

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN  
Form N-CSR  
November 07, 2003

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: 8/31/03  
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Date of reporting period: 8/31/03  
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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

ANNUAL REPORT August 31, 2003

CALIFORNIA

NPC

NCL

NCU

NAC

NVX

NZH

NKL

NKX

Photo of: 2 men and child walking through the woods.

Photo of: 2 women and 2 children looking at seashells.

Dependable,  
tax-free income  
because  
it's not what you earn,  
it's what you keep. (R)

Logo: NUVEEN Investments

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NUVEEN FUND REPORT

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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.

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- 2 Refer to the address sheet that accompanied this report. Enter the personal 13-CHARACTER ENROLLMENT NUMBER imprinted near your name.
- 3 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen. Once there, enter your e-mail address (e.g. [yourID@providerID.com](mailto:yourID@providerID.com)), and a personal, 4-digit PIN number of your choice. (Pick a number that's easy to remember.)
- 4 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 5 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.
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FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to [WWW.NUVEEN.COM](http://WWW.NUVEEN.COM)
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- 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.

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Photo of: Timothy R. Schwertfeger

Chairman of the Board

Sidebar text: "WHILE NO ONE KNOWS WHAT THE FUTURE WILL BRING, WE THINK A WELL-BALANCED PORTFOLIO . . . . IS AN IMPORTANT COMPONENT IN ACHIEVING YOUR LONG-TERM FINANCIAL GOALS."

Dear

SHAREHOLDER

Once again, I am pleased to report that over the most recent reporting period your California Fund continued to provide you with attractive tax-free monthly income and the opportunity for increased portfolio diversification. For more specific information about the performance of your Fund, please see the Portfolio Managers' Comments and Performance Overview sections of this report.

With interest rates at historically low levels, many investors have begun to wonder whether interest rates will rise, and whether that possibility should cause them to adjust their fixed-income holdings. While no one knows what the future will bring, we think a well-balanced portfolio that is structured and carefully monitored with the help of an investment professional is an important component in achieving your long-term financial goals. A well-diversified portfolio may actually help to reduce your overall investment risk. We believe municipal bond investments like your Nuveen Fund can be important building blocks in a portfolio crafted to perform well through a variety of market conditions.

I'd also like to direct your attention to the inside front cover of this report, which explains the quick and easy process to begin receiving Fund reports like this via e-mail and the internet. Thousands of Nuveen Fund shareholders already have signed-up, and they are getting their Fund information faster and more conveniently than ever. I urge you to consider joining them.

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

October 15, 2003

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

Portfolio Managers'  
COMMENTS

Portfolio managers Tom O'Shaughnessy, Bill Fitzgerald, and Scott Romans discuss economic and market conditions, key investment strategies, and the annual performance of the Funds. Tom, a 20-year veteran of Nuveen, assumed portfolio management responsibility for NPC and NCL in January 2003. With 15 years of

investment experience at Nuveen, Bill has managed NCU since 1998, NAC since 1999, NVX and NZH since 2001, and NKL and NKX since their inceptions in 2002. Scott, who has three years of investment experience at Nuveen, joined Bill in managing these six Funds in January 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2003?

As has been the case for some time, we believe the two greatest influences on the general economy and the municipal market continued to be historically low interest rates and the slow pace of economic growth. In June 2003, the Federal Reserve cut the fed funds rate to 1.0%, its lowest level since 1958. Growth during the first half of 2003, as measured by the GDP, registered 2.3%, lagging the 3% pace considered by many to be indicative of recovery. At the same time, inflation remained dormant, with the 12-month advance in the core rate dropping to 1.3% in August.

The slow rate of economic recovery, low interest rates, and lack of inflationary pressures created conditions that helped many municipal bonds perform well during the majority of this reporting period. However, during July 2003, stronger-than-expected economic data precipitated a spike in bond yields and a corresponding drop in bond prices that impacted results across all fixed-income markets.

During the first eight months of 2003, the states and municipalities followed up the record issuance of 2002 with continued strong supply, issuing \$254 billion in new bonds, up 12.5% over the same period in 2002.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN CALIFORNIA?

Over the 12-months ended August 31, 2003, California continued to struggle with significant budget problems and political uncertainty. On July 29, 2003, nearly a month into its 2004 fiscal year, the state budget was finally approved, closing a \$38 billion deficit. Due to the heavy reliance on borrowing and one-time measures to balance the fiscal 2004 budget, California is expected to face an additional \$8 billion deficit in fiscal 2005. The governor recall election added further uncertainty to California's outlook during the reporting period.

While employment and real estate values remained relatively stable in Southern California, the San Francisco area continued to be the state's weak spot, suffering from lingering effects of the technology downturn. Although some economic data provided a glimmer of hope for the state's tech-related jobs, the consensus was that any meaningful improvement in California's employment market, especially technology, was not expected until 2004.

During the first eight months of 2003, municipal new issue supply in the state totaled \$42 billion, up 56% over the same period in 2002. However, the delays in budget approval, the size of the deficit, and the uncertainty created by the recall effort also led to several downgrades of California's general obligation debt over the twelve months ended August 31, 2003. In December 2002, Standard & Poor's cut the state's credit rating to A from A+, while Moody's followed suit in February 2003, lowering the rating to A2. In July 2003, Moody's and S&P again downgraded the state, to A3/BBB from A2/A, respectively.

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HOW DID THE NUVEEN CALIFORNIA FUNDS PERFORM OVER THIS REPORTING PERIOD?

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

	MARKET YIELD		TOTAL RETURN ON NAV	LEHMAN CALIFORNIA TOTAL RETURN1	LIPPER CALIFORNIA AVERAGE2
	8/31/03	TAXABLE- EQUIVALENT3	1 YEAR ENDED 8/31/03	1 YEAR ENDED 8/31/03	1 YEAR ENDED 8/31/03
NPC	6.05%	9.24%	2.82%	2.65%	1.88%
NCL	6.37%	9.73%	2.71%	2.65%	1.88%
NCU	6.73%	10.27%	0.69%	2.00%	1.14%
NAC	6.71%	10.24%	3.37%	2.00%	1.14%
NVX	6.80%	10.38%	2.16%	2.00%	1.14%
NZH	6.80%	10.38%	1.68%	2.00%	1.14%
NKL	6.51%	9.94%	2.70%	2.65%	1.88%
NKX	6.68%	10.20%	NA	--	--

Past performance is not predictive of future results.

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

For the 12-months ended August 31, 2003, all of the Funds in this report with at least one year of performance history (with the exception of NCU) outperformed their respective Lipper peer group averages. In addition, NPC, NCL, and NKL also outperformed the unleveraged Lehman Brothers California Insured Tax-Exempt Bond Index, and NAC and NVX outperformed the Lehman California index, with NZH lagging the uninsured index by a small margin.

In general over this period, the performance of most of the Funds were helped by longer durations.<sup>4</sup> During periods of declining interest rates, such as that we experienced over the majority of the past reporting period, investments with longer durations generally would have been expected to outperform those with shorter durations. However, as bond yields jumped higher in late June and July, longer durations worked to hamper the Funds' performances, especially in NZH. Another factor in the performance of these Funds in comparison with the Lehman California indexes over this period was their use of leverage, a strategy that can provide the opportunity for additional income for common shareholders, especially during periods of low short-term interest rates.

In addition to duration and leverage, factors such as call exposure, portfolio trading activity, and the price movement of specific sectors and holdings also had an impact on the Funds' performances during this period. For example, all four of the uninsured Funds held bonds backed by the 1998 master tobacco settlement agreement. Over the year ended August 31, 2003, the prices of these bonds weakened. The negative returns affected the NCU, NVX, and NZH in particular. NAC was protected to a degree from these declines by its relatively lower exposure to this sector. In recent months, tobacco bonds have shown some

recovery. Our strategy continues to be one of maintaining these holdings while regularly evaluating the situation.

- 1 The total annual returns on common share net asset value (NAV) for the insured NPC, NCL, and NKL are compared with the total annual return of the Lehman Brothers California Insured Tax-Exempt Bond Index, an unleveraged, unmanaged index comprising a broad range of insured California municipal bonds, while annual returns for the uninsured NCU, NAC, NVX, and NZH are compared with the total annual return of the Lehman California Tax-Exempt Bond Index, an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman indexes do not reflect any expenses.
- 2 The total returns of the insured California Funds are compared with the average annualized return of the 10 funds in the Lipper California Insured Municipal Debt Funds category, while the total returns of the uninsured California Funds are compared with the return of the 28 funds in the Lipper California Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment other than an alternative investment that generates qualified dividend income that is taxable at the maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a combined federal and state income tax rate of 34.5%.
- 4 Duration is a measure of a fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the fund. References to duration in this commentary are intended to indicate fund duration unless otherwise noted.

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NCU also held bonds issued for Downey Community Hospital, which declined following a downgrade to BB+ from BBB+ by Standard & Poor's in February 2003 due to poor management of managed care and physician contracts. Although the hospital had been slow to respond to declining operations, the downgrade spurred management to make staff changes and implement operating improvements. We continue to hold these bonds based on our belief that the S&P rating is too low and that the hospital has sufficient balance-sheet liquidity to provide time and resources for a turnaround. NCU's performance over this period was also negatively impacted by the Fund's need to reinvest called bond proceeds at today's relatively lower interest rates.

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

With short-term interest rates remaining at historically low levels, the dividend-payment capabilities of the Funds benefited from their use of leverage. During the 12-months ended August 31, 2003, the continued low level of short-term rates enabled us to implement two dividend increases in NPC, NCL, and NAC and one each in NCU and NVX. Leverage also helped to support the dividends of NZH and NKL, which, as of August 2003, had paid shareholders dependable, attractive dividends for 22 and 16 consecutive months, respectively. NKX, which

was introduced in November 2002, declared its first dividend in January 2003 and continued to pay steady dividends over the course of this reporting period.

Although the share prices and net asset values of these Funds generally performed well during much of this 12-month reporting period, increased volatility in the fixed-income markets during the summer of 2003 as well as continued budgetary and political turmoil in California led to an overall weakening of prices. While we began to see some recovery in August as municipal supply thinned somewhat, the Funds' share prices and NAVs finished this reporting period lower than they had been at the beginning. As of August 31, 2003, all of the Funds with at least one year of history continued to trade at discounts to their common share NAVs, while NKX had moved to trading at a slight discount (see charts on individual Performance Overview pages).

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED AUGUST 31, 2003?

Over this 12-month period, we continued to place strong emphasis on diversifying the portfolios, improving call protection, and enhancing dividend-paying capabilities. One of our key strategies focused on managing the Funds' durations in order to enhance our ability to mitigate interest rate risk and produce potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise. The longer the duration of a Fund's portfolio, the greater its interest rate risk. Over the course of the reporting period, we concentrated on finding value in the intermediate part of the yield curve.

In NKL and NKX, which were introduced in 2002, we expanded our search further out on the yield curve to find additional bonds that would help to support the dividends of the two newest Funds. This has resulted in longer durations for both NKL (15.13) and NKX (16.98). Over the past few months, we have been swapping bonds with the goal of maintaining the yields of these Funds while reducing their durations.

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Over the six months ended August 31, 2003, another key strategy centered on selling or purchasing California general obligation bonds (GOs) to take advantage of general market moves. In early spring 2003, the yield differential between California GOs and national AAA credits with similar maturities had narrowed to 35-40 basis points. We believed this made California GOs relatively expensive and we largely moved the Funds out of positions in California GOs. By June 2003, as the state's budget process stalled and the recall movement gathered strength, the yield differential had widened, and we began buying California GOs. Following the approval of the fiscal 2004 budget at the end of July 2003, California GOs rallied on a relative basis. As the yield spread with national bonds once again narrowed, we began to sell some of these GO positions at what we believed were attractive prices.

WHAT IS YOUR OUTLOOK FOR THE BOND CALLS FOR THESE FUNDS?

The five newer Funds will not experience any significant call exposure for several years, with potential call exposure during 2003 and 2004 ranging from zero in NVX to 5% in NKX. During this reporting period, we worked to mitigate the call risk of the three older Funds, especially NCL and NCU, which marked their 10-year anniversaries in 2003, a point in a Fund's life cycle often associated with increased bond calls. As of August 31, 2003, NPC's potential



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call exposure through 2004 was 12%, while NCL and NCU faced potential calls on 13% and 17% of their portfolios, respectively. The number of actual calls in these Funds will depend largely on market interest rates in coming months.

In general, we believe that these Nuveen Funds can continue to serve as attractive sources of tax-free income, while simultaneously offering the potential for considerable portfolio diversification. In our opinion, these 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 August 31, 2003

NPC

Pie Chart:

CREDIT QUALITY

Insured	79%
Insured and U.S. Guaranteed	4%
U.S. Guaranteed	17%

PORTFOLIO STATISTICS

Share Price	\$15.07
Common Share Net Asset Value	\$15.59
Market Yield	6.05%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	8.40%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	9.24%
Net Assets Applicable to Common Shares (\$000)	\$100,427
Average Effective Maturity (Years)	19.77
Leverage-Adjusted Duration	10.95

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

	ON SHARE PRICE	ON NAV
1-Year	1.55%	2.82%
5-Year	4.86%	4.98%



	15.88
	15.71
	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
8/31/03	15.07

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.1419 per share.

