |  |  |       |
| -----                                     |                        |                       |                                       |  |  |  |       |
| Year Ended 8/31:                          |                        |                       |                                       |  |  |  |       |
| 2004 (a)                                  | \$15.59                | \$ .50                | \$ 1.13                               | \$ (.02)   | \$--   |  | \$1.6 |
| 2003                                      | 16.17                  | .99                   | (.45)                                 | (.06)  | (.01)  |  | .4    |
| 2002                                      | 16.04                  | 1.05                  | .03                                   | (.09)  | --   |  | .9    |
| 2001                                      | 15.08                  | 1.04                  | .99                                   | (.21)  | --   |  | 1.8   |
| 2000                                      | 14.81                  | 1.09                  | .30                                   | (.24)  | --   |  | 1.1   |
| 1999                                      | 16.31                  | 1.09                  | (1.56)                                | (.20)  | --   |  | (.6)  |
|   |                        |                       |                                       |  |  |  |       |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |                        |                       |                                       |  |  |  |       |
| -----                                     |                        |                       |                                       |  |  |  |       |
| Year Ended 8/31:                          |                        |                       |                                       |  |  |  |       |
| 2004 (a)                                  | 14.60                  | .49                   | 1.05                                  | (.03)  | --   |  | 1.5   |
| 2003                                      | 15.08                  | .99                   | (.51)                                 | (.07)  | --   |  | .4    |
| 2002                                      | 15.01                  | 1.02                  | (.02)                                 | (.10)  | --   |  | .9    |
| 2001                                      | 14.09                  | 1.01                  | .91                                   | (.22)  | --   |  | 1.7   |
| 2000                                      | 13.70                  | 1.02                  | .41                                   | (.24)  | --   |  | 1.1   |
| 1999                                      | 14.82                  | 1.01                  | (1.14)                                | (.21)  | --   |  | (.3)  |
|   |                        |                       |                                       |  |  |  |       |
| CALIFORNIA PREMIUM INCOME (NCU)           |                        |                       |                                       |  |  |  |       |
| -----                                     |                        |                       |                                       |  |  |  |       |
| Year Ended 8/31:                          |                        |                       |                                       |  |  |  |       |
| 2004 (a)                                  | 13.66                  | .48                   | 1.19                                  | (.03)  | --   |  | 1.6   |
| 2003                                      | 14.42                  | .96                   | (.78)                                 | (.07)  | --   |  | .1    |
| 2002                                      | 14.22                  | .99                   | .13                                   | (.10)  | --   |  | 1.0   |
| 2001                                      | 13.34                  | 1.00                  | .90                                   | (.23)  | --   |  | 1.6   |
| 2000                                      | 13.19                  | 1.03                  | .14                                   | (.23)  | --   |  | .9    |
| 1999                                      | 14.30                  | 1.00                  | (1.13)                                | (.21)  | --   |  | (.3)  |
| =====                                     |                        |                       |                                       |  |  |  |       |

|   | Total Returns   |                                     |                     |                         |   |
|---|---|-------------------------------------|---------------------|-------------------------|---|
|   | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
| =====                                   |   |                                     |                     |                         |   |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) |   |                                     |                     |                         |   |
| -----                                   |   |                                     |                     |                         |   |

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|                  |      |         |           |        |        |
|------------------|------|---------|-----------|--------|--------|
| Year Ended 8/31: |      |         |           |        |        |
| 2004 (a)         | \$-- | \$16.68 | \$16.2200 | 11.21% | 10.46% |
| 2003             | --   | 15.59   | 15.0700   | 1.55   | 2.82   |
| 2002             | --   | 16.17   | 15.8500   | 6.73   | 6.47   |
| 2001             | --   | 16.04   | 15.6900   | 14.12  | 12.43  |
| 2000             | --   | 15.08   | 14.5625   | .84    | 8.34   |
| 1999             | --   | 14.81   | 15.3750   | 1.62   | (4.35) |

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

|                  |    |       |         |       |        |
|------------------|----|-------|---------|-------|--------|
| Year Ended 8/31: |    |       |         |       |        |
| 2004 (a)         | -- | 15.65 | 15.5500 | 11.87 | 10.44  |
| 2003             | -- | 14.60 | 14.3200 | 2.69  | 2.71   |
| 2002             | -- | 15.08 | 14.8000 | 5.57  | 6.29   |
| 2001             | -- | 15.01 | 14.8300 | 11.99 | 12.45  |
| 2000             | -- | 14.09 | 14.0000 | 3.58  | 9.21   |
| 1999             | -- | 13.70 | 14.3750 | 2.27  | (2.50) |

