

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
January 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(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

Date of fiscal year end: October 31, 2003

Date of reporting period: October 31, 2003

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2003

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN PERFORMANCE PLUS MUNICIPAL FUND
NPP

NUVEEN MUNICIPAL ADVANTAGE FUND
NMA

NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND
NMO

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND
NAD

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NXZ

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZF

Photo of: Man holding up child in his arms.
Photo of: 2 woman and 2 girls looking at seashells.

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

Logo: NUVEEN Investments

FASTER INFORMATION
RECEIVE YOUR
NUVEEN FUND REPORT
ELECTRONICALLY

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

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

SOME COMMON CONCERNS:

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

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

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

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

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

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

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger
Chairman of the Board

Sidebar text: WE THINK YOUR NUVEEN FUND CAN BE AN IMPORTANT BUILDING BLOCK IN A PORTFOLIO DESIGNED TO PERFORM WELL THROUGH A VARIETY OF MARKET CONDITIONS.

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Dear
SHAREHOLDER

I am very pleased to report that for the year ended October 31, 2003, your Nuveen Fund continued to provide you with attractive monthly tax-free income.

Your Nuveen Fund is managed with a value investing strategy that puts an emphasis on finding securities that we think are undervalued or underrated. We believe that there are always some municipal bonds that the market is not properly valuing, and that by using a consistent, research-oriented management approach we have the opportunity to find them for your Fund.

In this low-rate environment, many have begun to wonder whether interest rates will soon start to rise, and whether that possibility should cause them to adjust their holdings of fixed-income investments. We believe that by constructing a carefully balanced portfolio with the help of a trusted investment professional you may be able to reduce your overall investment risk and give yourself a better chance to meet your financial goals. We think that municipal bond investments like your Nuveen Fund can be important building blocks in a portfolio designed to perform well through a variety of market conditions.

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

December 15, 2003

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Nuveen National Municipal Closed-End Exchange-Traded Funds
(NPP, NMA, NMO, NAD, NXZ, NZF)

Portfolio Manager's
COMMENTS

Portfolio manager Tom Spalding discusses U.S. economic and market conditions, key investment strategies, and the annual performance of these national Funds. With 27 years of investment experience at Nuveen, Tom has managed NXZ since its inception in 2001, adding NPP, NMA, NMO, NAD, and NZF in January 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH PERIOD ENDED OCTOBER 31, 2003?

Over the 12-month reporting period the two greatest influences on the general economy continued to be historically low interest rates and the overall pace of

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economic improvement. In June 2003, the Federal Reserve reduced the fed funds rate to 1.0%, the lowest level since 1958. The Fed's accommodative monetary policy coupled with Washington's tax relief measures and increased spending for defense helped to fuel an 8.2% year-over-year jump in the third-quarter Gross Domestic Product (GDP), up from 3.3% in the second quarter. At the same time, inflation remained under control throughout the period.

In the municipal market, the slower rate of economic recovery over the majority of this reporting period, low interest rates, and lack of inflationary pressures helped many municipal bonds perform well. During the summer of 2003, however, 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, including the municipal market, for the 12-month period ended October 31, 2003.

During the first 10 months of 2003, municipal supply nationally remained robust, with \$319.9 billion in new bonds, up 8% over the same period in 2002.

HOW DID THESE NUVEEN 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 TOTAL RETURN1 | LIPPER AVERAGE2 |
|-----|--------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 10/31/03 | TAXABLE- EQUIVALENT3 | 1 YEAR ENDED 10/31/03 | 1 YEAR ENDED 10/31/03 | 1 YEAR ENDED 10/31/03 |
| NPP | 6.64% | 9.22% | 6.97% | 5.11% | 8.08% |
| NMA | 6.68% | 9.28% | 8.71% | 5.11% | 8.08% |
| NMO | 6.63% | 9.21% | 10.24% | 5.11% | 8.08% |
| NAD | 6.79% | 9.43% | 8.41% | 5.11% | 8.08% |
| NXZ | 6.95% | 9.65% | 8.67% | 5.11% | 8.08% |
| NZF | 6.87% | 9.54% | 7.82% | 5.11% | 8.08% |

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 October 31, 2003, all six of the Funds in this report outperformed the unleveraged Lehman Brothers Municipal Bond Index. NMA, NMO, NAD and NXZ also outperformed their Lipper peer group average, while NPP and NZF trailed this measure. The use of leverage was one of the factors that influenced the performances of these Funds relative to the Lehman index over the past 12 months. While this

1 The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged, unmanaged index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.

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- 2 The total returns of these Funds are compared with the average annualized return of the 62 funds in the Lipper General Leveraged 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 investment that generates qualified dividend income taxable at a maximum rate of 15%, in order 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%.

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is a strategy that carries price risk and additional volatility, leveraging can provide opportunities for additional income for common shareholders, especially during periods of low short-term interest rates.

In general, the Funds also benefited from their duration⁴ positioning during this period. As of October 31, 2003, the durations of these Funds ranged from 8.94 to 10.22, compared with 8.22 for the Lehman index. These durations were long enough to enable these Funds to benefit as interest rates declined during most of the 12-month reporting period and short enough to offer some protection as interest rates rose in recent months. In general, investments with longer durations would be expected to outperform those with shorter durations during periods of declining interest rates, all other factors being equal.

In addition to leverage and duration, factors such as call exposure, portfolio trading activity, and the price movement of specific sectors and holdings also had an impact on the Funds' relative performances during this period. For example, at the beginning of this reporting period, NPP held a higher concentration of airline-backed bonds than the other five Funds. In recent months, airline bonds started to rebound, recovering much of their value. Because we had already begun to trim NPP's airline allocation to bring it more in line with the other Funds, the Fund did not benefit from the recovery of these bonds to the extent that the others did.

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

With short-term interest rates remaining at historically low levels, the dividend-paying capabilities of all of these Funds benefited from their use of leverage. During the 12 months ended October 31, 2003, continued low short-term rates enabled us to implement three dividend increases in NPP, NAD, and NXZ, two in NMA and NZF, and one in NMO.

Even at these dividend levels, each Fund's common share net investment income during the period exceeded the amount of dividends paid to common shareholders. This excess net investment income, along with any excess net investment income from prior fiscal periods, was held in reserve by the Funds as undistributed net investment income (UNII) and is part of the Funds' net asset value. The Funds, over time, will pay all their net investment income out to common shareholders. However, UNII reserves may help the Funds maintain more stable common share dividend levels over time should the short-term rates the Funds pay on their MuniPreferred shares rise or net common share earnings otherwise decline.

- 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.

3

Despite the increased volatility in the fixed-income markets during the summer of 2003, the Funds' share prices and NAVs finished the period higher than they had been at the beginning. As of October 31, 2003, the discounts to common share NAV for all six Funds were narrower than they had been 12 months earlier.