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Nuveen Insured California Premium Income Municipal Fund 2, Inc.

Performance

OVERVIEW As of August 31, 2003

NCL

Pie Chart:

CREDIT QUALITY

Insured	87%
Insured and U.S. Guaranteed	10%
U.S. Guaranteed	3%

PORTFOLIO STATISTICS

-----  
Share Price \$14.32

Common Share Net Asset Value	\$14.60
Market Yield	6.37%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	8.85%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	9.73%
Net Assets Applicable to Common Shares (\$000)	\$185,181
Average Effective Maturity (Years)	17.32
Leverage-Adjusted Duration	8.99

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

	ON SHARE PRICE	ON NAV
1-Year	2.69%	2.71%
5-Year	5.16%	5.50%
10-Year	5.62%	5.85%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	31%
Tax Obligation/General	15%
U.S. Guaranteed	13%
Water and Sewer	12%
Education and Civic Organizations	8%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.0725
Oct	0.0725
Nov	0.0725
Dec	0.0735
Jan	0.0735
Feb	0.0735
Mar	0.076
Apr	0.076
May	0.076
Jun	0.076
Jul	0.076
Aug	0.076

Line Chart:

SHARE PRICE PERFORMANCE

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Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	15.05
	15.22
	15.26
	15.74
	15.67
	15.58
	15
	14.48
	14.43
	14.71
	14.52
	14.55
	14.51
	14.73
	14.55
	14.62
	14.99
	15.21
	14.93
	14.86
	14.91
	15.03
	14.93
	14.9
	15.25
	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
8/31/03	14.32

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

Nuveen California Premium Income Municipal Fund

Performance

OVERVIEW As of August 31, 2003

NCU

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	61%
AA	6%
A	12%
BBB	10%
NR	4%
BB or lower	7%

PORTFOLIO STATISTICS

Share Price	\$13.02
Common Share Net Asset Value	\$13.66
Market Yield	6.73%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.35%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	10.27%
Net Assets Applicable to Common Shares (\$000)	\$78,859
Average Effective Maturity (Years)	17.29
Leverage-Adjusted Duration	11.87

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

	ON SHARE PRICE	ON NAV
1-Year	-0.91%	0.69%
5-Year	4.59%	5.09%
10-Year	4.85%	5.46%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	26%
Healthcare	15%

Tax Obligation/General	12%
Housing/Multifamily	11%
Water and Sewer	8%

Bar Chart:

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

Sep	0.0715
Oct	0.0715
Nov	0.0715
Dec	0.0715
Jan	0.0715
Feb	0.0715
Mar	0.073
Apr	0.073
May	0.073
Jun	0.073
Jul	0.073
Aug	0.073

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	14.17
	14.47
	14.4
	14.54
	14.9
	14.75
	13.8
	13.56
	13.65
	13.82
	13.64
	13.93
	13.72
	13.85
	13.7
	13.59
	13.95
	14.05
	14.05
	13.75
	13.67
	13.31
	13.48
	13.3
	13.4
	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
8/31/03	13.02

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

2 The Fund also paid shareholders a net ordinary income distribution in December 2002 of \$0.0065 per share.

Nuveen California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of August 31, 2003

NAC

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	52%
AA	6%
A	16%
BBB	19%
NR	7%

PORTFOLIO STATISTICS

Share Price	\$14.30
Common Share Net Asset Value	\$14.82
Market Yield	6.71%
Taxable-Equivalent Yield	



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(Federal Income Tax Rate) <sup>1</sup>	9.32%
-----	
Taxable-Equivalent Yield	
(Federal and State Income Tax Rate) <sup>1</sup>	10.24%
-----	
Net Assets Applicable to Common Shares (\$000)	\$346,918
-----	
Average Effective Maturity (Years)	18.97
-----	
Leverage-Adjusted Duration	11.03
-----	

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

	ON SHARE PRICE	ON NAV
1-Year	4.79%	3.37%
Since Inception	5.06%	6.94%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	24%
Tax Obligation/General	14%
Transportation	14%
Housing/Multifamily	10%
Healthcare	9%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.0755
Oct	0.0755
Nov	0.0755
Dec	0.077
Jan	0.077
Feb	0.077
Mar	0.08
Apr	0.08
May	0.08
Jun	0.08
Jul	0.08
Aug	0.08

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	14.88
	15
	14.83
	14.95
	14.99
	14.89

	14.4
	14.33
	14.3
	14.35
	14.12
	13.98
	14.16
	14.37
	14.17
	14.41
	14.55
	14.67
	14.3
	14.1
	14.04
	14.11
	14.35
	14.07
	14.09
	14.11
	14.32
	14.29
	14.08
	14.3
	14.34
	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
8/31/03	14.3

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

NVX

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	72%
A	11%
BBB	11%
NR	6%

PORTFOLIO STATISTICS

Share Price	\$13.24
Common Share Net Asset Value	\$14.18
Market Yield	6.80%
Taxable-Equivalent Yield (Federal Income Tax Rate)1	9.44%
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	10.38%
Net Assets Applicable to Common Shares (\$000)	\$209,722
Average Effective Maturity (Years)	20.34
Leverage-Adjusted Duration	12.41

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

	ON SHARE PRICE	ON NAV
1-Year	-0.95%	2.16%
Since Inception	0.88%	5.61%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	29%
Tax Obligation/General	20%
Education and Civic Organizations	13%
Water and Sewer	8%
Healthcare	8%

Bar Chart:

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

Edgar Filing: NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN - Form N-CSR

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	14.62
	14.64
	14.46
	14.63
	14.87
	14.45
	13.95
	13.74
	13.8
	14.2
	13.68
	13.54
	13.74
	13.75
	13.36
	13.32
	13.73
	13.75
	13.42
	13.44
	13.49
	13.64
	13.47
	13.51
	13.58
	13.59
	13.63
	13.65
	13.4
	13.44
	13.56
	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
8/31/03	13.24

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0291 per share.

10

Nuveen California Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of August 31, 2003

NZH

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	71%
AA	1%
A	10%
BBB	12%
NR	6%

PORTFOLIO STATISTICS

Share Price	\$12.71
Common Share Net Asset Value	\$13.72
Market Yield	6.80%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.44%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	10.38%
Net Assets Applicable to Common Shares (\$000)	\$330,829
Average Effective Maturity (Years)	19.88

-----  
 Leverage-Adjusted Duration 14.96  
 -----

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

	ON SHARE PRICE	ON NAV
1-Year	-3.20%	1.68%
Since Inception	-2.53%	3.61%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	30%
Tax Obligation/General	21%
Water and Sewer	11%
Healthcare	8%
Utilities	8%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	14.13
	14.23
	14.08
	14
	14.25
	13.94
	13.45
	13.31
	13.7
	13.64
	13.35
	13.26
	13.3
	13.37
	13.02

	13.1
	13.12
	13.5
	13.14
	13.05
	13.07
	13.2
	13.15
	13
	13.04
	13.14
	13.07
	13.18
	13
	13.2
	13.21
	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
8/31/03	12.71

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

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Nuveen Insured California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of August 31, 2003

NKL

Pie Chart:

CREDIT QUALITY  
 Insured  
 AAA (uninsured)

82%  
 1%

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AA (uninsured)	4%
A (uninsured)	8%
BBB (uninsured)	5%

PORTFOLIO STATISTICS

Share Price	\$14.00
Common Share Net Asset Value	\$14.60
Market Yield	6.51%
Taxable-Equivalent Yield (Federal Income Tax Rate)1	9.04%
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	9.94%
Net Assets Applicable to Common Shares (\$000)	\$222,751
Average Effective Maturity (Years)	22.77
Leverage-Adjusted Duration	15.13

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

	ON SHARE PRICE	ON NAV
1-Year	-0.35%	2.70%
Since Inception	1.18%	7.37%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	27%
Tax Obligation/General	25%
Utilities	15%
Water and Sewer	12%
Education and Civic Organizations	7%

Bar Chart:

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

Sep	0.076
Oct	0.076
Nov	0.076
Dec	0.076
Jan	0.076
Feb	0.076
Mar	0.076
Apr	0.076
May	0.076
Jun	0.076



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Jul	0.076
Aug	0.076

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/02	15.14
	15.25
	15.05
	15.32
	15.25
	15.17
	14.3
	14.2
	14.64
	14.59
	14.6
	14.63
	14.7
	14.8
	14.31
	14.3
	14.3
	14.45
	14.6
	14.24
	14.3
	14.45
	14.59
	14.4
	14.6
	14.68
	14.84
	14.8
	14.55
	14.4
	14.4
	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
8/31/03	14

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is

calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.0515 per share.

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Nuveen Insured California Tax-Free Advantage Municipal Fund

Performance

OVERVIEW As of August 31, 2003

NKX

Pie Chart:

CREDIT QUALITY	
Insured	84%
A (uninsured)	10%
BBB (uninsured)	6%

PORTFOLIO STATISTICS

Share Price	\$13.56
Common Share Net Asset Value	\$13.79
Market Yield	6.68%
Taxable-Equivalent Yield (Federal Income Tax Rate)1	9.28%
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	10.20%
Net Assets Applicable to Common Shares (\$000)	\$81,141
Average Effective Maturity (Years)	22.97
Leverage-Adjusted Duration	16.98

CUMULATIVE TOTAL RETURN (Inception 11/21/02)

	ON SHARE PRICE	ON NAV
Since Inception	-5.79%	0.34%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	37%
------------------------	-----

Tax Obligation/General	28%
Transportation	14%
Healthcare	9%
Water and Sewer	6%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

Jan	0.0755
Feb	0.0755
Mar	0.0755
Apr	0.0755
May	0.0755
Jun	0.0755
Jul	0.0755
Aug	0.0755

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/22/02	15.1
	15.05
	15
	15
	15
	14.94
	14.85
	14.9
	14.9
	14.75
	14.7
	14.2
	14.28
	14.6
	14.8
	14.28
	14.3
	14.3
	14.89
	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

8/31/03

13.85  
13.56

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34.5%.

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Report of  
INDEPENDENT AUDITORS

THE BOARDS OF DIRECTORS, TRUSTEES AND SHAREHOLDERS  
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.  
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC.  
NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND  
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund as of August 31, 2003, and the related statements of operations, changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of August 31, 2003, by correspondence with the custodian and brokers or other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of

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Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund at August 31, 2003, and the results of their operations, changes in their net assets and financial highlights for the periods indicated therein in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Chicago, Illinois  
October 10, 2003

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)  
Portfolio of  
INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 11.5%	
\$ 2,000	California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996, 5.750%, 9/01/26 - MBIA Insured	9/06 at 102
5,000	California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured	3/08 at 102
2,000	University of California, Revenue Bonds, Multiple Purpose Projects, Series 20020, 5.125%, 9/01/31 - FGIC Insured	9/10 at 101
2,350	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2003A, 5.000%, 5/15/33 (WI, settling 9/09/03) - AMBAC Insured	5/13 at 100
-----		
	HEALTHCARE - 4.6%	
3,000	California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured	8/08 at 101
1,500	California Statewide Communities Development Authority, Certificates of Participation, Members of the Sutter Health Obligated Group, 5.500%, 8/15/19 - FSA Insured	8/09 at 101
-----		
	HOUSING/MULTIFAMILY - 4.8%	

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1,000	ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments Project, 1999 Series A, 5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured	9/09 at 100
3,830	Los Angeles, California, FHA-Insured Section 8 Revenue Refunding Mortgage Loan Bonds, Series 1993A, 6.300%, 1/01/25 - MBIA Insured	1/04 at 100
-----		
HOUSING/SINGLE FAMILY - 0.8%		
815	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 - 31.8%		
State of California, Various Purpose General Obligation Bonds:		
7,995	5.750%, 3/01/22 - MBIA Insured	3/10 at 101
2,000	5.750%, 3/01/27 - MBIA Insured	3/10 at 101
2,000	State of California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured	6/07 at 101
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:		
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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TAX OBLIGATION/LIMITED - 16.3%

\$	2,000	California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Richmond Laboratory Project, 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
	1,460	Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/13 - MBIA Insured	No Opt. C
	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 - 31.6%

	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 to 7/01/06) - AMBAC Insured	7/06 at 101

-----  
UTILITIES - 18.9%

	4,000	California Pollution Control Financing Authority, Pollution Control Revenue Bonds, Southern California Edison Company, Series 1992B, 6.400%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured	12/03 at 101
	4,000	Chula Vista, California, Industrial Development Revenue Bonds, San Diego Gas and Electric Company, Series 1992A,	12/03 at 101

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6.400%, 12/01/27 (Alternative Minimum Tax)