CALIFORNIA PREMIUM  
INCOME (NCU)

|                  |    |       |         |       |        |
|------------------|----|-------|---------|-------|--------|
| Year Ended 8/31: |    |       |         |       |        |
| 2004 (a)         | -- | 14.86 | 13.8700 | 10.00 | 12.14  |
| 2003             | -- | 13.66 | 13.0200 | (.91) | .69    |
| 2002             | -- | 14.42 | 14.0000 | 4.84  | 7.48   |
| 2001             | -- | 14.22 | 14.1700 | 12.84 | 12.92  |
| 2000             | -- | 13.34 | 13.3125 | 5.93  | 7.63   |
| 1999             | -- | 13.19 | 13.3750 | .81   | (2.57) |

Ratios/Supplemental Data

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

INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

|                  |           |        |        |        |   |
|------------------|-----------|--------|--------|--------|---|
| Year Ended 8/31: |           |        |        |        |   |
| 2004 (a)         | \$107,420 | 1.15%* | 6.23%* | 1.14%* | 6 |
| 2003             | 100,427   | 1.17   | 6.13   | 1.16   | 6 |
| 2002             | 104,137   | 1.21   | 6.65   | 1.19   | 6 |
| 2001             | 103,068   | 1.22   | 6.77   | 1.21   | 6 |
| 2000             | 96,903    | 1.25   | 7.65   | 1.24   | 7 |
| 1999             | 95,091    | 1.22   | 6.81   | 1.22   | 6 |

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

|                  |         |       |       |       |   |
|------------------|---------|-------|-------|-------|---|
| Year Ended 8/31: |         |       |       |       |   |
| 2004 (a)         | 198,683 | 1.18* | 6.48* | 1.18* | 6 |
| 2003             | 185,181 | 1.20  | 6.53  | 1.19  | 6 |

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|      |         |      |      |      |   |
|------|---------|------|------|------|---|
| 2002 | 190,870 | 1.23 | 6.83 | 1.22 | 6 |
| 2001 | 189,633 | 1.24 | 7.01 | 1.24 | 7 |
| 2000 | 177,977 | 1.28 | 7.65 | 1.26 | 7 |
| 1999 | 172,833 | 1.24 | 6.86 | 1.24 | 6 |

CALIFORNIA PREMIUM INCOME (NCU)

|                  |        |       |       |       |   |
|------------------|--------|-------|-------|-------|---|
| -----            |        |       |       |       |   |
| Year Ended 8/31: |        |       |       |       |   |
| 2004 (a)         | 85,810 | 1.22* | 6.68* | 1.21* | 6 |
| 2003             | 78,859 | 1.24  | 6.72  | 1.24  | 6 |
| 2002             | 83,249 | 1.27  | 7.07  | 1.26  | 7 |
| 2001             | 82,067 | 1.32  | 7.36  | 1.30  | 7 |
| 2000             | 76,878 | 1.38  | 8.09  | 1.36  | 8 |
| 1999             | 75,877 | 1.30  | 7.08  | 1.30  | 7 |
| =====            |        |       |       |       |   |

Preferred Shares at End of Period

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

INSURED CALIFORNIA PREMIUM INCOME (NPC)

|                  |          |          |          |
|------------------|----------|----------|----------|
| -----            |          |          |          |
| Year Ended 8/31: |          |          |          |
| 2004 (a)         | \$45,000 | \$25,000 | \$84,678 |
| 2003             | 45,000   | 25,000   | 80,793   |
| 2002             | 45,000   | 25,000   | 82,854   |
| 2001             | 45,000   | 25,000   | 82,260   |
| 2000             | 45,000   | 25,000   | 78,835   |
| 1999             | 45,000   | 25,000   | 77,828   |

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

|                  |        |        |        |
|------------------|--------|--------|--------|
| -----            |        |        |        |
| Year Ended 8/31: |        |        |        |
| 2004 (a)         | 95,000 | 25,000 | 77,285 |
| 2003             | 95,000 | 25,000 | 73,732 |
| 2002             | 95,000 | 25,000 | 75,229 |
| 2001             | 95,000 | 25,000 | 74,903 |
| 2000             | 95,000 | 25,000 | 71,836 |
| 1999             | 95,000 | 25,000 | 70,482 |