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

Over this 12-month reporting period, we continued to place strong emphasis on keeping the Funds fully invested and well diversified, improving call protection, and enhancing dividend-paying capabilities. We also continued to focus on managing the Funds' durations as a way of enhancing 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 (since bond prices move in the opposite direction of interest rates). The longer the duration of a Fund's portfolio, the greater its interest rate risk. As a result of our efforts, the durations of all six Funds shortened over the 12 month reporting period.

In line with the steepness of the municipal yield curve, the majority of our purchase activity over the past year focused on value opportunities in the intermediate part of the yield curve (i.e., bonds that mature in 15 to 20 years). In many cases, bonds in this part of the curve offered yields similar to those of longer-term bonds but, in our opinion, had less inherent interest rate risk. In the recent market environment, we have also focused on bonds offering above-market coupons that can help support the Funds' dividends and on issues in the low AA/high A credit quality sectors that can add diversification.

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HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2003?

We believe that, given the current geopolitical and economic climate, maintaining strong credit quality remains a vital requirement. As of October 31, 2003, these Nuveen Funds offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 65% to 83%.

Looking at bond calls, these Funds offer good levels of call protection over the next two years, with potential call exposure ranging from 2% in NXZ and NZF to 11% in NPP during 2004 and 2005. The number of bond calls 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 portfolio diversification. In our opinion, the Funds represent a quality component of a well-balanced core investment portfolio that can continue to benefit shareholders over time.

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Nuveen Performance Plus Municipal Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NPP

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 69% |
| AA | 14% |
| A | 5% |
| BBB | 8% |
| NR | 3% |
| BB or Lower | 1% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.64 |
| Common Share Net Asset Value | \$15.45 |
| Market Yield | 6.64% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.22% |
| Net Assets Applicable to Common Shares (\$000) | \$925,525 |
| Average Effective Maturity (Years) | 17.33 |
| Leverage-Adjusted Duration | 9.99 |

AVERAGE ANNUAL TOTAL RETURN (Inception 6/22/89)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 9.58% | 6.97% |
| 5-Year | 5.54% | 6.24% |
| 10-Year | 5.50% | 6.30% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| U.S. Guaranteed | 16% |
| Tax Obligation/General | 15% |
| Tax Obligation/Limited | 14% |
| Utilities | 10% |
| Healthcare | 9% |

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Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.077 |
| Dec | 0.078 |
| Jan | 0.078 |
| Feb | 0.078 |
| Mar | 0.0795 |
| Apr | 0.0795 |
| May | 0.0795 |
| Jun | 0.0795 |
| Jul | 0.0795 |
| Aug | 0.0795 |
| Sep | 0.081 |
| Oct | 0.081 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14.4 |
| | 14.29 |
| | 14.12 |
| | 13.77 |
| | 13.95 |
| | 14.01 |
| | 13.86 |
| | 13.86 |
| | 14.15 |
| | 14.3 |
| | 13.98 |
| | 14.02 |
| | 14.16 |
| | 14.34 |
| | 14.27 |
| | 14.16 |
| | 14.15 |
| | 14.43 |
| | 14.48 |
| | 14.45 |
| | 14.28 |
| | 14.46 |
| | 14.42 |
| | 14.5 |
| | 14.59 |
| | 14.68 |
| | 14.89 |
| | 15.05 |
| | 15.48 |
| | 15.63 |
| | 15.78 |
| | 15.12 |
| | 15.32 |
| | 15.25 |
| | 15.36 |
| | 14.55 |
| | 14.16 |
| | 14.37 |
| | 14.02 |

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| | |
|----------|-------|
| | 14.11 |
| | 14.16 |
| | 14.34 |
| | 14.47 |
| | 14.44 |
| | 14.55 |
| | 14.54 |
| | 14.45 |
| | 14.65 |
| 10/31/03 | 14.64 |

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0254 per share.

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Nuveen Municipal Advantage Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NMA

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 60% |
| AA | 15% |
| A | 6% |
| BBB | 17% |
| BB or Lower | 2% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.44 |
| Common Share Net Asset Value | \$15.62 |
| Market Yield | 6.68% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.28% |
| Net Assets Applicable to Common Shares (\$000) | \$671,147 |
| Average Effective Maturity (Years) | 18.75 |
| Leverage-Adjusted Duration | 8.99 |

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AVERAGE ANNUAL TOTAL RETURN (Inception 12/19/89)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 13.17% | 8.71% |
| 5-Year | 6.61% | 6.51% |
| 10-Year | 6.07% | 6.43% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------|-----|
| Healthcare | 17% |
| Utilities | 17% |
| U.S. Guaranteed | 14% |
| Housing/Single Family | 11% |
| Transportation | 10% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.082 |
| Dec | 0.0835 |
| Jan | 0.0835 |
| Feb | 0.0835 |
| Mar | 0.086 |
| Apr | 0.086 |
| May | 0.086 |
| Jun | 0.086 |
| Jul | 0.086 |
| Aug | 0.086 |
| Sep | 0.086 |
| Oct | 0.086 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14.65 |
| | 14.78 |
| | 14.44 |
| | 14.32 |
| | 14.35 |
| | 14.58 |
| | 14.39 |
| | 14.33 |
| | 14.7 |
| | 14.75 |
| | 14.48 |
| | 14.56 |
| | 14.75 |
| | 14.75 |

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| | |
|----------|-------|
| | 14.8 |
| | 14.79 |
| | 14.83 |
| | 14.91 |
| | 15.02 |
| | 15 |
| | 14.72 |
| | 15 |
| | 15.04 |
| | 14.97 |
| | 15 |
| | 15.18 |
| | 15.39 |
| | 15.53 |
| | 15.98 |
| | 16.31 |
| | 16.39 |
| | 15.69 |
| | 15.9 |
| | 15.92 |
| | 16.01 |
| | 15.44 |
| | 14.94 |
| | 15.22 |
| | 14.82 |
| | 14.94 |
| | 15.09 |
| | 15.12 |
| | 15.14 |
| | 15.27 |
| | 15.37 |
| | 15.31 |
| | 15.19 |
| | 15.3 |
| 10/31/03 | 15.44 |

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0733 per share.