3,600	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2003S, 5.000%, 11/15/13 - MBIA Insured	No Opt. C
7,000	Turlock Irrigation District, California, Certificates of Participation, Series 2003A, 5.000%, 1/01/33 - MBIA Insured	1/13 at 100
-----		
WATER AND SEWER - 30.7%		
6,415	Coachella Water Authority, California, Water Revenue Bonds, Series 2003, 5.000%, 3/01/33 - FSA Insured	3/13 at 102
6,000	Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured	11/03 at 102
7,500	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 (DD, settling 9/02/03) - FGIC Insured	8/13 at 100
3,400	San Diego Public Facilities Financing Authority, California, Sewer Revenue Bonds, Series 1997A, 5.250%, 5/15/22 - FGIC Insured	5/07 at 101
2,150	Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 - FGIC Insured	6/10 at 100
5,000	Wheeler Ridge-Maricopa Water Storage District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured	11/06 at 102
-----		
\$ 140,815	Total Long-Term Investments (cost \$142,252,848) - 151.0%	
=====		

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	
-----		
SHORT-TERM INVESTMENTS - 1.1%		
\$ 1,100	California Infrastructure and Economic Development Bank, Insured Revenue Bonds, Rand Corporation, Variable Rate Demand Obligations, Series 2002B, 0.800%, 4/01/42 - AMBAC Insured+	
-----		
\$ 1,100	Total Short-Term Investments (cost \$1,100,000)	
=====		
Total Investments (cost \$143,352,848) - 152.1%		
-----		
Other Assets Less Liabilities - (7.3)%		
-----		
Preferred Shares, at Liquidation Value - (44.8)%		
-----		



Net Assets Applicable to Common Shares - 100%

=====

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- \* Optional Call Provisions (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- (DD) Security purchased on a delayed delivery basis.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
 Portfolio of  
 INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 12.7%		
	California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996:	
\$ 2,400	5.750%, 9/01/21 - MBIA Insured	9/06 at 102
3,000	5.750%, 9/01/26 - MBIA Insured	9/06 at 102
2,000	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured	11/10 at 100
6,615	California Educational Facilities Authority, Revenue Refunding	No Opt. C

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	Bonds, Loyola Marymount University, Series 2001A, 0.000%, 10/01/33 - MBIA Insured	
5,000	California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured	3/08 at 102
1,295	California Infrastructure and 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
1,900	University of California, Housing System Revenue Bonds, Series 1993A, 5.500%, 11/01/18 (Pre-refunded to 11/01/03) - MBIA Insured	11/03 at 102
4,750	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2003A, 5.000%, 5/15/33 (WI, settling 9/09/03) - AMBAC Insured	5/13 at 100
-----		
	HEALTHCARE - 5.3%	
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 - 9.1%	
	ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments Project, 1999 Series A:	
4,000	5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured	9/09 at 100
1,370	5.875%, 3/01/32 (Alternative Minimum Tax) - FSA Insured	9/09 at 100
3,460	Los Angeles Community Redevelopment Agency, California, FNMA Collateralized Multifamily Housing Revenue Refunding Bonds, Angelus Plaza Section 8 Project, Series 1995A, 7.400%, 6/15/10	6/05 at 105
7,400	Santa Cruz County Housing Authority, California, GNMA Collateralized Multifamily Housing Revenue Refunding Bonds, Meadowview Apartments, Series 1993A, 6.125%, 5/20/28	11/03 at 102
-----		
	HOUSING/SINGLE FAMILY - 1.2%	
2,105	California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997C-2, 5.625%, 8/01/20 (Alternative	8/07 at 101

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Minimum Tax) - MBIA Insured

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TAX OBLIGATION/GENERAL - 23.3%		
1,460	ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 1997, Series 2000B, 5.750%, 8/01/16 - FGIC Insured	8/10 at 101
485	State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative Minimum Tax) - FSA Insured	12/03 at 102
State of California, Various Purpose General Obligation Bonds:		
7,995	5.750%, 3/01/22 - MBIA Insured	3/10 at 101
2,500	5.500%, 9/01/24 - FSA Insured	9/09 at 101
2,000	5.750%, 3/01/27 - MBIA Insured	3/10 at 101

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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TAX OBLIGATION/GENERAL (continued)		
\$ 3,000	State of California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured	6/07 at 101
5,000	State of California, General Obligation Bonds, Series 2003, 5.000%, 2/01/33 - AMBAC Insured	8/13 at 100
2,575	Calipatria Unified School District, Imperial County, California, General Obligation Bonds, Series 1996A, 5.625%, 8/01/13 - AMBAC Insured	8/06 at 102
Campbell Union High School District, Santa Clara County, California, General Obligation Bonds, Series 2003:		
3,520	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, General Obligation Bonds, Election of 1995, Series 2001F:		
1,065	5.125%, 8/01/21 - FSA Insured	8/09 at 102
1,160	5.125%, 8/01/22 - FSA Insured	8/09 at 102
1,220	5.125%, 8/01/23 - FSA Insured	8/09 at 102
1,500	Hacienda La Puente Unified School District, 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
1,125	San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A,	No Opt. C

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0.000%, 7/01/21 - FGIC Insured

2,500	San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured	6/10 at 102
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TAX OBLIGATION/LIMITED - 47.6%

	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
5,250	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, California Substance Abuse Treatment Facility and State Prison - Corcoran II, Series 1996A, 5.250%, 1/01/21 - AMBAC Insured	1/06 at 100
3,450	California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Richmond Laboratory Project, 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
5,000	Kern County Board of Education, California, Refunding Certificates of Participation, Series 1998A, 5.200%, 5/01/28 - MBIA Insured	5/08 at 102
5,000	La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured	9/07 at 102
3,865	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Lien, Series 2000A, 5.250%, 7/01/30 - FGIC Insured	7/10 at 101
1,935	Menifee Union School District, Riverside County, California, Certificates of Participation, School Project, Series 1996, 6.125%, 9/01/24 - FSA Insured	9/06 at 102

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2,690 Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Revenue Refunding Bonds, Series 1995A, 6.000%, 9/01/15 - FSA Insured 9/05 at 102

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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TAX OBLIGATION/LIMITED (continued)		
\$ 2,780	Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/12 - MBIA Insured	No Opt. C
2,000	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Series 2000, 5.750%, 6/15/33 - MBIA Insured	12/10 at 102
5,000	San Bernardino Joint Powers Financing Authority, City of San Bernardino, California, Refunding Certificates of Participation, Police Station Project, 5.500%, 9/01/20 - MBIA Insured	9/09 at 102
3,500	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 - FGIC Insured	7/09 at 101
1,930	Santa Margarita/Dana Point Authority, Orange County, California, Revenue Bonds Refinancing, Improvement Districts 1, 2, 2A and 8, Series 1994A, 7.250%, 8/01/05 - MBIA Insured	No Opt. C
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
6,830	8.000%, 8/15/09 - 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
-----		
TRANSPORTATION - 4.8%		
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
1,000	Foothill-Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 - MBIA Insured	1/10 at 100

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5,000	San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series , Issue 27A, 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured	5/11 at 100
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U.S. GUARANTEED - 20.5%

3,425	Alameda County, California, Certificates of Participation, Alameda County Public Facilities Corporation, Series 1991, 6.000%, 9/01/21 (Pre-refunded to 9/01/06) - MBIA Insured	9/06 at 102
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4,485	Alameda County, California, Certificates of Participation Refunding, Santa Rita Jail Project, Series 1993, 5.700%, 12/01/14 (Pre-refunded to 12/01/03) - MBIA Insured	12/03 at 102
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3,000	Central Unified School District, Fresno County, California, General Obligation Bonds, Election of 1992, Series 1993, 5.625%, 3/01/18 - AMBAC Insured	9/03 at 102
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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
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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
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1,850	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2000A, 5.750%, 7/01/18 (Pre-refunded to 7/01/09) - FGIC Insured	7/09 at 102
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3,500	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 1996J, 5.600%, 8/15/24 (Pre-refunded to 8/15/06) - AMBAC Insured	8/06 at 102
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9,000	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 8B, 6.100%, 5/01/20 (Pre-refunded to 5/01/04) - FGIC Insured	5/04 at 101
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1,450	Torrance, California, Hospital Revenue Bonds, Little Company of Mary Hospital, Series 1985A, 7.100%, 12/01/15 (Pre-refunded to 12/01/05)	12/05 at 100
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UTILITIES - 9.8%

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
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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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3,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.125%, 7/01/26 - FSA Insured	7/12 at 101
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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	UTILITIES (continued)	
\$ 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
3,500	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/13 - MBIA Insured	No Opt. C
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
-----		
	WATER AND SEWER - 18.9%	
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
12,000	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 (DD, settling 9/02/03) - 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 Districts Financing Authority, California, Revenue Bonds, Series 2000A, Sacramento Regional County Sanitation District, 5.500%, 12/01/20 - AMBAC Insured	12/10 at 101
2,000	South San Joaquin Irrigation District, San Joaquin County, California, Revenue Refunding Certificates of Participation, Series 1993, 5.500%, 1/01/15 - AMBAC Insured	1/04 at 102
5,410	Tulare, California, Sewer Revenue Bonds, Series 1996, 5.750%, 11/15/21 - MBIA Insured	11/06 at 102
	Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003:	
2,010	5.000%, 10/01/28 (WI, settling 9/10/03) - FGIC Insured	10/13 at 100
2,530	5.000%, 10/01/33 (WI, settling 9/10/03) - FGIC Insured	10/13 at 100
-----		
\$ 286,700	Total Long-Term Investments (cost \$267,897,010) - 153.2%	
=====		

Other Assets Less Liabilities - (1.9)%

-----  
 Preferred Shares, at Liquidation Value - (51.3)%

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 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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

(DD) Security purchased on a delayed delivery basis.

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

See accompanying notes to financial statements.

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Nuveen California Premium Income Municipal Fund (NCU)  
 Portfolio of  
 INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	CONSUMER STAPLES - 5.3%	
\$ 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
3,910	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	5/12 at 100
	EDUCATION AND CIVIC ORGANIZATIONS - 2.0%	
1,500	University of California, Revenue Bonds, Multiple Purpose	5/13 at 100



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Projects, Series 2003A, 5.125%, 5/15/17 (WI, settling  
9/09/03) - AMBAC Insured

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HEALTHCARE - 23.8%		
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	11/03 at 102
1,500	California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
1,185	California Statewide Community Development Authority, Hospital Revenue Certificates of Participation, Cedars-Sinai Medical Center, Series 1992, 6.500%, 8/01/15	2/04 at 101
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	12/03 at 102

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HOUSING/MULTIFAMILY - 16.2%		
2,000	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
6,205	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
3,815	Stanton, California, Multifamily Housing Revenue Bonds, Continental Gardens Apartments, Series 1997, 5.625%, 8/01/29 (Alternative Minimum Tax) (Mandatory put 8/01/09)	8/07 at 102

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HOUSING/SINGLE FAMILY - 5.8%		
1,520	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
350	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1994A, 6.550%, 8/01/26	8/04 at 102
1,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1994F-3, 6.100%, 8/01/15 (Alternative Minimum	8/05 at 102

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		Tax) - MBIA Insured	
1,085	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1997B, 6.000%, 8/01/16 (Alternative Minimum Tax) - MBIA Insured		2/07 at 102
435	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 - 18.1%		
4,000	State of California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax)		6/04 at 101
1,750	State of California, General Obligation Refunding Bonds, Series 2002, 5.250%, 4/01/32		4/12 at 100
1,055	State of California, General Obligation Bonds, Series 2003: 5.250%, 2/01/21		8/13 at 100
2,000	5.000%, 2/01/33		8/13 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	TAX OBLIGATION/GENERAL (continued)	
\$ 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
3,000	Pomona Unified School District, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured	8/11 at 103
-----		
	TAX OBLIGATION/LIMITED - 40.3%	
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	State Public Works Board of the State of California, Lease Revenue Bonds, Department of Veterans Affairs of the State of California, Southern California Veterans Home - Chula Vista Facility, 1999 Series A, 5.600%, 11/01/19 - AMBAC Insured	11/09 at 101
2,345	Carlsbad, California, Limited Obligation Improvement Bonds, Assessment District 96-1, Series 1998, 5.500%, 9/02/28	9/03 at 101

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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
2,030	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)	12/03 at 102
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 Community Facilities District 88-1, California, 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
	San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998:	
1,500	5.800%, 9/01/18	9/08 at 101
1,000	5.800%, 9/01/27	9/08 at 101
2,050	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, 5.750%, 3/15/29	3/09 at 102

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TRANSPORTATION - 12.4%

3,000	California Infrastructure and Economic Development Bank, Revenue Bonds, Bay Area Toll Bridges, First Lien, Series 2003A, 5.000%, 7/01/22 - FSA Insured	7/13 at 100
2,000	Foothill-Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35	1/10 at 100
2,750	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 5, 6.500%, 5/01/24 (Alternative Minimum Tax) - FGIC Insured	5/04 at 102
2,000	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 10A, 5.700%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured	5/06 at 102

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U.S. GUARANTEED - 5.1%

3,500	Puerto Rico Commonwealth, Public Improvement General Obligation Bonds, Series 2000, 5.750%, 7/01/21 (Pre-refunded to 7/01/10) - MBIA Insured	7/10 at 100
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UTILITIES - 12.2%

1,000	California Pollution Control Financing Authority, Pollution Control Revenue Bonds, Southern California Edison Company, Series 1992B, 6.400%, 12/01/24 (Alternative Minimum Tax) - FGIC Insured	12/03 at 101
2,250	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18	5/12 at 101