CALIFORNIA PREMIUM INCOME (NCU)

|                  |        |        |        |
|------------------|--------|--------|--------|
| -----            |        |        |        |
| Year Ended 8/31: |        |        |        |
| 2004 (a)         | 43,000 | 25,000 | 74,889 |
| 2003             | 43,000 | 25,000 | 70,848 |
| 2002             | 43,000 | 25,000 | 73,400 |
| 2001             | 43,000 | 25,000 | 72,714 |
| 2000             | 43,000 | 25,000 | 69,696 |
| 1999             | 43,000 | 25,000 | 69,115 |
| =====            |        |        |        |

\* Annualized.

\*\* Total Investment Return on Market Value is the combination of reinvested

dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income at net asset value, reinvested capital gains distributions at net asset value, if any, and changes in Common Share net asset value per share. Total returns are not annualized.

- \*\*\* After custodian fee credit and expense reimbursement, where applicable.
  - + The amounts shown are based on Common share equivalents.
  - ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) For the six months ended February 29, 2004.

See accompanying notes to financial statements.

68-69 SPREAD

Financial HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

Year Ended 8/31:

|          |         |        |        |          |      |       |
|----------|---------|--------|--------|----------|------|-------|
| 2004 (f) | \$14.82 | \$ .52 | \$1.20 | \$ (.03) | \$-- | \$1.6 |
| 2003     | 15.24   | 1.06   | (.47)  | (.07)    | --   | .5    |
| 2002     | 15.13   | 1.07   | --     | (.10)    | --   | .9    |
| 2001     | 13.82   | 1.07   | 1.28   | (.23)    | --   | 2.1   |
| 2000     | 13.33   | 1.07   | .52    | (.26)    | --   | 1.3   |
| 1999 (a) | 14.33   | .20    | (.92)  | (.03)    | --   | (.7)  |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

Year Ended 8/31:

|          |       |      |       |       |    |     |
|----------|-------|------|-------|-------|----|-----|
| 2004 (f) | 14.18 | .49  | 1.22  | (.03) | -- | 1.6 |
| 2003     | 14.79 | 1.00 | (.62) | (.07) | -- | .3  |
| 2002     | 15.11 | 1.06 | (.40) | (.11) | -- | .5  |
| 2001 (b) | 14.33 | .34  | .90   | (.05) | -- | 1.1 |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

Year Ended 8/31:

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|          |       |     |       |       |    |     |
|----------|-------|-----|-------|-------|----|-----|
| 2004 (f) | 13.72 | .49 | 1.30  | (.03) | -- | 1.7 |
| 2003     | 14.33 | .98 | (.66) | (.08) | -- | .2  |
| 2002 (c) | 14.33 | .83 | .09   | (.08) | -- | .8  |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

Year Ended 8/31:

|          |       |     |       |       |       |     |
|----------|-------|-----|-------|-------|-------|-----|
| 2004 (f) | 14.60 | .51 | 1.37  | (.03) | (.01) | 1.8 |
| 2003     | 15.14 | .99 | (.49) | (.07) | (.01) | .4  |
| 2002 (d) | 14.33 | .34 | .92   | (.03) | --    | 1.2 |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

Year Ended 8/31:

|          |       |     |       |       |    |     |
|----------|-------|-----|-------|-------|----|-----|
| 2004 (f) | 13.79 | .48 | 1.34  | (.03) | -- | 1.7 |
| 2003 (e) | 14.33 | .64 | (.33) | (.04) | -- | .2  |

Total Returns

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

Year Ended 8/31:

|          |       |         |           |        |        |
|----------|-------|---------|-----------|--------|--------|
| 2004 (f) | \$--  | \$16.02 | \$15.2500 | 10.15% | 11.54% |
| 2003     | --    | 14.82   | 14.3000   | 4.79   | 3.37   |
| 2002     | --    | 15.24   | 14.5500   | 3.67   | 6.75   |
| 2001     | --    | 15.13   | 14.8900   | 15.06  | 15.85  |
| 2000     | --    | 13.82   | 13.7500   | (2.18) | 10.80  |
| 1999 (a) | (.11) | 13.33   | 15.0000   | .96    | (5.99) |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