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Nuveen Municipal Market Opportunity Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NMO

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Pie Chart:

| CREDIT QUALITY | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 67% |
| AA | 10% |
| A | 12% |
| BBB | 8% |
| NR | 1% |
| BB or Lower | 2% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.29 |
| Common Share Net Asset Value | \$15.11 |
| Market Yield | 6.63% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.21% |
| Net Assets Applicable to Common Shares (\$000) | \$687,955 |
| Average Effective Maturity (Years) | 17.92 |
| Leverage-Adjusted Duration | 8.94 |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/21/90)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 10.62% | 10.24% |
| 5-Year | 4.53% | 5.42% |
| 10-Year | 5.01% | 5.85% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/General | 23% |
| Transportation | 16% |
| Tax Obligation/Limited | 13% |
| U.S. Guaranteed | 13% |
| Healthcare | 10% |

Bar Chart:

| 2002-2003 Monthly Tax-Free Dividends Per Share | |
|--|-------|
| Nov | 0.078 |
| Dec | 0.078 |
| Jan | 0.078 |
| Feb | 0.078 |
| Mar | 0.079 |

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| | |
|-----|-------|
| Apr | 0.079 |
| May | 0.079 |
| Jun | 0.079 |
| Jul | 0.079 |
| Aug | 0.079 |
| Sep | 0.079 |
| Oct | 0.079 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|----------|-------|
| 11/1/02 | 13.83 |
| | 14.07 |
| | 13.8 |
| | 13.57 |
| | 13.68 |
| | 13.8 |
| | 13.6 |
| | 13.63 |
| | 13.87 |
| | 13.99 |
| | 13.54 |
| | 13.72 |
| | 13.75 |
| | 13.92 |
| | 13.89 |
| | 13.89 |
| | 13.82 |
| | 14.05 |
| | 14.08 |
| | 14.05 |
| | 13.94 |
| | 14.1 |
| | 14.15 |
| | 14.1 |
| | 14.19 |
| | 14.19 |
| | 14.61 |
| | 14.62 |
| | 14.94 |
| | 15.16 |
| | 15.33 |
| | 14.76 |
| | 14.98 |
| | 15.09 |
| | 15.12 |
| | 14.47 |
| | 13.88 |
| | 14.24 |
| | 13.88 |
| | 13.98 |
| | 14.11 |
| | 14.1 |
| | 14.09 |
| | 14.2 |
| | 14.21 |
| | 14.17 |
| | 14.05 |
| | 14.12 |
| 10/31/03 | 14.29 |

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1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

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Nuveen Dividend Advantage Municipal Fund

Performance

OVERVIEW As of October 31, 2003

NAD

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 65% |
| AA | 10% |
| A | 2% |
| BBB | 7% |
| NR | 11% |
| BB or Lower | 5% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.12 |
| Common Share Net Asset Value | \$15.17 |
| Market Yield | 6.79% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.43% |
| Net Assets Applicable to Common Shares (\$000) | \$595,266 |
| Average Effective Maturity (Years) | 16.72 |
| Leverage-Adjusted Duration | 9.18 |

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 11.41% | 8.41% |
| Since Inception | 6.67% | 7.84% |

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TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Healthcare | 16% |
| Transportation | 14% |
| Tax Obligation/General | 14% |
| U.S. Guaranteed | 12% |
| Tax Obligation/Limited | 12% |

Bar Chart:

| 2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE | |
|--|--------|
| Nov | 0.081 |
| Dec | 0.082 |
| Jan | 0.082 |
| Feb | 0.082 |
| Mar | 0.082 |
| Apr | 0.082 |
| May | 0.082 |
| Jun | 0.083 |
| Jul | 0.083 |
| Aug | 0.083 |
| Sep | 0.0855 |
| Oct | 0.0855 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14.51 |
| | 14.5 |
| | 14.46 |
| | 14.34 |
| | 14.29 |
| | 14.4 |
| | 14.38 |
| | 14.4 |
| | 14.61 |
| | 14.95 |
| | 14.29 |
| | 14.5 |
| | 14.57 |
| | 14.79 |
| | 14.92 |
| | 14.87 |
| | 14.98 |
| | 15 |
| | 15.04 |
| | 14.93 |
| | 14.48 |
| | 14.74 |
| | 14.75 |
| | 14.84 |
| | 14.87 |
| | 14.95 |
| | 15.11 |
| | 15.29 |

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| | |
|----------|-------|
| | 15.7 |
| | 15.74 |
| | 16.02 |
| | 15.75 |
| | 15.78 |
| | 15.72 |
| | 15.67 |
| | 14.81 |
| | 14.5 |
| | 14.73 |
| | 14.48 |
| | 14.58 |
| | 14.44 |
| | 14.67 |
| | 14.75 |
| | 14.94 |
| | 14.9 |
| | 14.82 |
| | 14.82 |
| | 14.95 |
| 10/31/03 | 15.12 |

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

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Nuveen Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of October 31, 2003

NXZ

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 58% |
| AA | 7% |
| A | 16% |
| BBB | 8% |
| NR | 2% |
| BB or Lower | 9% |

PORTFOLIO STATISTICS

| | |
|------------------------------|---------|
| Share Price | \$14.85 |
| Common Share Net Asset Value | \$15.13 |
| Market Yield | 6.95% |

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 Taxable-Equivalent Yield
 (Federal Income Tax Rate)¹ 9.65%

Net Assets Applicable to
 Common Shares (\$000) \$443,101

Average Effective Maturity (Years) 25.19

Leverage-Adjusted Duration 10.22

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 14.39% | 8.67% |
| Since Inception | 6.09% | 8.59% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Healthcare | 24% |
| Tax Obligation/Limited | 19% |
| Transportation | 14% |
| Water and Sewer | 9% |
| Tax Obligation/General | 9% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.079 |
| Dec | 0.0815 |
| Jan | 0.0815 |
| Feb | 0.0815 |
| Mar | 0.0845 |
| Apr | 0.0845 |
| May | 0.0845 |
| Jun | 0.086 |
| Jul | 0.086 |
| Aug | 0.086 |
| Sep | 0.086 |
| Oct | 0.086 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14 |
| | 14.15 |
| | 13.83 |
| | 13.54 |
| | 13.72 |
| | 14.08 |
| | 13.89 |

| | |
|----------|-------|
| | 13.77 |
| | 14.25 |
| | 14.21 |
| | 14.21 |
| | 13.98 |
| | 14.15 |
| | 14.23 |
| | 14.41 |
| | 14.21 |
| | 14.2 |
| | 14.44 |
| | 14.55 |
| | 14.38 |
| | 14.31 |
| | 14.56 |
| | 14.65 |
| | 14.55 |
| | 14.58 |
| | 14.65 |
| | 14.79 |
| | 14.89 |
| | 15.28 |
| | 15.57 |
| | 15.67 |
| | 15.29 |
| | 15.4 |
| | 15.55 |
| | 15.3 |
| | 14.8 |
| | 14.6 |
| | 14.63 |
| | 14.48 |
| | 14.47 |
| | 14.5 |
| | 14.62 |
| | 14.7 |
| | 14.84 |
| | 14.84 |
| | 14.84 |
| | 14.66 |
| | 14.8 |
| 10/31/03 | 14.85 |

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.0093 per share.