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Nuveen California Premium Income Municipal Fund (NCU) (continued)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
UTILITIES (continued)		
\$ 1,500	Merced Irrigation District, California, Revenue Refunding Bonds, Electric System Project, Series 2001, 6.500%, 9/01/22	9/05 at 102
4,580	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 - FSA Insured	8/12 at 100
WATER AND SEWER - 12.6%		
5,000	Culver City, California, Wastewater Facilities Revenue Refunding Bonds, Series 1999A, 5.700%, 9/01/29 - FGIC Insured	9/09 at 102
3,495	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 - FGIC Insured	8/13 at 100
1,000	Sacramento County Water Financing Authority, California, Revenue Bonds, Agency Zones 40-41 System Projects, Series 2003, 5.000%, 6/01/22 - AMBAC Insured	6/13 at 100
\$ 119,785	Total Long-Term Investments (cost \$120,449,908) - 153.8%	
Other Assets Less Liabilities - 0.7%		
Preferred Shares, at Liquidation Value - (54.5)%		
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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors):  
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 (NAC)  
Portfolio of  
INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
<hr/>		
	CONSUMER STAPLES - 5.2%	
\$ 5,000	California Statewide Community Development Authority, Certificates of Participation, Pride Industries and Pride One, Inc., Series 1999, 7.250%, 11/01/29	11/09 at 102
5,200	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33	6/13 at 100
	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A:	
2,500	5.250%, 6/01/31	6/11 at 100
4,500	5.375%, 6/01/41	6/11 at 100
4,090	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, 5.250%, 6/01/27	6/12 at 100
<hr/>		
	EDUCATION AND CIVIC ORGANIZATIONS - 10.7%	
615	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 100
3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.500%, 11/01/17 - AMBAC Insured	11/11 at 100
700	University of California, Certificates of Participation, San Diego and Sacramento Campus Projects, Series 2002A, 5.250%, 1/01/22	1/10 at 101

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6,000	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.000%, 9/01/12	9/08 at 101
	University of California, Revenue Bonds, Multiple 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, Revenue Bonds, Multiple Purpose Projects, Series 2003A, 5.125%, 5/15/17 (WI, settling 9/09/03) - AMBAC Insured	5/13 at 100

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HEALTHCARE - 14.0%

8,400	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente, Series 1998B, 5.250%, 10/01/14 (Optional put 10/01/08)	10/08 at 101
15,000	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30	12/09 at 101
8,000	Central California Joint Powers Health Financing Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group Project, Series 2000, 6.000%, 2/01/30	2/10 at 101
10,500	Duarte, California, Certificates of Participation, City of Hope National Medical Center, Series 1999A, 5.250%, 4/01/31	4/09 at 101
3,415	Upland, California, Certificates of Participation, San Antonio Community Hospital, Series 1993, 5.250%, 1/01/08	1/04 at 102
2,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22	6/12 at 101

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HOUSING/MULTIFAMILY - 15.3%

15,000	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
10,000	California Statewide Community Development Authority, Multifamily Housing Refunding Bonds, Archstone Pelican Point Apartments, Archstone Communities Trust, Series 1999H, 5.300%, 6/01/29 (Mandatory put 6/01/08)	No Opt. C
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

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
HOUSING/MULTIFAMILY (continued)		
\$ 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
15,000	Housing Authority of the County of San Bernardino, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential/Redlands Lawn and Tennis Apartments, Issue 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09)	No Opt. C
HOUSING/SINGLE FAMILY - 0.2%		
3,985	California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1999D2, 0.000%, 2/01/29 (Alternative Minimum Tax)	2/09 at 31
LONG-TERM CARE - 2.4%		
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 - 21.1%		
State of 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
State of California, General Obligation Bonds, Series 2003:		
2,595	5.250%, 2/01/15	8/13 at 100
5,200	5.250%, 2/01/20	8/13 at 100
2,300	5.000%, 2/01/22	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 - MBIA Insured	8/11 at 100
18,500	Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 1999C, 5.250%, 7/01/24 - MBIA Insured	7/09 at 101
10,845	Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 2002E,	7/12 at 100

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	5.000%, 7/01/19 - MBIA Insured	
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 - 35.8%

	Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001:	
1,110	5.375%, 11/01/18 - FSA Insured	11/11 at 100
1,165	5.375%, 11/01/19 - FSA Insured	11/11 at 100
1,990	Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured	9/12 at 100
3,515	Dinuba Redevelopment Agency, California, Tax Allocation 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
2,000	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 102

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	TAX OBLIGATION/LIMITED (continued)	
\$ 2,200	Lincoln Community Facilities District No. 2003-1, California, Special Tax Bonds, Series A, Lincoln Crossing Project, 6.500%, 9/01/25	9/13 at 102



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5,500	Los Angeles County, California, Refunding Certificates of Participation, Disney Parking Project, Series 1998, 4.750%, 3/01/23 - AMBAC Insured	9/08 at 101
5,000	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
10,000	Los Angeles County Public Works Financing Authority, California, Revenue Bonds, Los Angeles County Regional Park and Open Space District, Series 1997A, 5.000%, 10/01/16	10/07 at 101
9,200	Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 - MBIA Insured	3/11 at 102
4,670	Oakland Joint Power Financing Authority, California, Lease Revenue Refunding Bonds, Oakland Convention Centers, Series 2001, 5.500%, 10/01/14 - AMBAC Insured	No Opt. C
3,290	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
4,000	Orange County Local Transportation Authority, California, Limited Sales Tax Revenue Refunding Bonds, Measure M, Second Senior Series 1997A, 5.700%, 2/15/08 - AMBAC Insured	No Opt. C
5,600	Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001A, 5.000%, 11/01/22 - MBIA Insured	11/11 at 101
8,100	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Series 2000, 5.750%, 6/15/33 - MBIA Insured	12/10 at 102
1,055	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2001, 5.375%, 12/15/16 - AMBAC Insured	12/11 at 101
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, 1999 Series B, 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 (WI, settling 9/11/03)	9/13 at 100
1,120	Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Subordinate Lien,	9/13 at 100

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Series 2003B, 6.625%, 9/15/38 (WI, settling 9/11/03)

2,500	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured	No Opt. C
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
2,810	West Patterson Financing Authority, California, Community Facilities District 01-1 Special Tax Bonds, Series 2003B, 7.000%, 9/01/38 (WI, settling 9/16/03)	9/13 at 103

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 TRANSPORTATION - 20.3%

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 Refunding Bonds, Series 2001B, 5.500%, 8/01/18 (Alternative Minimum Tax) - AMBAC Insured	8/11 at 100
23,000	Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 (Alternative Minimum Tax) - FGIC Insured	5/10 at 100

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Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
 Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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 TRANSPORTATION (continued)

\$ 5,000	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 13B, 5.625%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured	5/06 at 101
23,275	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 24A, 5.750%, 5/01/30 (Alternative Minimum Tax) - FSA Insured	5/10 at 101

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 U.S. GUARANTEED - 2.8%

3,600	Los Angeles Unified School District, California, General	7/10 at 100
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		Obligation Bonds, Election of 1997, Series 2000D, 5.625%, 7/01/14 (Pre-refunded to 7/01/10)	
5,000		Puerto Rico Commonwealth, 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 - 11.2%	
9,750		California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18	5/12 at 101
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
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 - 11.3%	
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 Water District, California, 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
-----			
\$	512,260	Total Long-Term Investments (cost \$509,460,322) - 150.3%	
=====			
		Other Assets Less Liabilities - 0.1%	
-----			
		Preferred Shares, at Liquidation Value - (50.4)%	
-----			
		Net Assets Applicable to Common Shares - 100%	
=====			

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

\* Optional Call Provisions (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): 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.

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)  
 Portfolio of  
 INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	CONSUMER STAPLES - 4.7%	
\$ 4,625	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	6/12 at 100
3,200	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33	6/13 at 100
3,000	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41	6/11 at 100
2,800	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, 5.500%, 6/01/36	6/12 at 100
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 19.9%	
2,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101
15,000	California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured	3/08 at 102
	California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A:	
8,880	5.375%, 10/01/16 - FSA Insured	10/12 at 100
10,570	5.375%, 10/01/18 - FSA Insured	10/12 at 100

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620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 100
3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured	11/11 at 101

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HEALTHCARE - 11.2%

2,000	California Health Facilities Financing Authority, Revenue Bonds, Casa Colina, Inc., Series 2001, 6.000%, 4/01/22	4/12 at 100
500	California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
6,000	California Statewide Community Development Authority, Revenue Refunding Bonds, Sherman Oaks Project, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured	No Opt. C
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

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HOUSING/MULTIFAMILY - 7.1%

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
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

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)  
 Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	HOUSING/MULTIFAMILY (continued)	
\$ 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 - 2.5%	
5,260	California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax)	6/11 at 102
-----		
	LONG-TERM CARE - 0.7%	
1,550	California Health Facilities Financing Authority, Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22	1/13 at 100
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	TAX OBLIGATION/GENERAL - 29.9%	
5,000	State of California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/12	No Opt. C
7,225	State of California, General Obligation Veterans Welfare Bonds, Series 2001BV, 5.600%, 12/01/32 - FSA Insured	6/06 at 101
3,000	State of California, General Obligation Bonds, Series 2003: 5.250%, 2/01/20	8/13 at 100
1,400	5.250%, 2/01/21	8/13 at 100
1,400	5.000%, 2/01/21	8/13 at 100
3,615	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 - FGIC Insured	8/12 at 102
	Contra Costa County Community College District, California, General Obligation Bonds, Series 2002:	
3,005	5.000%, 8/01/21 - FGIC Insured	8/12 at 100
3,300	5.000%, 8/01/22 - FGIC Insured	8/12 at 100
8,330	Los Angeles Unified School District, California, General Obligation Bonds, Election of 1997, Series 2000D, 5.375%, 7/01/25 - FGIC Insured	7/10 at 100
10,840	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

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1,250	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 - FSA Insured	7/13 at 100
4,050	Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 - FGIC Insured	5/11 at 101
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

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TAX OBLIGATION/LIMITED - 42.7%

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
4,000	Daly City Housing Development Financing 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
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
1,320	Lincoln Community Facilities District No. 2003-1, California, Special Tax Bonds, Series A, Lincoln Crossing Project, 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

TAX OBLIGATION/LIMITED (continued)

\$	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
	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 (WI, settling 9/11/03)	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 (WI, settling 9/11/03)	9/13 at 100
		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 (WI, settling 9/16/03)	9/13 at 103
	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 - 10.8%

	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
	3,840	Sacramento-Yolo Port District, Sacramento and Yolo Counties,	7/08 at 101



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	California, Port Facilities Improvement and Revenue Refunding Bonds, Series 2001, 5.125%, 7/01/14		
2,000	San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series, Issue 28A, 5.250%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured		5/12 at 100
	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, 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	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 29B, 5.125%, 5/01/17 - FGIC Insured		5/13 at 100

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UTILITIES - 6.9%

3,000	California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Pacific Gas and Electric Company, Series 1996A Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured		4/11 at 102
6,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18		5/12 at 101
1,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 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
1,000	Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2002, 6.500%, 9/01/34		9/05 at 103

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Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continue)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	-----	
	WATER AND SEWER - 12.0%	
\$ 2,740	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002Z, 5.000%, 12/01/18 - FGIC Insured	12/12 at 100
4,900	East Bay Municipal Utility District, Alameda and Contra	6/11 at 100

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Costa Counties, California, Water System Subordinated  
Revenue Bonds, Series 2001, 5.000%, 6/01/26 -  
MBIA Insured

6,885	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 - MBIA Insured	8/12 at 100
10,000	San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 - MBIA Insured	4/13 at 100
-----		
\$ 309,812	Total Long-Term Investments (cost \$311,202,914) - 148.4%	
=====		
	Other Assets Less Liabilities - 4.1%	
-----		
	Preferred Shares, at Liquidation Value - (52.5)%	
-----		
	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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): 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 August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	CONSUMER STAPLES - 4.9%	
\$ 11,240	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Merced County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	6/12 at 100
6,100	Golden State Tobacco Securitization Corporation, California,	6/13 at 100

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Tobacco Settlement Asset-Backed Bonds, Series 2003A-1,  
6.250%, 6/01/33

4,200	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Senior Series 2001A, 5.500%, 6/01/36	6/12 at 100
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EDUCATION AND CIVIC ORGANIZATIONS - 9.7%

9,000	California Educational Facilities Authority, Student Loan Revenue Bonds, California Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured	3/08 at 102
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3,600	California State Public Works Board, Lease Revenue Bonds, University of California System, Series 2002A, 5.375%, 10/01/17 - FSA Insured	10/12 at 100
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620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 100
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7,595	San Francisco State University Foundation, Inc., California, Auxiliary Organization Revenue Bonds, Student Housing, Series 2001, 5.000%, 9/01/26 - MBIA Insured	9/11 at 100
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2,990	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.000%, 9/01/23	9/08 at 101
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3,820	University of California, Revenue Bonds, Research Facilities, Series 2001E, 5.000%, 9/01/26 - AMBAC Insured	9/09 at 101
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4,000	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2003A, 5.000%, 5/15/23 (WI, settling 9/09/03) - AMBAC Insured	5/13 at 100
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HEALTHCARE - 12.4%