Year Ended 8/31:

|          |       |       |         |       |       |
|----------|-------|-------|---------|-------|-------|
| 2004 (f) | --    | 15.40 | 14.3200 | 11.70 | 11.81 |
| 2003     | --    | 14.18 | 13.2400 | (.95) | 2.16  |
| 2002     | --    | 14.79 | 14.2800 | (.27) | 3.90  |
| 2001 (b) | (.12) | 15.11 | 15.2100 | 3.40  | 7.55  |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

Year Ended 8/31:

|          |       |       |         |        |       |
|----------|-------|-------|---------|--------|-------|
| 2004 (f) | --    | 15.05 | 13.7000 | 11.29  | 12.99 |
| 2003     | .01   | 13.72 | 12.7100 | (3.20) | 1.68  |
| 2002 (c) | (.12) | 14.33 | 14.0000 | (1.68) | 5.32  |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

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|                  |       |       |         |       |       |
|------------------|-------|-------|---------|-------|-------|
| Year Ended 8/31: |       |       |         |       |       |
| 2004 (f)         | --    | 15.85 | 15.1600 | 12.61 | 12.73 |
| 2003             | --    | 14.60 | 14.0000 | (.35) | 2.70  |
| 2002 (d)         | (.12) | 15.14 | 15.0000 | 2.05  | 7.84  |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

|                  |       |       |         |        |       |
|------------------|-------|-------|---------|--------|-------|
| Year Ended 8/31: |       |       |         |        |       |
| 2004 (f)         | --    | 15.13 | 15.0400 | 14.42  | 13.17 |
| 2003 (e)         | (.21) | 13.79 | 13.5600 | (5.79) | .34   |

Ratios/Supplemental Data

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

|                  |           |        |        |       |
|------------------|-----------|--------|--------|-------|
| Year Ended 8/31: |           |        |        |       |
| 2004 (f)         | \$375,070 | 1.13%* | 6.35%* | .68%* |
| 2003             | 346,918   | 1.15   | 6.44   | .70   |
| 2002             | 356,821   | 1.18   | 6.76   | .72   |
| 2001             | 354,197   | 1.19   | 7.03   | .72   |
| 2000             | 323,326   | 1.24   | 7.93   | .75   |
| 1999 (a)         | 311,367   | .93*   | 5.06*  | .55*  |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

|                  |         |       |       |      |
|------------------|---------|-------|-------|------|
| Year Ended 8/31: |         |       |       |      |
| 2004 (f)         | 227,745 | 1.18* | 6.21* | .71* |
| 2003             | 209,722 | 1.18  | 6.30  | .73  |
| 2002             | 218,814 | 1.19  | 6.82  | .73  |
| 2001 (b)         | 223,440 | 1.05* | 5.23* | .62* |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

|                  |         |       |       |      |
|------------------|---------|-------|-------|------|
| Year Ended 8/31: |         |       |       |      |
| 2004 (f)         | 362,820 | 1.18* | 6.32* | .72* |
| 2003             | 330,829 | 1.20  | 6.33  | .73  |
| 2002 (c)         | 345,470 | 1.15* | 6.01* | .69* |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

|                  |         |       |       |      |
|------------------|---------|-------|-------|------|
| Year Ended 8/31: |         |       |       |      |
| 2004 (f)         | 241,880 | 1.17* | 6.29* | .71* |
| 2003             | 222,751 | 1.18  | 6.00  | .72  |
| 2002 (d)         | 231,062 | 1.10* | 4.98* | .60* |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

| Year Ended 8/31: |        |       |       |      |
|------------------|--------|-------|-------|------|
| 2004 (f)         | 88,974 | 1.23* | 6.14* | .72* |
| 2003 (e)         | 81,141 | 1.14* | 5.25* | .67* |

Preferred Shares at End of Period

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

| Year Ended 8/31: |           |          |          |
|------------------|-----------|----------|----------|
| 2004 (f)         | \$175,000 | \$25,000 | \$78,581 |
| 2003             | 175,000   | 25,000   | 74,560   |
| 2002             | 175,000   | 25,000   | 75,974   |
| 2001             | 175,000   | 25,000   | 75,600   |
| 2000             | 175,000   | 25,000   | 71,189   |
| 1999 (a)         | 175,000   | 25,000   | 69,481   |

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2004 (f)         | 110,000 | 25,000 | 76,760 |
| 2003             | 110,000 | 25,000 | 72,664 |
| 2002             | 110,000 | 25,000 | 74,731 |
| 2001 (b)         | 110,000 | 25,000 | 75,782 |