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OVERVIEW As of October 31, 2003

NZF

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 72% |
| AA | 11% |
| A | 2% |
| BBB | 9% |
| NR | 4% |
| BB or Lower | 2% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$13.80 |
| Common Share Net Asset Value | \$14.74 |
| Market Yield | 6.87% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.54% |
| Net Assets Applicable to Common Shares (\$000) | \$594,154 |
| Average Effective Maturity (Years) | 21.56 |
| Leverage-Adjusted Duration | 10.00 |

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 9.04% | 7.82% |
| Since Inception | 2.30% | 7.65% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Transportation | 17% |
| Healthcare | 16% |
| Water and Sewer | 12% |
| Tax Obligation/Limited | 12% |
| Tax Obligation/General | 9% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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| | |
|-----|--------|
| Nov | 0.0755 |
| Dec | 0.0755 |
| Jan | 0.0755 |
| Feb | 0.0755 |
| Mar | 0.078 |
| Apr | 0.078 |
| May | 0.078 |
| Jun | 0.079 |
| Jul | 0.079 |
| Aug | 0.079 |
| Sep | 0.079 |
| Oct | 0.079 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 13.62 |
| | 13.63 |
| | 13.37 |
| | 13.23 |
| | 13.26 |
| | 13.55 |
| | 13.19 |
| | 13.05 |
| | 13.49 |
| | 13.62 |
| | 13.35 |
| | 13.44 |
| | 13.62 |
| | 13.74 |
| | 13.85 |
| | 13.73 |
| | 13.55 |
| | 13.73 |
| | 13.92 |
| | 13.73 |
| | 13.57 |
| | 13.82 |
| | 13.97 |
| | 13.85 |
| | 13.93 |
| | 14.07 |
| | 14.2 |
| | 14.28 |
| | 14.5 |
| | 14.73 |
| | 14.86 |
| | 14.55 |
| | 14.49 |
| | 14.75 |
| | 14.63 |
| | 14.15 |
| | 13.69 |
| | 13.91 |
| | 13.7 |
| | 13.84 |
| | 13.78 |
| | 13.81 |
| | 13.8 |
| | 13.72 |

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| | |
|----------|-------|
| | 13.72 |
| | 13.8 |
| | 13.71 |
| | 13.82 |
| 10/31/03 | 13.8 |

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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%.

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Report of
INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS/TRUSTEES AND SHAREHOLDERS
NUVEEN PERFORMANCE PLUS MUNICIPAL FUND, INC.
NUVEEN MUNICIPAL ADVANTAGE FUND, INC.
NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC.
NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 as of October 31, 2003, and the related statements of operations and 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 October 31, 2003, by correspondence with the custodian and brokers or by 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 Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend

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Advantage Municipal Fund 3 at October 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.

/s/ Ernst & Young LLP

Chicago, Illinois
December 12, 2003

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Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 1.7% | |
| \$ 3,615 | Alabama Water Pollution Control Authority, Revolving Fund Loan Bonds, Series 1994A, 6.750%, 8/15/17 - AMBAC Insured | 8/05 at 100 |
| | Jefferson County, Alabama, Sewer Revenue Warrants, Series 1997A Refunding: | |
| 3,640 | 5.625%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 100 |
| 1,435 | 5.625%, 2/01/22 - FGIC Insured | 2/07 at 100 |
| 3,820 | 5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 100 |
| 1,505 | 5.375%, 2/01/27 - FGIC Insured | 2/07 at 100 |
| ----- | | |
| | ARIZONA - 1.3% | |
| 1,000 | Arizona State Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22 | 7/12 at 100 |
| | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B: | |
| 5,365 | 5.750%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| 5,055 | 5.750%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| ----- | | |
| | ARKANSAS - 0.6% | |
| 5,080 | Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured | 5/13 at 100 |
| ----- | | |
| | CALIFORNIA - 12.7% | |
| 11,000 | Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Anaheim Public Improvements Project, Series 1997C, 0.000%, 9/01/20 - FSA Insured | No Opt. C |

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| | | |
|--------|--|--------------|
| 2,000 | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 6,435 | State of California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 4,000 | 6.000%, 5/01/15 | 5/12 at 101 |
| 2,500 | 5.375%, 5/01/22 | 5/12 at 101 |
| 6,925 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured | 6/06 at 100 |
| 10,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at 100 |
| 1,000 | Mt. Diablo Hospital District, California Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured | 12/03 at 102 |
| 13,450 | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.200%, 8/01/17 - MBIA Insured | No Opt. C |
| 20,420 | Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10 | No Opt. C |
| 2,325 | Palmdale Community Redevelopment Agency, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax) | No Opt. C |
| 10,000 | San Bernardino County, California, Certificates of Participation, Medical Center Financing Project, Series 1995, 5.500%, 8/01/15 (Pre-refunded to 8/01/05) - MBIA Insured | 8/05 at 102 |
| 2,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 23B, 5.125%, 5/01/30 - FGIC Insured | 5/09 at 101 |
| 2,000 | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2, Issue 27B, 5.125%, 5/01/26 - FGIC Insured | 5/11 at 100 |
| 15,745 | Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured | 8/11 at 103 |

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Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | COLORADO - 0.6% | |
| \$ 5,425 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured | 11/07 at 101 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 0.7% | |
| 6,985 | District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 | 5/11 at 101 |
| ----- | | |
| | FLORIDA - 4.5% | |
| 1,700 | Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured | 5/12 at 102 |
| | Housing Finance Authority of Broward County, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments Project, Series 2001A: | |
| 1,545 | 5.700%, 1/01/32 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 1,805 | 5.800%, 1/01/36 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 4,200 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, 2000 Series 11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured | 1/10 at 100 |
| 10,050 | State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 1999 Series D, 5.750%, 6/01/22 | 6/10 at 101 |
| 7,000 | Hillsborough County Aviation Authority, Florida, Tampa International Airport Revenue Bonds, Series 2003A, 5.250%, 10/01/17 (Alternative Minimum Tax) - MBIA Insured | 10/13 at 100 |
| 10,750 | Martin County, Florida, Industrial Development Authority, Industrial Development Revenue Bonds, Indiantown Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at 102 |
| 2,570 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds, Country Club Villas II Project, Series 2001-1A, 5.850%, 1/01/37 (Alternative Minimum Tax) - FSA Insured | 6/11 at 100 |
| ----- | | |
| | GEORGIA - 3.2% | |
| 4,920 | City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.600%, 1/01/30 | 1/10 at 101 |

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(Pre-refunded to 1/01/10) - FGIC Insured

| | | |
|--------|---|--------------|
| 5,000 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Opt. C |
| 2,000 | George L. Smith II World Congress Center Authority, Revenue Refunding Bonds, Domed Stadium Project, Series 2000, 5.500%, 7/01/20 (Alternative Minimum Tax) - MBIA Insured | 7/10 at 101 |
| 15,000 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University Project, Series 1999A, 5.500%, 11/01/25 | 11/09 at 101 |