	California Health Facilities Financing Authority, Revenue Bonds, Casa Colina, Inc., Series 2001:	
4,000	6.000%, 4/01/22	4/12 at 100
2,000	6.125%, 4/01/32	4/12 at 100

9,000	California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
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7,665	California Statewide Community Development Authority, Insured Mortgage Hospital Revenue Bonds, Mission Community Hospital, Series 2001, 5.375%, 11/01/21	11/09 at 102
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6,525	California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/12	No Opt. C
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6,450	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured	6/13 at 100
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1,740	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	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22	6/12 at 101

-----  
HOUSING/MULTIFAMILY - 4.2%

5,250	California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37	8/12 at 105
3,610	San Bernardino County Housing Authority, California, GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41	11/11 at 105
	San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B:	
1,250	5.350%, 2/20/26 (Alternative Minimum Tax)	8/11 at 102
2,880	5.450%, 2/20/43 (Alternative Minimum Tax)	8/11 at 102

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	----- HOUSING/SINGLE FAMILY - 0.9%	
\$ 3,000	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 - 1.5%	
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 - 1.6%	
1,500	California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly, Series 2002A: 5.125%, 3/01/22	3/12 at 101

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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 - 33.2%

8,500	State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/18 (Alternative Minimum Tax)	12/03 at 102
10	State of California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax)	12/06 at 102
9,335	State of California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured	No Opt. C
	State of 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	State of California, Various Purpose General Obligation Bonds, Series 2001, 5.000%, 11/01/30 - MBIA Insured	11/11 at 100
14,300	State of California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured	6/07 at 101
2,050	Centinela Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.250%, 2/01/26 - MBIA Insured	No Opt. C
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 101
	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
6,315	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003F,	7/13 at 100

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	4.750%, 7/01/24 - FGIC Insured	
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
3,000	Puerto Rico Commonwealth, Public Improvement General Obligation Refunding Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured	7/11 at 100
5,000	Riverside Unified School District, Riverside County, California, General Obligation Bonds, Series 2002A, 5.000%, 2/01/27 - FGIC Insured	2/12 at 101
10,810	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured	7/11 at 102

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TAX OBLIGATION/GENERAL (continued)	
\$ 4,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured	7/12 at 101
1,000	Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/24 - FGIC Insured	8/12 at 100
1,630	West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured	8/11 at 101
-----		
	TAX OBLIGATION/LIMITED - 47.3%	
4,000	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2002A, 6.750%, 9/01/25	9/12 at 102
7,135	Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured	11/11 at 100
3,620	Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/20 - AMBAC Insured	12/13 at 100
3,350	California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A, 5.250%, 12/01/17 - AMBAC Insured	12/12 at 100
2,630	California State Public Works Board, Lease Revenue Refunding Bonds, Department of Corrections, Series 2001B,	No Opt. C

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	5.250%, 1/01/12 - AMBAC Insured	
4,510	California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured	12/11 at 102
15,000	California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured	3/12 at 100
1,810	Cerritos Public Financing Authority, California, Tax Allocation Revenue Bonds, Los Cerritos Redevelopment Projects, Series 2002A, 5.000%, 11/01/14 - AMBAC Insured	No Opt. C
1,270	Coalinga Public Financing Authority, California, Local Obligation Senior Lien Revenue Bonds, Series 1998A, 6.000%, 9/15/18 - AMBAC Insured	No Opt. C
2,000	Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.800%, 12/15/25	12/13 at 102
1,000	Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Series 2002, 6.100%, 9/01/22	9/12 at 100
3,000	Lake Elsinore Public Financing Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20	10/13 at 102
5,250	Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District of Mountain House, Series 2002, 6.300%, 9/01/24	9/12 at 101
2,000	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 102
2,200	Lincoln Community Facilities District No. 2003-1, California, Special Tax Bonds, Series A, Lincoln Crossing Project, 6.500%, 9/01/25	9/13 at 102
5,425	Lodi, California, Certificates of Participation, Public Improvement Financing Project, Series 2002, 5.000%, 10/01/26 - MBIA Insured	10/12 at 100
6,075	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
1,000	Monterey County, California, Certificates of Participation, Master Plan Financing, Series 2001, 5.250%, 8/01/15 - MBIA Insured	8/11 at 100
1,000	Norco Community Facilities District 01-1, California, Special Tax Bonds, Series 2002, 6.750%, 9/01/22	9/12 at 102
3,000	Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured	3/13 at 100
4,520	Ontario Redevelopment Financing Authority, California, Lease	8/11 at 101

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Revenue Bonds, Capital Projects, Series 2001,  
5.000%, 8/01/24 - AMBAC Insured

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

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Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
TAX OBLIGATION/LIMITED (continued)		
\$ 11,165	Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 - MBIA Insured	4/12 at 102
5,000	Pomona Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured	2/11 at 100
6,500	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.375%, 7/01/36	7/12 at 100
4,400	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26	No Opt. C
1,735	Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Senior Lien, Series 2003A, 5.750%, 9/15/38 (WI, settling 9/11/03)	9/13 at 100
1,125	Rohnert Park Finance Authority, California, Rancho Feliz Mobile Home Park Revenue Bonds, Subordinate Lien, Series 2003B, 6.625%, 9/15/38 (WI, settling 9/11/03)	9/13 at 100
1,700	Roseville, California, Special Tax Bonds, Community Facilities District 1 - Crocker, Series 2003, 6.000%, 9/01/27	9/09 at 103
14,505	San Diego Redevelopment Agency, California, Subordinate Tax Allocation Bonds, Centre City Redevelopment Project, Series 2001A, 5.000%, 9/01/26 - FSA Insured	9/11 at 101
8,725	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 - AMBAC Insured	7/11 at 100
10,000	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/27 - MBIA Insured	8/10 at 101
2,115	San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Series 2002, 6.300%, 9/01/20	9/07 at 102
1,595	Santa Clara Valley Transportation Authority, California,	6/11 at 100



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

2,810	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 (WI, settling 9/16/03)	9/13 at 103
2,500	Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/26 - MBIA Insured	10/11 at 100

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TRANSPORTATION - 11.3%

11,750	Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/28	1/14 at 101
1,500	Port of Oakland, California, Revenue Refunding Bonds, Series 1997I, 5.600%, 11/01/19 - MBIA Insured	11/07 at 102
1,000	Port of Oakland, California, Revenue Bonds, Series 2002M, 5.250%, 11/01/20 - FGIC Insured	11/12 at 100
3,000	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 26B, 5.000%, 5/01/30 - FGIC Insured	5/10 at 101
3,000	San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series, Issue 28B, 5.250%, 5/01/22 - MBIA Insured	5/12 at 100
	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, 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

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UTILITIES - 12.1%

15,000	California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Pacific Gas and Electric Company, Series 1996A Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured	4/11 at 102
9,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18	5/12 at 101
1,600	Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2002, 6.500%, 9/01/34	9/05 at 103

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	UTILITIES (continued)	
\$ 5,000	Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36	9/13 at 102
2,250	Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 (Alternative Minimum Tax) - AMBAC Insured	8/12 at 100
6,085	Southern California Public Power Authority, Revenue Bonds, Magnolia Power Project, Series 2003-1A, 5.250%, 7/01/16 - AMBAC Insured	7/13 at 100
-----		
	WATER AND SEWER - 16.5%	
6,080	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002Z, 5.000%, 12/01/17 - FGIC Insured	12/12 at 100
8,000	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2003Y: 5.250%, 12/01/13 - FGIC Insured	6/13 at 100
2,270	5.250%, 12/01/16 - FGIC Insured	6/13 at 100
7,000	Carmichael Water District, Sacramento County, California, Water Revenue Certificates of Participation, Series 1999, 5.125%, 9/01/29 - MBIA Insured	9/09 at 102
1,000	Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32	12/11 at 102
2,500	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: 5.000%, 8/01/23 - MBIA Insured	8/12 at 100
8,910	5.000%, 8/01/24 - MBIA Insured	8/12 at 100
3,315	San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A: 5.250%, 10/01/18 - MBIA Insured	4/13 at 100
12,000	5.250%, 10/01/19 - MBIA Insured	4/13 at 100
1,600	Sunnyvale Financing Authority, California, Water and Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured	10/11 at 100
-----		
\$ 513,810	Total Long-Term Investments (cost \$523,832,394) - 155.6%	
=====		
	Other Assets Less Liabilities - 0.9%	
-----		
	Preferred Shares, at Liquidation Value - (56.5)%	
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	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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): 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 August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	CONSUMER STAPLES - 2.4%	
\$ 5,500	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42	6/13 at 100
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 10.8%	
3,070	California Educational Facilities Authority, Revenue Bonds, Claremont University Center, Series 1999B, 5.250%, 3/01/18	3/09 at 101
1,675	California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30	10/12 at 100
9,000	California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured	11/12 at 100
1,000	California Statewide Community Development Authority, Student Housing Revenue Bonds, EAH - Irvine East Campus Apartments LLC Project, Series 2002A, 5.500%, 8/01/22 - ACA Insured	8/12 at 100
9,000	University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.300%, 9/01/30	9/08 at 101

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 HEALTHCARE - 7.2%

5,000	ABAG Finance Authority for Non-Profit Corporations, California, Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26	4/12 at 100
	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A:	
2,500	6.125%, 12/01/30	12/09 at 101
4,600	6.250%, 12/01/34	12/09 at 101
3,700	California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/28	3/13 at 100

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 HOUSING/MULTIFAMILY - 0.9%

1,905	Los Angeles, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Park Plaza West Senior Apartments Project, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax)	7/11 at 102
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 HOUSING/SINGLE FAMILY - 2.5%

5,655	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1998E, 5.250%, 2/01/33 (Alternative Minimum Tax) - AMBAC Insured	2/09 at 101
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 LONG-TERM CARE - 1.3%

3,000	ABAG Finance Authority for Nonprofit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22	11/12 at 100
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 TAX OBLIGATION/GENERAL - 36.7%

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	State of California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 - MBIA Insured	2/12 at 100
4,300	State of California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21	8/13 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
1,500	Centinela Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.250%, 2/01/26 - MBIA Insured	No Opt. C

2,415	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 AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C 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
1,135	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Election of 2001, Series 2002B: 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
4,700	Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 - FSA 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

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2,980	Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 - FGIC Insured	8/11 at 101
2,460	Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 - FSA Insured	8/11 at 101
10,000	Vista Unified School District, San Diego County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured	8/12 at 100

-----  
TAX OBLIGATION/LIMITED - 39.8%

6,895	Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured	8/11 at 101
2,290	Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/19 - AMBAC Insured	12/13 at 100
7,035	Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 (WI, settling 9/10/03) - MBIA Insured	9/13 at 100
3,145	Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 - MBIA Insured	5/11 at 101
1,020	Desert Sands Unified School District, Riverside County, California, Refunding Certificates of Participation, Series 2002, 5.000%, 3/01/20 - MBIA Insured	3/12 at 101
8,720	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
6,615	Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured	No Opt. C
1,400	Irvine Assessment District, California, Limited Obligation Improvement Bonds, Assessment District 00-18, Group 3, Series 2003, 5.550%, 9/02/26	3/04 at 103
3,500	La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Project Area 1, Series 2001, 5.100%, 9/01/31 - AMBAC Insured	9/11 at 102

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AMOUNT (000)	DESCRIPTION(1)	PROVISIO
TAX OBLIGATION/LIMITED (continued)		
\$ 3,400	La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Project Area 1, Series 2002, 5.000%, 9/01/22 - AMBAC Insured	9/12 at 102
1,460	City of Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	6/13 at 100
7,000	Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.200%, 4/01/27 - AMBAC Insured	4/12 at 100
4,690	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Lien, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured	7/08 at 101
8,470	Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.200%, 8/01/29 - AMBAC Insured	8/11 at 101
5,000	Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 - MBIA Insured	4/12 at 102
4,475	Riverside County, California, Asset Leasing Corporate Leasehold Revenue Bonds, Riverside County Hospital Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured	6/12 at 101
3,175	San Buenaventura Public Facilities Financing Authority, California, Certificates of Participation, Series 2001C, 5.250%, 2/01/31 - AMBAC Insured	2/11 at 101
3,730	San Diego Redevelopment Agency, California, Subordinate Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26	9/09 at 101
4,000	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 - MBIA Insured	9/11 at 100
2,160	Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project 1, Series 2002, 5.125%, 8/01/27 - MBIA Insured	8/08 at 102
TRANSPORTATION - 6.5%		
5,000	California Infrastructure and Economic Development Bank, Revenue Bonds, Bay Area Toll Bridges, First Lien, Series 2003A, 5.000%, 7/01/36 - AMBAC Insured	7/13 at 100
7,500	Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/29	1/14 at 101

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San Francisco City and County Airports Commission, California,  
Revenue Bonds, San Francisco International Airport, Second  
Series, 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

-----  
UTILITIES - 21.6%

9,000	Anaheim Public Financing Authority, California, Electric System Distribution Facilities Revenue Bonds, Series 2002A, 5.000%, 10/01/27 - FSA Insured	10/12 at 100
10,000	California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Pacific Gas and Electric Company, Series 1996A Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured	4/11 at 102
6,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18	5/12 at 101
3,000	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
5,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/30 - MBIA Insured	7/13 at 100
6,000	Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured	7/08 at 101
3,000	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured	8/11 at 100
5,630	Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured	7/12 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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WATER AND SEWER - 18.3%