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2004 (f)         | 187,000 | 25,000 | 73,505 |
| 2003             | 187,000 | 25,000 | 69,229 |
| 2002 (c)         | 187,000 | 25,000 | 71,186 |

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

| Year Ended 8/31: |         |        |        |
|------------------|---------|--------|--------|
| 2004 (f)         | 118,000 | 25,000 | 76,246 |
| 2003             | 118,000 | 25,000 | 72,193 |
| 2002 (d)         | 118,000 | 25,000 | 73,954 |

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

| Year Ended 8/31: |        |        |        |
|------------------|--------|--------|--------|
| 2004 (f)         | 45,000 | 25,000 | 74,430 |
| 2003 (e)         | 45,000 | 25,000 | 70,078 |

\* Annualized.

- \*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income at net asset value, reinvested capital gains distributions at net asset value, if any, and changes in Common Share net asset value per share. Total returns are not annualized.
- \*\*\* After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) For the period May 26, 1999 (commencement of operations) through August 31, 1999.
- (b) For the period March 27, 2001 (commencement of operations) through August 31, 2001.
- (c) For the period September 25, 2001 (commencement of operations) through August 31, 2002.
- (d) For the period March 25, 2002 (commencement of operations) through August 31, 2002.
- (e) For the period November 21, 2002 (commencement of operations) through August 31, 2003.
- (f) For the six months ended February 29, 2004.

See accompanying notes to financial statements.

70-71 SPREAD

Build Your Wealth  
AUTOMATICALLY

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

#### NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

#### EASY AND CONVENIENT

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



HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

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

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

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

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

Fund  
INFORMATION

BOARD OF DIRECTORS/TRUSTEES

William E. Bennett  
Robert P. Bremner  
Lawrence H. Brown  
Jack B. Evans  
William C. Hunter\*  
Anne E. Impellizzeri  
William L. Kissick  
Thomas E. Leafstrand  
Peter R. Sawers  
William J. Schneider  
Timothy R. Schwertfeger

Judith M. Stockdale  
Sheila W. Wellington

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CUSTODIAN  
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TRANSFER AGENT AND  
SHAREHOLDER SERVICES  
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LEGAL COUNSEL  
Chapman and Cutler LLP  
Chicago, IL

INDEPENDENT AUDITORS  
Ernst & Young LLP  
Chicago, IL

#### POLICY CHANGE

On February 25, 2004, the Board approved policies that would allow each Fund, at the discretion of the Adviser, to engage in certain types of derivative transactions for the purpose of hedging interest rate risk. There is no guarantee that the Adviser will cause a Fund to enter into such transactions. If a Fund were to engage in hedging, there is no guarantee that such hedging will be successful or that it will not reduce the Fund's total return.

#### PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling Nuveen Investments at (800) 257-8787; and (ii) on the Commission's website at <http://www.sec.gov>.

#### GLOSSARY OF TERMS USED IN THIS REPORT

**Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

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

**Leverage-Adjusted Duration:** Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates

change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

Market Yield (also known as Dividend Yield or Current Yield): An investment's current annualized dividend divided by its current market price.

Net Asset Value (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

Taxable-Equivalent Yield: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

-----  
Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended February 29, 2004. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

\* Director for certain of the Funds.

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Serving Investors  
FOR GENERATIONS

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

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

Managing \$90 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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

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| [www.nuveen.com](http://www.nuveen.com)

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS

Not applicable at this time.

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

Not applicable to this filing.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Not applicable at this time.

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board of Trustees implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101) or this Item.

ITEM 10. CONTROLS AND PROCEDURES.

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

ITEM 11. EXHIBITS.

File the exhibits listed below as part of this Form.

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

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

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

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

SIGNATURES

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

(Registrant) Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
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By (Signature and Title)\* /s/ Jessica R. Droeger  
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Jessica R. Droeger  
Vice President and Secretary

Date: May 6, 2004  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman  
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Gifford R. Zimmerman  
Chief Administrative Officer  
(Principal Executive Officer)

Date: May 6, 2004  
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By (Signature and Title)\* /s/ Stephen D. Foy  
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Stephen D. Foy  
Vice President and Controller  
(Principal Financial Officer)

Date: May 6, 2004  
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\* Print the name and title of each signing officer under his or her signature.