IDAHO - 0.3%

| | | |
|-------|--|-------------|
| 1,350 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000-G2, 5.950%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,170 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax) | 1/10 at 100 |

ILLINOIS - 20.2%

| | | |
|--------|--|-------------|
| 3,000 | City of Chicago, Illinois, General Obligation Bonds, Library, Series 1997, 5.750%, 1/01/17 - FGIC Insured | 1/08 at 102 |
| 32,170 | City of Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: 0.000%, 1/01/21 - FGIC Insured | No Opt. C |
| 32,670 | 0.000%, 1/01/22 - FGIC Insured | No Opt. C |
| 10,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenue, Series 1998-B1, 0.000%, 12/01/19 - FGIC Insured | No Opt. C |
| 10,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Opt. C |

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

ILLINOIS (continued)

| | | |
|----------|---|-------------|
| \$ 9,145 | City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, Series 1996A, 5.500%, 1/01/29 - MBIA Insured | 1/07 at 101 |
|----------|---|-------------|

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| | | | |
|--------|--|--|--------------|
| | DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000: | | |
| 8,000 | 0.000%, 11/01/18 | | No Opt. C |
| 15,285 | 0.000%, 11/01/19 | | No Opt. C |
| 3,500 | Illinois Development Finance Authority, Pollution Control Revenue Refunding Bonds, Commonwealth Edison Company Project, Series 1994D, 6.750%, 3/01/15 - AMBAC Insured | | 3/05 at 102 |
| 10,000 | Illinois Educational Facilities Authority, Adjustable Demand Revenue Bonds, University of Chicago, Series 1985 Remarketed, 5.700%, 12/01/25 (Pre-refunded to 12/01/03) | | 12/03 at 102 |
| 12,910 | Illinois Health Facilities Authority, Revenue Bonds, Northwestern Memorial Hospital, Series 1994A, 6.000%, 8/15/24 | | 8/04 at 102 |
| 3,285 | Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 | | 8/09 at 101 |
| 4,580 | Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX, Series 2000, 6.250%, 8/20/35 | | 8/10 at 102 |
| 3,000 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | | 7/13 at 100 |
| 4,415 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital Project, Series 1991, 7.375%, 1/01/23 | | 1/04 at 100 |
| 3,700 | Village of Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Alternative Minimum Tax) | | 11/09 at 100 |
| 6,000 | McHenry County, Illinois, Conservation District General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 - FGIC Insured | | 2/11 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A: | | |
| 9,400 | 0.000%, 12/15/18 - MBIA Insured | | No Opt. C |
| 16,570 | 0.000%, 12/15/20 - MBIA Insured | | No Opt. C |
| 23,550 | 0.000%, 12/15/22 - MBIA Insured | | No Opt. C |
| 13,000 | 0.000%, 12/15/24 - MBIA Insured | | No Opt. C |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A: | | |
| 5,180 | 5.500%, 12/15/23 - FGIC Insured | | No Opt. C |
| 5,100 | 5.500%, 12/15/23 - FGIC Insured | | No Opt. C |
| 10,650 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Hospitality Facilities Revenue Bonds, Series 1996A, 7.000%, 7/01/26 | | No Opt. C |
| 17,865 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured | | No Opt. C |
| 6,090 | Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29 | | 10/09 at 102 |

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| INDIANA - 6.9% | | |
|----------------|--|--------------|
| 5,000 | Ft. Wayne South Side School Building Corporation, Indiana, First Mortgage Bonds, Series 1994, 6.125%, 1/15/12 (Pre-refunded to 1/15/04) - MBIA Insured | 1/04 at 102 |
| 5,250 | Indiana Bond Bank, State Revolving Fund Program Bonds, Guarantee Revenue Bonds, Series 1994A, 6.000%, 2/01/16 | 2/04 at 102 |
| 14,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| | Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Incorporated Obligated Group, Series 1997: | |
| 15,380 | 5.250%, 7/01/17 - MBIA Insured | 7/07 at 101 |
| 2,250 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 4,320 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 8,000 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000, 5.375%, 12/01/25 | 12/10 at 100 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| <hr/> | | |
| INDIANA (continued) | | |
| \$ 5,730 | Michigan City School Building Corporation, Indiana, First Mortgage Bonds, Series 1994A, 6.125%, 12/15/09 (Pre-refunded to 12/15/04) - AMBAC Insured | 12/04 at 102 |
| <hr/> | | |
| IOWA - 0.4% | | |
| 5,000 | Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35 | 6/11 at 101 |
| <hr/> | | |
| KANSAS - 0.9% | | |
| 5,790 | Sedgwick County Unified School District No. 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17 | 9/10 at 100 |
| 3,200 | Unified School District No. 500, County of Wyandotte, Kansas, General Obligation School Bonds, Series 2001, 4.000%, 9/01/21 - FSA Insured | 9/11 at 100 |

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| | | |
|--------|--|--------------|
| ----- | | |
| | KENTUCKY - 0.4% | |
| 3,700 | Louisville Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 6.250%, 5/15/26 - MBIA Insured | 5/07 at 101 |
| ----- | | |
| | LOUISIANA - 6.7% | |
| 2,475 | East Baton Rouge Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Refunding Bonds, Series 1997B-1, 5.750%, 10/01/26 | 10/07 at 102 |
| 35,700 | Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1996, 5.750%, 7/01/26 (Pre-refunded to 7/01/06) - FGIC Insured | 7/06 at 102 |
| 5,630 | New Orleans Housing Development Corporation, Louisiana, FNMA Multifamily Housing Revenue Refunding Bonds, Curran Place Apartments, Series 1990A, 7.700%, 8/01/23 | 12/03 at 100 |
| 10,000 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30 | 5/11 at 101 |
| 6,250 | 5.875%, 5/15/39 | 5/11 at 101 |
| ----- | | |
| | MAINE - 1.3% | |
| 5,935 | Maine State Housing Authority, Mortgage Purchase Bonds, Series 1994A, 5.700%, 11/15/26 | 2/04 at 102 |
| 5,680 | Portland, Maine, General Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - FSA Insured | 7/13 at 100 |
| ----- | | |
| | MARYLAND - 2.7% | |
| 1,145 | Community Development Administration, Maryland Department of Housing and Community Development, Residential Revenue Bonds, Series H, 5.800%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |
| 7,720 | Maryland Transportation Authority, Baltimore-Washington International Airport, Parking Revenue Bonds, Series 2002B, 5.125%, 3/01/20 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
| 7,475 | Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Revenue Bonds, Series 1994A, 6.250%, 7/01/28 | 7/04 at 102 |
| 7,090 | Takoma Park, Maryland, Hospital Facilities Refunding and Improvement Revenue Bonds, Washington Adventist Hospital Project, Series 1995, 6.500%, 9/01/12 - FSA Insured | No Opt. C |