\$ 3,000	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, 5.150%, 12/01/23 - FGIC Insured	12/12 at 100
6,100	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured	6/11 at 100



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9,000	Eastern Municipal Water District, California, Water and Sewer Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 - FGIC Insured	7/11 at 100
4,500	Los Angeles County Sanitation Districts Financing Authority, California, Capital Projects Revenue Bonds, Senior Lien, Series 2003A, 5.000%, 10/01/23 - FSA Insured	10/13 at 100
4,500	Southern California Metropolitan Water District, Water Revenue Bonds, Series 1997A, 5.000%, 7/01/30 - MBIA Insured	1/08 at 101
12,000	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured	8/13 at 100
2,000	Pico Rivera Water Authority, California, Revenue Refunding Bonds, Water System Project, Series 1999A, 5.500%, 5/01/19 - MBIA Insured	No Opt. C

-----  
 \$ 331,365 Total Long-Term Investments (cost \$325,776,796) - 148.0%  
 =====

SHORT-TERM INVESTMENTS - 0.9%

2,100	Stockton, California, Health Facilities Revenue Bonds, Dameron Hospital Association, Variable Rate Demand Obligations, Series 2002A, 0.750%, 12/01/32+	
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 \$ 2,100 Total Short-Term Investments (cost \$2,100,000)  
 =====

Total Investments (cost \$327,876,796) - 148.9%

-----  
 Other Assets Less Liabilities - 4.1%

-----  
 Preferred Shares, at Liquidation Value - (53.0)%

-----  
 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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

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

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX)  
Portfolio of  
INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL CALL PROVISION
-----		
	CONSUMER STAPLES - 2.4%	
\$ 2,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42	6/13 at 100
-----		
	HEALTHCARE - 13.1%	
2,700	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.250%, 12/01/34	12/09 at 101
1,500	California Health Facilities Financing Authority, Revenue Bonds, USCF - Stanford Health Care, 1998 Series A, 5.000%, 11/15/31 - FSA Insured	11/08 at 101
1,235	California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A: 5.000%, 3/01/25	3/13 at 100
1,500	5.000%, 3/01/28	3/13 at 100
1,800	California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
2,000	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital,	6/13 at 100

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Series 2003B, 5.250%, 6/01/23 - FSA Insured

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LONG-TERM CARE - 3.6%		
1,000	ABAG Finance Authority for Nonprofit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22	11/12 at 100
2,000	California Health Facilities Financing Authority, Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.250%, 1/01/26	1/13 at 100

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TAX OBLIGATION/GENERAL - 42.5%		
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
2,250	State of California, General Obligation Bonds, Series 2003, 5.250%, 2/01/33	2/13 at 100
	State of 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
2,000	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
3,000	San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 2000B, 5.125%, 7/01/22 - MBIA Insured	7/10 at 100
3,855	San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2003A, 5.000%, 8/01/28 - FSA Insured	8/12 at 100
905	San Rafael Elementary School District, Marin County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/28 - MBIA Insured	8/12 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	TAX OBLIGATION/LIMITED - 56.3%	
\$ 2,025	Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 - AMBAC Insured	12/13 at 100
4,000	California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured	12/12 at 100
600	Irvine Assessment District, California, Limited Obligation Improvement Bonds, Assessment District 00-18, Group 3, Series 2003, 5.550%, 9/02/26	3/04 at 103
5,540	Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured	9/03 at 103
9,840	City of Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	6/13 at 100
1,770	Los Angeles Unified School District, Los Angeles County, California, Certificates of Participation, Series 2002C, Administration Building Project II, 5.000%, 10/01/27 - AMBAC Insured	10/12 at 100
1,500	Los Osos Community Services Wastewater Assessment District No. 1, California, Improvement Bonds, Series 2002, 5.000%, 9/02/33 - MBIA Insured	9/10 at 103
1,165	Poway, California, Housing Revenue Bonds, Poinsettia Mobile Home Park Project, Series 2003, 5.000%, 5/01/23	5/13 at 102
3,350	Puerto Rico Municipal Finance Agency, General Obligation Bonds, 2002 Series A, 5.250%, 8/01/20 - FSA Insured	8/12 at 100
	San Buenaventura, California, Certificates of Participation, Golf Course Financing Project, Series 2002D:	
3,000	5.000%, 2/01/27 - AMBAC Insured	2/12 at 100
3,300	5.000%, 2/01/32 - AMBAC Insured	2/12 at 100
2,405	San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2003A, 5.000%, 9/01/28 - MBIA Insured	9/11 at 101
1,200	San Diego Redevelopment Agency, California, Subordinate Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26	9/09 at 101
1,220	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 - MBIA Insured	8/10 at 101
2,770	City of San Jose Financing Authority, California, Lease Revenue Bonds, Civic Center Project, Series 2002B Refunding,	6/12 at 100

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5.000%, 6/01/32 - AMBAC Insured

2,390	Solano County, California, Certificates of Participation, Series 2002, 5.250%, 11/01/24 - MBIA Insured	11/12 at 100
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 TRANSPORTATION - 21.9%

5,480	Bay Area Government Association, California, BART SFO Extension Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured	8/12 at 100
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2,000	Foothill-Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35	1/10 at 100
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3,135	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 16B, 5.000%, 5/01/24 - FSA Insured	5/08 at 101
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1,300	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 26B, 5.000%, 5/01/25 - FGIC Insured	5/10 at 101
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6,000	San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 29B, 5.125%, 5/01/19 - FGIC Insured	5/13 at 100
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 UTILITIES - 3.9%

3,055	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/22 - FSA Insured	7/11 at 100
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Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (continued)  
 Portfolio of INVESTMENTS August 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
WATER AND SEWER - 8.6%		
\$ 1,495	Southern California Metropolitan Water District, Water Revenue Bonds, Series 1997A, 5.000%, 7/01/30 - MBIA Insured	1/08 at 101
3,000	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: 5.000%, 8/01/22 - MBIA Insured	8/12 at 100
2,500	5.000%, 8/01/23 - MBIA Insured	8/12 at 100

\$	124,235	Total Long-Term Investments (cost \$125,138,384) - 152.3%
-----		
		Other Assets Less Liabilities - 3.2%
-----		
		Preferred Shares, at Liquidation Value - (55.5)%
-----		
		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 (not covered by the report of independent auditors): 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 (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- N/R Investment is not rated.

See accompanying notes to financial statements.

Statement of  
ASSETS AND LIABILITIES August 31, 2003

	INSURED	INSURED
	CALIFORNIA	CALIFORNIA
	PREMIUM INCOME	PREMIUM INCOME 2
	(NPC)	(NCL)

-----

ASSETS  
Investments, at market value (cost \$143,352,848,

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\$267,897,010, \$120,449,908 and \$509,460,322, respectively)	\$152,791,340	\$283,737,849
Cash	349,460	390,793
Receivables:		
Interest	2,121,224	4,082,793
Investments sold	--	13,083,700
Other assets	10,598	30,864
-----		
Total assets	155,272,622	301,325,999
-----		
LIABILITIES		
Payable for investments purchased	9,684,494	20,891,454
Accrued expenses:		
Management fees	79,806	152,258
Other	79,179	93,354
Preferred share dividends payable	2,160	8,273
-----		
Total liabilities	9,845,639	21,145,339
-----		
Preferred shares, at liquidation value	45,000,000	95,000,000
-----		
Net assets applicable to Common shares	\$100,426,983	\$185,180,660
=====		
Common shares outstanding	6,441,830	12,681,101
=====		
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 15.59	\$ 14.60
=====		
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:		
-----		
Common shares, \$.01 par value per share	\$ 64,418	\$ 126,811
Paid-in surplus	89,139,083	175,681,008
Undistributed (Over-distribution of) net investment income	1,458,167	2,165,243
Accumulated net realized gain (loss) from investments	326,823	(8,633,241)
Net unrealized appreciation (depreciation) of investments	9,438,492	15,840,839
-----		
Net assets applicable to Common shares	\$100,426,983	\$185,180,660
=====		
Authorized shares:		
Common	200,000,000	200,000,000
Preferred	1,000,000	1,000,000
=====		

See accompanying notes to financial statements.

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ASSETS		
Investments, at market value (cost \$311,202,914, \$523,832,394, \$327,876,796 and \$125,138,384, respectively)	\$311,140,260	\$514,723,236
Cash	627,484	5,338,943
Receivables:		
Interest	4,371,552	7,591,997
Investments sold	7,353,735	--
Other assets	22,333	7,737
-----		
Total assets	323,515,364	527,661,913
-----		
LIABILITIES		
Payable for investments purchased	3,629,077	9,568,446
Accrued expenses:		
Management fees	96,612	150,053
Other	55,266	102,540
Preferred share dividends payable	12,052	11,541
-----		
Total liabilities	3,793,007	9,832,580
-----		
Preferred shares, at liquidation value	110,000,000	187,000,000
-----		
Net assets applicable to Common shares	\$209,722,357	\$330,829,333
=====		
Common shares outstanding	14,790,660	24,112,833
=====		
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.18	\$ 13.72
=====		
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:		
-----		
Common shares, \$.01 par value per share	\$ 147,907	\$ 241,128
Paid-in surplus	210,031,314	342,482,133
Undistributed (Over-distribution of) net investment income	1,819,993	1,609,827
Accumulated net realized gain (loss) from investments	(2,214,203)	(4,394,597)
Net unrealized appreciation (depreciation) of investments	(62,654)	(9,109,158)
-----		
Net assets applicable to Common shares	\$209,722,357	\$330,829,333
=====		
Authorized shares:		
Common	Unlimited	Unlimited
Preferred	Unlimited	Unlimited
=====		

See accompanying notes to financial statements.



	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
-----		
INVESTMENT INCOME	\$ 7,615,602	\$14,813,026
-----		
EXPENSES		
Management fees	967,370	1,838,182
Preferred shares - auction fees	112,687	237,896
Preferred shares - dividend disbursing agent fees	10,000	20,000
Shareholders' servicing agent fees and expenses	15,250	23,511
Custodian's fees and expenses	40,483	68,721
Directors'/Trustees' fees and expenses	1,958	3,320
Professional fees	12,842	16,810
Shareholders' reports - printing and mailing expenses	12,917	23,910
Stock exchange listing fees	11,434	16,035
Investor relations expense	9,987	19,389
Portfolio insurance expense	11,139	4,553
Other expenses	14,739	20,081
-----		
Total expenses before custodian fee credit and expense reimbursement	1,220,806	2,292,408
Custodian fee credit	(10,033)	(8,295)
Expense reimbursement	--	--
-----		
Net expenses	1,210,773	2,284,113
-----		
Net investment income	6,404,829	12,528,913
-----		
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS		
Net realized gain (loss) from investments	524,720	(166,188)
Change in net unrealized appreciation (depreciation) of investments	(3,552,084)	(6,281,308)
-----		
Net gain (loss) from investments	(3,027,364)	(6,447,496)
-----		
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(382,478)	(863,570)
From accumulated net realized gains from investments	(42,365)	--
-----		
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(424,843)	(863,570)
-----		
Net increase in net assets applicable to Common shares from operations	\$ 2,952,622	\$ 5,217,847
=====		

See accompanying notes to financial statements.

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	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
-----		
INVESTMENT INCOME	\$16,405,530	\$ 26,085,990
-----		
EXPENSES		
Management fees	2,104,950	3,378,318
Preferred shares - auction fees	258,982	454,477
Preferred shares - dividend disbursing agent fees	20,000	20,000
Shareholders' servicing agent fees and expenses	5,089	6,796
Custodian's fees and expenses	105,464	142,483
Directors'/Trustees' fees and expenses	4,524	6,886
Professional fees	15,996	24,378
Shareholders' reports - printing and mailing expenses	23,555	43,123
Stock exchange listing fees	1,605	2,656
Investor relations expense	32,450	47,308
Portfolio insurance expense	--	--
Other expenses	19,942	23,544
-----		
Total expenses before custodian fee credit and expense reimbursement	2,592,557	4,149,969
Custodian fee credit	(9,293)	(22,782)
Expense reimbursement	(983,334)	(1,597,406)
-----		
Net expenses	1,599,930	2,529,781
-----		
Net investment income	14,805,600	23,556,209
-----		
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS		
Net realized gain (loss) from investments	(1,481,214)	2,071,600
Change in net unrealized appreciation (depreciation) of investments	(7,762,388)	(17,764,997)
-----		
Net gain (loss) from investments	(9,243,602)	(15,693,397)
-----		
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(1,015,700)	(1,834,161)
From accumulated net realized gains from investments	(49,489)	--
-----		
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(1,065,189)	(1,834,161)
-----		
Net increase in net assets applicable to Common shares from operations	\$ 4,496,809	\$ 6,028,651
=====		

\* For the period November 22, 2002 (commencement of operations) through August 31, 2003.

See accompanying notes to financial statements.

Statement of  
CHANGES IN NET ASSETS

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	
	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02
<b>OPERATIONS</b>				
Net investment income	\$ 6,404,829	\$ 6,729,063	\$ 12,528,913	\$ 12,715,913
Net realized gain (loss) from investments	524,720	2,870,032	(166,188)	92,188
Change in net unrealized appreciation (depreciation) of investments	(3,552,084)	(2,620,683)	(6,281,308)	(194,500)
Distributions to Preferred Shareholders:				
From net investment income	(382,478)	(578,229)	(863,570)	(1,211,400)
From accumulated net realized gains from investments	(42,365)	--	--	--
Net increase in net assets applicable to Common shares from operations	2,952,622	6,400,183	5,217,847	11,402,101
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>				
From net investment income	(6,218,425)	(5,538,554)	(11,323,762)	(10,503,800)
From accumulated net realized gains from investments	(490,993)	--	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(6,709,418)	(5,538,554)	(11,323,762)	(10,503,800)
<b>CAPITAL SHARE TRANSACTIONS</b>				
Common shares:				
Net proceeds from sale of shares	--	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	47,136	207,189	416,645	338,600
Preferred shares offering costs	--	--	--	--
Net increase in net assets applicable to Common shares from capital share transactions	47,136	207,189	416,645	338,600
Net increase (decrease) in net assets applicable to Common shares	(3,709,660)	1,068,818	(5,689,270)	1,236,901
Net assets applicable to Common shares at the beginning of period	104,136,643	103,067,825	190,869,930	189,633,000
Net assets applicable to Common shares at the end of period	\$100,426,983	\$104,136,643	\$185,180,660	\$190,869,901
Undistributed (Over-distribution of) net investment income at the end of period	\$ 1,458,167	\$ 1,830,679	\$ 2,165,243	\$ 1,761,500

See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS (continued)

	CALIFORNIA DIVIDEND ADVANTAGE (NAC)		CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	
	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02
<b>OPERATIONS</b>				
Net investment income	\$ 24,749,658	\$ 24,981,916	\$ 14,805,600	\$ 15,663,500
Net realized gain (loss) from investments	1,584,946	3,991,908	(1,481,214)	351,100
Change in net unrealized appreciation (depreciation) of investments	(12,671,586)	(3,853,349)	(7,762,388)	(6,268,100)
<b>Distributions to Preferred Shareholders:</b>				
From net investment income	(1,616,891)	(2,424,510)	(1,015,700)	(1,578,700)
From accumulated net realized gains from investments	--	--	(49,489)	--
<b>Net increase in net assets applicable to Common shares from operations</b>	<b>12,046,127</b>	<b>22,695,965</b>	<b>4,496,809</b>	<b>8,167,800</b>
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>				
From net investment income	(21,948,762)	(20,156,545)	(13,178,729)	(12,867,300)
From accumulated net realized gains from investments	--	--	(430,161)	--
<b>Decrease in net assets applicable to Common shares from distributions to Common shareholders</b>	<b>(21,948,762)</b>	<b>(20,156,545)</b>	<b>(13,608,890)</b>	<b>(12,867,300)</b>
<b>CAPITAL SHARE TRANSACTIONS</b>				
<b>Common shares:</b>				
Net proceeds from sale of shares	--	--	(1,664)	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	84,644	--	73,400
Preferred shares offering costs	--	--	21,719	--
<b>Net increase in net assets applicable to Common shares from capital share transactions</b>	<b>--</b>	<b>84,644</b>	<b>20,055</b>	<b>73,400</b>
<b>Net increase (decrease) in net assets applicable to Common shares</b>	<b>(9,902,635)</b>	<b>2,624,064</b>	<b>(9,092,026)</b>	<b>(4,626,000)</b>
<b>Net assets applicable to</b>				

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Common shares at the beginning of period	356,821,134	354,197,070	218,814,383	223,440,3
-----				
Net assets applicable to Common shares at the end of period	\$346,918,499	\$356,821,134	\$209,722,357	\$218,814,3
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 4,145,773	\$ 2,840,186	\$ 1,819,993	\$ 1,221,0
=====				

See accompanying notes to financial statements.

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	INSURED DIVIDEND A
	-----
	YEAR ENDED 8/31/03
	-----
OPERATIONS	
Net investment income	\$ 15,106,899
Net realized gain (loss) from investments	2,233,096
Change in net unrealized appreciation (depreciation) of investments	(9,779,462)
Distributions to Preferred Shareholders:	
From net investment income	(1,085,060)
From accumulated net realized gains from investments	(87,519)
-----	
Net increase in net assets applicable to Common shares from operations	6,387,954
-----	
DISTRIBUTIONS TO COMMON SHAREHOLDERS	
From net investment income	(13,916,900)
From accumulated net realized gains from investments	(784,735)
-----	
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(14,701,635)
-----	
CAPITAL SHARE TRANSACTIONS	
Common shares:	
Net proceeds from sale of shares	9,614
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--
Preferred shares offering costs	(7,636)

Net increase in net assets applicable to Common shares from capital share transactions	1,978
Net increase (decrease) in net assets applicable to Common shares	(8,311,703)
Net assets applicable to Common shares at the beginning of period	231,062,211
Net assets applicable to Common shares at the end of period	\$222,750,508
Undistributed (Over-distribution of) net investment income at the end of period	\$ 236,194

See accompanying notes to financial statements.

Notes to  
FINANCIAL STATEMENTS

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

Each Fund seeks to provide current income exempt from both regular federal and

California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within the state of California.

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

#### Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, 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 August 31, 2003, Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL), California Premium Income (NCU), California Dividend Advantage (NAC), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH) and Insured California Dividend Advantage (NKL) had outstanding when-issued and delayed delivery purchase commitments of \$9,684,494, \$20,891,454, \$1,574,025, \$9,236,901, \$3,629,077, \$9,568,446, and \$6,897,184, respectively. There were no such outstanding purchase commitments in Insured California Tax-Free Advantage (NKX).

#### Investment Income

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

#### Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable

interest from municipal securities, which is exempt from regular federal and California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended August 31, 2003, have been designated Exempt Interest Dividends.

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 CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CA A
Number of shares:				
Series M	--	--	1,720	
Series T	1,800	1,900	--	
Series TH	--	1,900	--	
Series F	--	--	--	
Total	1,800	3,800	1,720	

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)	CA A
Number of shares:				
Series M	2,200	3,740	--	
Series T	--	--	2,360	
Series TH	--	3,740	--	
Series F	2,200	--	2,360	



Total	4,400	7,480	4,720
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Effective January 17, 2003, Insured California Tax-Free Advantage (NKX) issued 1,800 Series TH, \$25,000 stated value Preferred shares.

Notes to  
FINANCIAL STATEMENTS (continued)

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 fiscal year ended August 31, 2003.

Custodian Fee Credit

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

Offering Costs

Nuveen Investments, LLC has agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share for California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX). California Dividend Advantage 3's (NZH), Insured California Dividend Advantage's (NKL) and Insured California Tax-Free Advantage's (NKX) share of Common share offering costs (\$551,264, \$447,886 and \$176,250, respectively) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) in connection with their offering of Preferred shares (\$2,137,378, \$1,370,824 and \$1,044,953, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

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

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)		CALIFORNIA PREMIUM INCOME
	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02	YEAR ENDED 8/31/03	YEAR ENDED 8/31/02	YEAR ENDED 8/31/03
-----					
Common shares:					
Shares sold	--	--	--	--	--
Shares issued to shareholders due to reinvestment of distributions	2,919	13,079	27,169	22,774	--
	2,919	13,079	27,169	22,774	--
=====					
Preferred shares sold	--	--	--	--	--

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

	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)		INSU CALIFORNIA ADVANTAG
	YEAR ENDED 8/31/03	FOR THE PERIOD 3/27/02 (COMMENCEMENT OF OPERATIONS) THROUGH 8/31/02	PERIO (CO OF
Common shares:			
Shares sold	--	15,250,000	
Shares issued to shareholders due to reinvestment of distributions	--	2,759	
	--	15,252,759	
Preferred shares sold	--	4,720	

Notes to  
FINANCIAL STATEMENTS (continued)

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Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended August 31, 2003, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
Purchases	\$45,146,980	\$67,879,363	\$31,185,950
Sales and maturities	37,137,174	61,374,564	29,676,129

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
Purchases	\$133,727,841	\$271,458,501	\$246,398,251
Sales and maturities	128,490,031	252,516,190	257,393,182

\* For the period November 22, 2002 (commencement of operations) through August 31, 2003.

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 August 31, 2003, the cost of investments were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
Cost of investments	\$143,098,832	\$267,710,329	\$120,406,029

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
Cost of investments	\$311,183,341	\$523,827,527	\$327,983,022

Gross unrealized appreciation and gross unrealized depreciation of investments at August 31, 2003, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
Gross unrealized:			
Appreciation	\$9,807,588	\$16,223,814	\$ 3,583,789
Depreciation	(115,080)	(196,294)	(2,717,936)
Net unrealized appreciation (depreciation) of investments	\$9,692,508	\$16,027,520	\$ 865,853

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
Gross unrealized:			
Appreciation	\$ 5,112,566	\$ 2,173,027	\$ 5,396,639
Depreciation	(5,155,647)	(11,277,318)	(1,627,067)
Net unrealized appreciation (depreciation) of investments	\$ (43,081)	\$ (9,104,291)	\$ 3,769,572

The tax components of undistributed net investment income and net realized gains at August 31, 2003, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (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	CALIFORNIA	INSURED CALIFORNIA
--	------------	------------	-----------------------

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	DIVIDEND ADVANTAGE 2 (NVX)	DIVIDEND ADVANTAGE 3 (NZH)	DIVIDEND ADVANTAGE (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.

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Notes to  
FINANCIAL STATEMENTS (continued)

The tax character of distributions paid during the fiscal years ended August 31, 2003 and August 31, 2002, was designated for purposes of the dividends paid deduction as follows:

2003	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
Distributions from net tax-exempt income	\$6,123,025	\$12,130,717	\$5,376,229
Distributions from net ordinary income *	459,740	--	40,993
Distributions from net long-term capital gains	533,358	--	--

2003	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
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	--	--

2002	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
Distributions from net tax-exempt income	\$6,096,991	\$11,644,088	\$5,280,680
Distributions from net ordinary income *	--	--	--
Distributions from net long-term capital gains	--	--	--

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
2002		
Distributions from net tax-exempt income	\$14,436,589	\$17,562,240
Distributions from net ordinary income *	--	--
Distributions from net long-term capital gains	--	--

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

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At August 31, 2003, 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 CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	CA A
Expiration year:					
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 have 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 are treated as having arisen in the following fiscal year:

	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CA ADV

## 5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

Under California Dividend Advantage's (NAC), California Dividend Advantage 2's (NVX), California Dividend Advantage 3's (NZH), Insured California Dividend Advantage's (NKL) and Insured California Tax-Free Advantage (NKX) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

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.



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

\* From the commencement of operations.

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

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

YEAR ENDING SEPTEMBER 30,		YEAR ENDING 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 MARCH 31,		YEAR ENDING 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 NOVEMBER 30,		YEAR ENDING 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.

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 October 1, 2003, to shareholders of record on September 15, 2003, as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)
--	---	---	--

Dividend per share	\$ .0760	\$ .0760	\$ .0730
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	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
--	--	--	---

Dividend per share	\$ .0760	\$ .0720	\$ .0760
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Financial  
HIGHLIGHTS

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Financial  
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

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

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INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

Year Ended 8/31:

2003	\$16.17	\$ .99	\$ (.45)	\$ (.06)	\$ (.01)	\$
2002	16.04	1.05	.03	(.09)	--	1
2001	15.08	1.04	.99	(.21)	--	1
2000	14.81	1.09	.30	(.24)	--	1
1999	16.31	1.09	(1.56)	(.20)	--	(

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

2003	15.08	.99	(.51)	(.07)	--	
2002	15.01	1.02	(.02)	(.10)	--	
2001	14.09	1.01	.91	(.22)	--	1
2000	13.70	1.02	.41	(.24)	--	1
1999	14.82	1.01	(1.14)	(.21)	--	(

CALIFORNIA PREMIUM  
INCOME (NCU)

Year Ended 8/31:

2003	14.42	.96	(.78)	(.07)	--	
2002	14.22	.99	.13	(.10)	--	1
2001	13.34	1.00	.90	(.23)	--	1
2000	13.19	1.03	.14	(.23)	--	
1999	14.30	1.00	(1.13)	(.21)	--	(

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

INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

Year Ended 8/31:

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:

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:					
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	
	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++

INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

Year Ended 8/31:				
2003	\$100,427	1.17%	6.13%	1.16%
2002	104,137	1.21	6.65	1.19
2001	103,068	1.22	6.77	1.21
2000	96,903	1.25	7.65	1.24
1999	95,091	1.22	6.81	1.22

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:				
2003	185,181	1.20	6.53	1.19
2002	190,870	1.23	6.83	1.22
2001	189,633	1.24	7.01	1.24
2000	177,977	1.28	7.65	1.26
1999	172,833	1.24	6.86	1.24

CALIFORNIA PREMIUM  
INCOME (NCU)

Year Ended 8/31:				
2003	78,859	1.24	6.72	1.24
2002	83,249	1.27	7.07	1.26
2001	82,067	1.32	7.36	1.30
2000	76,878	1.38	8.09	1.36
1999	75,877	1.30	7.08	1.30

Preferred Shares at End of Period

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

INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

Year Ended 8/31:			
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:			
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:			
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

- \* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common Share net asset value per share. Total returns are not annualized.
- \*\* After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

See accompanying notes to financial statements.