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| MASSACHUSETTS - 3.3% | | |
|----------------------|---|--------------|
| 1,820 | Massachusetts Educational Financing Authority, Education Loan Revenue and Refunding Bonds, Issue G, Series 2000A, 5.700%, 12/01/11 (Alternative Minimum Tax) - MBIA Insured | 12/09 at 101 |
| | Massachusetts Municipal Wholesale Electric Company, Power Supply System Revenue Bonds, Series 1987A: | |
| 70 | 8.750%, 7/01/18 (Pre-refunded to 1/01/04) | 1/04 at 100 |
| 70 | 8.750%, 7/01/18 (Pre-refunded to 7/01/04) | 7/04 at 100 |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 1/01/05) | 1/05 at 100 |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 7/01/05) | 7/05 at 100 |
| 2,500 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30 | 11/12 at 100 |
| 5,000 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E, 5.250%, 1/01/22 - FGIC Insured | 1/13 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|---------------------|
| <hr/> | | |
| MASSACHUSETTS (continued) | | |
| \$ 4,000 | Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, 2002 Series A: 5.125%, 8/01/28 - MBIA Insured | 2/12 at 100 |
| 5,000 | 5.125%, 2/01/34 - MBIA Insured | 2/12 at 100 |
| 1,420 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group Issue, Series A, 4.750%, 7/01/27 - MBIA Insured | 7/08 at 101 |
| 8,500 | Route 3 North Transportation Improvements Association, Commonwealth of Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded to 6/15/10) - MBIA Insured | 6/10 at 100 |
| <hr/> | | |
| MICHIGAN - 5.4% | | |
| 17,000 | Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured | 11/07 at 100 |
| 3,000 | City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, Series 1997A, 5.000%, 7/01/21 - MBIA Insured | 7/07 at 101 |
| 3,885 | Grand Rapids Housing Corporation, Multifamily Revenue Refunding Bonds, FHA-Insured Mortgage Loan-Section 8 | 1/04 at 104 |

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| | | |
|--------|--|--------------|
| | Assisted Elderly Project, Series 1992, 7.375%, 7/15/41 | |
| 4,030 | Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System, Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured | 8/08 at 100 |
| 1,000 | Michigan State Building Authority, Facilities Program Revenue Refunding Bonds, Series 2001I, 5.000%, 10/15/24 | 10/11 at 100 |
| 7,115 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Henry Ford Health System, Series 2003A, 5.500%, 3/01/16 | 3/13 at 100 |
| 3,000 | Michigan Strategic Fund, Collateralized Limited Obligation Revenue Refunding Pollution Control Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| 10,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |

MINNESOTA - 6.6%

| | | |
|--------|---|--------------|
| 7,475 | Dakota County Community Development Agency, Minnesota, GNMA Collateralized Mortgage Loan Multifamily Senior Housing Revenue Bonds, Wingate Project, Series 2002A, 5.625%, 8/20/43 | 2/12 at 102 |
| 990 | Dakota County Housing and Redevelopment Authority, Minnesota, FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.900%, 10/01/27 (Alternative Minimum Tax) | 4/04 at 102 |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured | 1/11 at 100 |
| 18,020 | Plymouth, Minnesota, GNMA Collateralized Mortgage Loan Senior Housing Revenue Bonds, Regent at Plymouth Project, Series 2002A, 4.090%, 9/20/43 | 3/12 at 105 |
| 21,860 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |
| 3,395 | St. Paul Housing and Redevelopment Authority, Minnesota, Single Family Mortgage Revenue Refunding Bonds, FNMA Mortgage-Backed Securities Middle Income Program - Phase II, Series 1995, 6.800%, 3/01/28 | 3/05 at 102 |

MISSISSIPPI - 1.1%

| | | |
|-------|---|-------------|
| 9,750 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/04 at 102 |
|-------|---|-------------|

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| | | |
|-----------------|---|--------------|
| MISSOURI - 1.4% | | |
| 2,000 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 6,350 | City of Kansas City, Missouri, General Improvement Airport Revenue Bonds, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | 9/12 at 100 |
| 435 | Missouri Housing Development Commission, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1988A, 8.300%, 5/01/19 (Alternative Minimum Tax) | 11/03 at 100 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2003

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

| | | |
|----------------------|---|-------------|
| MISSOURI (continued) | | |
| \$ 3,740 | Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |

| | | |
|----------------|---|--------------|
| MONTANA - 1.1% | | |
| 1,845 | Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.150%, 6/01/30 (Alternative Minimum Tax) | 6/07 at 101 |
| 2,890 | Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 4,795 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax) | 12/08 at 101 |

| | | |
|-----------------|--|-------------|
| NEBRASKA - 0.4% | | |
| 3,260 | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, 2000 Series E, 5.850%, 9/01/20 (Alternative Minimum Tax) | 9/10 at 100 |

| | | |
|---------------|--|--|
| NEVADA - 2.5% | | |
|---------------|--|--|

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| | | |
|--------|--|-------------|
| 10,900 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 - MBIA Insured | 6/12 at 100 |
| 10,505 | State of Nevada, General Obligation Bonds, Municipal Bond Bank Project No. 52, Series 1996A, 6.000%, 5/15/21 (Pre-refunded to 5/15/06) | 5/06 at 101 |

NEW HAMPSHIRE - 1.2%

| | | |
|-------|--|-------------|
| | New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Revenue Remarketing Bonds, Countryside LP Project, Series 1994: | |
| 3,725 | 6.000%, 7/01/18 (Alternative Minimum Tax) | 7/10 at 101 |
| 6,945 | 6.100%, 7/01/24 (Alternative Minimum Tax) | 7/10 at 101 |

NEW JERSEY - 7.1%

| | | |
|--------|--|-------------|
| 4,425 | New Jersey Higher Education Student Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 3,000 | New Jersey Economic Development Authority, Transportation Project Sublease Revenue Bonds, New Jersey Transit Corporation - Light Rail Transit System Projects, Series 1999A, 5.250%, 5/01/17 (Pre-refunded to 5/01/09) - FSA Insured | 5/09 at 100 |
| 8,750 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1996B, 5.250%, 6/15/16 | 6/07 at 102 |
| 9,250 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/23 | 6/13 at 100 |
| 4,500 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - FSA Insured | No Opt. C |
| 10,000 | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured | 7/13 at 100 |
| 15,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at 100 |
| 3,125 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 | 6/13 at 100 |
| | Township of West Deptford, County of Gloucester, New Jersey, General Obligation Bonds, Series 2000: | |
| 3,150 | 5.500%, 9/01/21 - FGIC Insured | 9/10 at 100 |
| 3,335 | 5.500%, 9/01/22 - FGIC Insured | 9/10 at 100 |

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NEW YORK - 16.5%

| | | |
|--------|--|-------------|
| 5 | City of New York, New York, General Obligation Bonds, Fiscal Series 1987D, 8.500%, 8/01/08 | 2/04 at 100 |
| 12,500 | City of New York, New York, General Obligation Bonds, Fiscal Series 1997A, 7.000%, 8/01/05 | No Opt. C |
| 6,300 | City of New York, New York, General Obligation Bonds, Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured | 5/10 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| NEW YORK (continued) | | |
| \$ 2,240 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996F: 5.750%, 2/01/15 (Pre-refunded to 2/01/06) | 2/06 at 101 |
| 14,055 | 5.750%, 2/01/15 | 2/06 at 101 |
| 20,650 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1996B, 5.750%, 6/15/26 - MBIA Insured | 6/06 at 101 |
| 4,875 | New York Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1997A, 5.500%, 6/15/24 - MBIA Insured | 6/06 at 101 |
| 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/30 | 6/09 at 101 |
| 7,810 | New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 2,250 | Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities Issue, Series 1999C, 5.500%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 4,000 | Dormitory Authority of the State of New York, State University Educational Facilities, Revenue Bonds, Series 1990B, 6.000%, 5/15/17 | 11/03 at 100 |
| 1,500 | Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured | 8/07 at 101 |
| 2,070 | Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program 1998 Issue 1, Gateway-Longview Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured | 7/08 at 101 |
| 17,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue | 7/09 at 101 |

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| | | |
|--------|---|-------------|
| | Bonds, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | |
| 3,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| 2,000 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B, 5.375%, 2/15/26 - MBIA Insured | 2/06 at 102 |
| | Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: | |
| 1,580 | 6.375%, 7/01/13 - RAAI Insured | 7/09 at 101 |
| 9,235 | 6.125%, 7/01/21 - RAAI Insured | 7/09 at 101 |
| 3,000 | New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation Project, Series 1998A, 5.950%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured | 9/08 at 102 |
| 14,750 | New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, Series 1993F Refunding, 5.375%, 2/15/14 - MBIA Insured | 2/04 at 102 |
| ----- | | |
| | NORTH CAROLINA - 0.2% | |
| 2,000 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured | 1/08 at 102 |
| ----- | | |
| | NORTH DAKOTA - 0.3% | |
| 2,900 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2000A, 6.500%, 1/01/31 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | OHIO - 5.8% | |
| 7,500 | Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured | 1/10 at 101 |
| 17,715 | Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, Mortgage-Backed Securities Program, Series 1999C, 5.750%, 9/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| 15,200 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at 102 |
| 14,100 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | OKLAHOMA - 0.3% | |
| \$ 3,400 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, Refunding Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |
| ----- | | |
| | OREGON - 1.0% | |
| 1,220 | State of Oregon, Housing and Community Services Department, Mortgage Revenue Bonds, Single Family Mortgage Program, Series 2000F, 6.250%, 7/01/28 (Alternative Minimum Tax) | 1/10 at 100 |
| 9,150 | Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company Project, Series 1985B, 4.800%, 6/01/10 | No Opt. C |
| ----- | | |
| | PENNSYLVANIA - 4.3% | |
| | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998: | |
| 3,125 | 0.000%, 5/15/22 - FSA Insured | No Opt. C |
| 3,125 | 0.000%, 5/15/23 - FSA Insured | No Opt. C |
| 3,135 | 0.000%, 5/15/24 - FSA Insured | No Opt. C |
| 3,155 | 0.000%, 5/15/26 - FSA Insured | No Opt. C |
| 4,145 | 0.000%, 11/15/26 - FSA Insured | No Opt. C |
| 2,800 | 0.000%, 5/15/28 - FSA Insured | No Opt. C |
| 3,000 | 0.000%, 11/15/28 - FSA Insured | No Opt. C |
| 4,730 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 2,565 | Cumberland County Municipal Authority, Pennsylvania, Carlisle Hospital and Health Services First Mortgage Revenue and Refunding Bonds, Series 1994, 6.800%, 11/15/14 (Pre-refunded to 11/15/04) | 11/04 at 102 |
| 11,000 | Delaware County Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East Issue, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured | 11/08 at 102 |
| | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior | |

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| | | |
|--------|--|--------------|
| | Series 1994A: | |
| 2,100 | 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/04 at 102 |
| 4,500 | 6.500%, 1/01/13 (Alternative Minimum Tax) | 1/04 at 102 |
| 900 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Subordinate Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax) | 1/04 at 102 |
| 6,250 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Series 1994B, 6.750%, 1/01/07 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| | PUERTO RICO - 0.2% | |
| 1,250 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 5.875%, 7/01/21 - MBIA Insured | 7/10 at 101 |
| ----- | | |
| | RHODE ISLAND - 0.5% | |
| 2,000 | Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 -MBIA Insured | 7/12 at 100 |
| 1,260 | Rhode Island Health and Educational Building Corporation, Revenue Refunding Bonds, Salve Regina University, Series 2002: 5.250%, 3/15/17 - RAAI Insured | 3/12 at 101 |
| 1,080 | 5.250%, 3/15/18 - RAAI Insured | 3/12 at 101 |
| ----- | | |
| | SOUTH CAROLINA - 2.8% | |
| 6,925 | South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14 | 10/09 at 101 |
| 21,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at 101 |
| ----- | | |
| | TENNESSEE - 2.8% | |
| 2,260 | The Health and Educational Facilities Board of the City of Johnson City, Tennessee, Hospital Revenue Refunding and Improvement Bonds, Johnson City Medical Center Hospital, Series 1998C, 5.125%, 7/01/25 (Pre-refunded to 7/01/23) - MBIA Insured | 7/23 at 100 |
| 1,700 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TENNESSEE (continued) | |
| \$ 6,675 | Memphis Health, Educational and Housing Facilities Board, Tennessee, Multifamily Mortgage Revenue Refunding Bonds, Riverdale Plaza Apartments Project, Series 1993, 6.350%, 7/20/28 | 1/04 at 102 |
| 6,000 | The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College Project Series 1996, 6.000%, 12/01/19 - AMBAC Insured | 12/17 at 100 |
| 7,225 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| ----- | | |
| | TEXAS - 4.7% | |
| 3,740 | Austin, Texas, Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 1999, 5.625%, 11/15/17 - AMBAC Insured | 11/09 at 100 |
| 3,975 | Bell County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, Series 2000A, 6.125%, 8/15/23 - MBIA Insured | 2/10 at 101 |
| 5,690 | Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, Series 2000B, American Airlines, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 680 | Ft. Worth Housing Finance Corporation, Texas, Home Mortgage Revenue Refunding Bonds, Series 1991A, 8.500%, 10/01/11 | 4/04 at 101 |
| 1,625 | Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 180 | Hidalgo County Housing Finance Corporation, Texas, GNMA/FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.750%, 10/01/15 (Alternative Minimum Tax) | 4/04 at 102 |
| 3,885 | Houston Independent School District Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, 0.000%, 9/15/19 - AMBAC Insured | No Opt. C |
| 1,690 | Webb County, Laredo, Texas, Combination Tax and Sewer System, Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured | 2/08 at 100 |