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Financial HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

Investment Operations

	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Investment Gain (Loss)	Distributions from Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+	To
CALIFORNIA DIVIDEND ADVANTAGE (NAC)						
Year Ended 8/31:						
2003	\$15.24	\$1.06	\$ (.47)	\$ (.07)	\$ --	\$
2002	15.13	1.07	--	(.10)	--	
2001	13.82	1.07	1.28	(.23)	--	2
2000	13.33	1.07	.52	(.26)	--	1
1999 (a)	14.33	.20	(.92)	(.03)	--	(
CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)						
Year Ended 8/31:						
2003	14.79	1.00	(.62)	(.07)	--	
2002	15.11	1.06	(.40)	(.11)	--	
2001 (b)	14.33	.34	.90	(.05)	--	1
CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)						
Year Ended 8/31:						
2003	14.33	.98	(.66)	(.08)	--	
2002 (c)	14.33	.83	.09	(.08)	--	
INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)						
Year Ended 8/31:						
2003	15.14	.99	(.49)	(.07)	(.01)	
2002 (d)	14.33	.34	.92	(.03)	--	1
INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)						
Year Ended 8/31:						
2003 (e)	14.33	.64	(.33)	(.04)	--	

	Offering Costs and Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Total Returns Based on Market Value**	Based on Common Share Net Asset Value**
CALIFORNIA DIVIDEND					

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ADVANTAGE (NAC)

Year Ended 8/31:					
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:					
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:					
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)

Year Ended 8/31:					
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:					
2003 (e)	(.21)	13.79	13.5600	(5.79)	.34

Ratios/Supplemental Data

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

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

Year Ended 8/31:					
2003	\$346,918	1.15%	6.44%	.70%	6
2002	356,821	1.18	6.76	.72	7
2001	354,197	1.19	7.03	.72	7
2000	323,326	1.24	7.93	.75	8
1999 (a)	311,367	.93*	5.06*	.55*	5



CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

Year Ended 8/31:

2003	209,722	1.18	6.30	.73	6
2002	218,814	1.19	6.82	.73	7
2001 (b)	223,440	1.05*	5.23*	.62*	5

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

Year Ended 8/31:

2003	330,829	1.20	6.33	.73	6
2002 (c)	345,470	1.15*	6.01*	.69*	6

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

Year Ended 8/31:

2003	222,751	1.18	6.00	.72	6
2002 (d)	231,062	1.10*	4.98*	.60*	5

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKX)

Year Ended 8/31:

2003 (e)	81,141	1.14*	5.25*	.67*	5
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Preferred Shares at End of Period

Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
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CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

Year Ended 8/31:

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:

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:

2003	187,000	25,000	69,229
------	---------	--------	--------

2002 (c)	187,000	25,000	71,186
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INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

-----			
Year Ended 8/31:			
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:			
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, reinvested capital gains distributions, if any, and changes in Common Share net asset value per share. Total returns are not annualized.
- \*\*\* After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) For the period May 26, 1999 (commencement of operations) through August 31, 1999.
- (b) For the period March 27, 2001 (commencement of operations) through August 31, 2001.
- (c) For the period September 25, 2001 (commencement of operations) through August 31, 2002.
- (d) For the period March 27, 2002 (commencement of operations) through August 31, 2002.
- (e) For the period November 22, 2002 (commencement of operations) through August 31, 2003.

See accompanying notes to financial statements.

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Directors/Trustees  
AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Directors/ Trustees of the Funds. The number of directors/trustees of the Funds is currently set at eight. None of the directors/trustees who are not "interested" persons of the Funds has ever been a director/trustee or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the directors/trustees and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(2)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
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DIRECTOR/TRUSTEE WHO IS AN INTERESTED PERSON OF THE FUNDS:

Timothy R. Schwertfeger (1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Director/Trustee	1994	Chairman and Director (since 1992) of Nuveen Investments, Inc. and Nuveen Investment Management, Inc. Director (since 1992) and Chairman of Nuveen Advisory Corp. and Nuveen Asset Management, Inc. Chairman and Director of Nuveen Asset Management, Inc. of Institutional Capital Corporation. Director (since 1999) of Rittenberg & Company, Inc.; Chairman of Nuveen Investments, Inc. (since 2002).
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DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

William E. Bennett 10/16/46 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	2001	Private Investor; previously, President and Executive Officer, Draper & Kramer, a company that handles mortgage banking, development, pension advisory and asset management (1995-1998). Prior to 1995, Vice President and Chief Credit Officer, First Chicago Corporation and its subsidiary, The First National Bank of Chicago.
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Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Private Investor and Management Consultant
--	------------------	------	--

Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1993	Retired (since 1989) as Senior Vice President, Northern Trust Company; Director of Highland Park-Highwood (since 2002).
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Anne E. Impellizzeri 1/26/33 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1994	Retired, formerly, Executive Director of Manitoga/The Russel Wright Foundation; thereto, President and Chief Executive Officer, Blanton-Peale Institute (since 1994); Vice President, Metropolitan Life Insurance Company.
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Peter R. Sawers 4/3/33 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1991	Adjunct Professor of Business Administration, University of Dubuque, Iowa; formerly, Adjunct Professor, Lake Forest University; Management, Lake Forest, Illinois; Executive Director, Towers Perrin, a management consulting firm; Chairman, Analyst; Certified Management Consultant; Director, Executive Service Corporation, a not-for-profit organization.
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William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Senior Partner and Chief Operat Miller-Valentine Group, Vice Pr Miller-Valentine Realty, a cons Chair, MiamiValley Hospital; Ch Coalition; formerly, Member, Co National City Bank, Dayton, Ohi Council, Cleveland Federal Rese
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Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Executive Director, Gaylord and Foundation (since 1994); prior Director, Great Lakes Protectio to 1994).
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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS:

Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 2002), and Associate General Counsel, and Assistant General Counsel o LLC; Managing Director (since 2 and Assistant Secretary, former Nuveen Advisory Corp. and Nuvee Corp.; Managing Director (since Secretary and Associate General President (since 2000), of Nuve Assistant Secretary of Nuveen I 1994); Assistant Secretary of N Company, LLC (since 2002); Vice Assistant Secretary of Nuveen I (since 2002); Managing Director Counsel and Assistant Secretary Management, Inc. (since May 200 Financial Analyst.
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Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	Vice President (since 2002), fo Vice President (since 2000), pr Nuveen Investments, LLC.
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Paul L. Brennan 11/10/66 333 W. Wacker Drive Chicago, IL 60606	Vice President	1999	Vice President (since 2002), fo Vice President (since 1997), of prior thereto, portfolio manage Inc.; Chartered Financial Analy Public Accountant.
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Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	1999	Vice President of Nuveen Invest 1999), prior thereto, Assistant 1997); Vice President and Treas Investments, Inc. (since 1999); Treasurer of Nuveen Advisory Co Institutional Advisory Corp. (s President and Treasurer of Nuve Inc. (since 2002) and of Nuveen Inc. (since 2002); Assistant Tr Management Company, LLC (since Financial Analyst.
Susan M. DeSanto 9/8/54 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Vice President of Nuveen Adviso previously, Vice President of V Advisory Corp. (since 1998); Vi Institutional Advisory Corp. (s thereto, Assistant Vice Preside Investment Advisory Corp. (sinc
Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2000	Vice President (since 2002) and Counsel (since 1998); formerly, President (since 1998) of Nuvee Vice President (since 2002) and (since 1998), formerly Assistan Nuveen Advisory Corp. and Nuvee Advisory Corp.

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Directors/Trustees  
AND OFFICERS (continued)

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
OFFICERS OF THE FUNDS (CONTINUED):			
Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	Vice President of Nuveen Invest President (since 1998) of Nuvee Nuveen Institutional Advisory C
William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606	Vice President	1995	Managing Director (since 2002) LLC; Managing Director (since 2 President of Nuveen Advisory Co Institutional Advisory Corp. (s Director of Nuveen Asset Manage Vice President of Nuveen Invest

(since 2002); Chartered Financial

Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	Vice President (since 1993) and (since 1998) of Nuveen Investme President and Funds Controller Investments, Inc.; Certified Pu
J. Thomas Futrell 7/5/55 333 W. Wacker Drive Chicago, IL 60606	Vice President	1988	Vice President of Nuveen Adviso Financial Analyst.
Richard A. Huber 3/26/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	1997	Vice President of Nuveen Instit (since 1998) and Nuveen Advisor prior thereto, Vice President a Flagship Financial, Inc.
Steven J. Krupa 8/21/57 333 W. Wacker Drive Chicago, IL 60606	Vice President	1990	Vice President of Nuveen Adviso
David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	Vice President (since 2000) of LLC, previously Assistant Vice 1999); prior thereto, Associate LLC; Certified Public Accountan
Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since 1999), pr Vice President (since 1993) of
Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	Vice President, Assistant Secre General Counsel of Nuveen Inves President and Assistant Secreta Corp. and Nuveen Institutional Assistant Secretary of Nuveen I and (since 1997) Nuveen Asset M Vice President (since 2000), As and Assistant General Counsel (R Rittenhouse Asset Management, I and Assistant Secretary of Nuve Advisers Inc. (since 2002); Ass of NWQ Investment Management Co (since 2002).

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS (CONTINUED):  
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John V. Miller 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	2003	Vice President (since 2003), pr Vice President (since 1999), pr analyst (since 1996) of Nuveen Chartered Financial Analyst.
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Edward F. Neild, IV 7/7/65 333 W. Wacker Drive Chicago, IL 60606	Vice President	1996	Managing Director (since 2002) LLC; Managing Director (since 1 President (since 1996) of Nuvee Nuveen Institutional Advisory C Director of Nuveen Asset Manage 1999). Chartered Financial Anal
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Thomas J. O'Shaughnessy 9/4/60 333 W. Wacker Drive Chicago, IL 60606	Vice President	1999	Vice President (since 2002), fo Vice President (since 1998), of prior thereto, portfolio manage
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Thomas C. Spalding 7/31/51 333 W. Wacker Drive Chicago, IL 60606	Vice President	1982	Vice President of Nuveen Adviso Institutional Advisory Corp.; C Analyst.
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- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and trustee of the Adviser.
- (2) Directors/Trustees serve a one-year term until his/her successor is elected. The year first elected or appointed represents the year in which the Directors/Trustees was first elected or appointed to any fund in the Nuveen Complex.
- (3) Officers serve a one-year term through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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.



INFORMATION

BOARD OF DIRECTORS/TRUSTEES

William E. Bennett  
Robert P. Bremner  
Lawrence H. Brown  
Anne E. Impellizzeri  
Peter R. Sawers  
William J. Schneider  
Timothy R. Schwertfeger  
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.  
333 West Wacker Drive  
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust  
Boston, MA

TRANSFER AGENT AND  
SHAREHOLDER SERVICES

State Street Bank & Trust  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP  
Chicago, IL

INDEPENDENT AUDITORS

Ernst & Young LLP  
Chicago, IL

POLICY CHANGE

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

GLOSSARY OF TERMS USED IN THIS REPORT

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

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

**Leverage-Adjusted Duration:** Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

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

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

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

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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 fiscal year ended August 31, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors  
FOR GENERATIONS

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

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

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.

Distributed by

NUVEEN INVESTMENTS, LLC | 333 West Wacker Drive | Chicago, Illinois 60606  
| [www.nuveen.com](http://www.nuveen.com)

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The registrant has posted such code of ethics on its website at [www.nuveen.com/etf](http://www.nuveen.com/etf).

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's board of directors has determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its audit committee. The registrant's audit committee financial expert is William E. Bennett, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Bennett was formerly Executive Vice President and Chief Credit Officer for First Chicago Corp./First National Bank. As part of his role as Chief Credit Officer, Mr. Bennett set policy as to accrual of assets/loans; designated performing/non-performing assets; set the level of reserves against the credit portfolio and determined the carrying value of credit related assets and exposure. Among other things, Mr. Bennett was also responsible for the oversight of the internal analysis function including setting ground rules for the review and preparation of financial analysis and financial statements for use in making credit and risk decisions for clients. Mr. Bennett has significant experience reviewing, analyzing and evaluating financial statements of domestic and international companies in a variety of industries with complex accounting issues.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

ITEM 6. [RESERVED]

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, Nuveen Advisory Corp. (the "Adviser") would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

ITEM 8. [RESERVED]

ITEM 9. 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 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 10. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because posted on registrant's website at [www.nuveen.com/etf](http://www.nuveen.com/etf)

(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 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(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 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

-----  
Jessica R. Droeger  
Vice President and Secretary

Date: November 7, 2003  
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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

-----  
Gifford R. Zimmerman  
Chief Administrative Officer  
(Principal Executive Officer)

Date: November 7, 2003  
-----

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

-----  
Stephen D. Foy  
Vice President and Controller  
(Principal Financial Officer)

Date: November 7, 2003  
-----

\* Print the name and title of each signing officer under his or her signature.