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| | | | |
|-------|---|--|-------------|
| | Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998: | | |
| 4,930 | 0.000%, 8/15/20 | | 8/06 at 46 |
| 3,705 | 0.000%, 8/15/22 | | 8/06 at 41 |
| 695 | Lubbock Housing Finance Corporation, Texas, Single Family Mortgage Revenue Refunding Bonds, GNMA Mortgage-Backed Securities Program, Series 1997A, 6.125%, 12/01/17 | | 6/07 at 102 |
| 3,480 | Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured | | 3/12 at 100 |
| 6,050 | City of San Antonio, Texas, Electric and Gas Systems Revenue Refunding Bonds, Series 1998A, 4.500%, 2/01/21 | | 2/09 at 100 |
| 6,000 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | | 2/11 at 100 |
| 4,000 | Tarrant Regional Water District, Texas, Water Revenue Bonds, Series 1999 Refunding and Improvement, 5.000%, 3/01/22 - FSA Insured | | 3/13 at 100 |

UTAH - 4.6%

| | | | |
|--------|--|--|-------------|
| 10,000 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured | | 7/07 at 102 |
| | Utah County, Utah, Hospital Revenue Bonds, IHC Health Services, Inc., Series 1997: | | |
| 12,500 | 5.250%, 8/15/21 - MBIA Insured | | 8/07 at 101 |
| 3,900 | 5.250%, 8/15/26 - MBIA Insured | | 8/07 at 101 |
| 4,445 | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002-A1, 5.300%, 7/01/18 (Alternative Minimum Tax) | | 1/12 at 100 |
| 495 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax) | | 1/10 at 100 |
| 2,850 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax) | | 7/10 at 100 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2003

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

UTAH (continued)

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| | | | |
|-------|--------|--|--------------|
| \$ | 3,165 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| | 715 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax) | 7/10 at 100 |
| | 1,255 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A2, 5.650%, 7/01/27 (Alternative Minimum Tax) | 7/11 at 100 |
| | 945 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax) | 1/11 at 100 |
| ----- | | | |
| | | VERMONT - 0.5% | |
| | 4,725 | Vermont Housing Finance Agency, Single Family Housing Bonds, Series 1994-5, 7.000%, 11/01/27 (Alternative Minimum Tax) | 11/04 at 102 |
| ----- | | | |
| | | VIRGINIA - 1.8% | |
| | 16,000 | Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured | 10/04 at 100 |
| ----- | | | |
| | | WASHINGTON - 3.6% | |
| | 12,235 | Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydroelectric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured | No Opt. C |
| | 5,000 | Energy Northwest, Washington, Nuclear Project No. 1 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/16 | 7/13 at 100 |
| | 1,815 | Grant County Public Utility District 2, Washington, Wanapum Hydroelectric Revenue Bonds, Series 1997A, Master Lease Program, 5.625%, 1/01/26 - MBIA Insured | 1/06 at 102 |
| | 12,000 | State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26 | 1/11 at 100 |
| | 5,000 | Washington State Housing Finance Commission, Nonprofit Housing Revenue Bonds, The Kline Galland Center Project, Series 1999, 6.000%, 7/01/29 - RAAI Insured | 7/09 at 101 |
| | 4,500 | Washington Health Care Facilities Authority Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |

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| WEST VIRGINIA - 0.5% | | |
|----------------------|---|--------------|
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| WISCONSIN - 2.3% | | |
| 1,660 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care Obligated Group, Series 1993, 5.250%, 8/15/23 - MBIA Insured | 2/04 at 102 |
| 11,620 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured | 2/10 at 101 |
| 7,490 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, The Millennium Housing Foundation Inc. Project, Series 1998, 6.100%, 1/01/28 | 7/08 at 103 |
| \$ 1,439,015 | Total Long-Term Investments (cost \$1,285,853,235) - 147.9% | |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|---|--|
| SHORT-TERM INVESTMENTS - 1.1% | |
| \$ 10,600 | Nebraska Educational Finance Authority, Revenue Bonds, Creighton University, Variable Rate Demand Obligations, Series 2003, 1.150%, 3/01/33 - AMBAC Insured+ |
| \$ 10,600 | Total Short-Term Investments (cost \$10,600,000) |
| Total Investments (cost \$1,296,453,235) - 149.0% | |
| Other Assets Less Liabilities - 2.8% | |
| Preferred Shares, at Liquidation Value - (51.8)% | |
| 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.

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

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

+ 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 Municipal Advantage Fund, Inc. (NMA)
Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | ALABAMA - 3.3% | |
| \$ 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 5,075 | The Health Care Authority of Lauderdale County and the City of Florence, Alabama, Revenue Bonds, Coffee Health Group, Series 1999A, 5.250%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 5,155 | Phenix City, Alabama, Industrial Development Board Environmental Improvement Revenue Bonds, MeadWestvaco Project, 2002A, 6.350%, 5/15/35 (Alternative Minimum Tax) | 5/12 at 100 |
| ----- | | |
| | ARIZONA - 0.7% | |
| 5,000 | Maricopa County, Arizona, Pollution Control Corporation, Pollution Control Revenue Refunding Bonds, Remarketing Series 1992A, Public Service Company of New Mexico, 5.750%, 11/01/22 | 5/06 at 101 |
| ----- | | |

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CALIFORNIA - 7.5%

| | | |
|-------|--|-------------|
| 3,000 | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 2,500 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.375%, 5/01/22 | 5/12 at 101 |
| 7,535 | Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1989, 7.750%, 5/01/22 (Alternative Minimum Tax) | No Opt. C |
| 6,925 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured | 6/06 at 100 |
| 2,500 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Series 1995A, 5.000%, 7/01/25 (Pre-refunded to 7/01/05) - AMBAC Insured | 7/05 at 100 |
| 5,000 | Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 | No Opt. C |
| 5,000 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 9,315 | Perris, California, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1989A, 7.600%, 1/01/23 (Alternative Minimum Tax) | No Opt. C |

 COLORADO - 2.6%

| | | |
|-------|---|-------------|
| 8,350 | Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente, Series 1994A, 5.350%, 11/01/16 | 7/06 at 102 |
| 2,650 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/16 - MBIA Insured | No Opt. C |
| | Platte River Power Authority, Colorado, Power Revenue Bonds, Series EE Refunding: | |
| 2,000 | 5.375%, 6/01/17 | 6/12 at 100 |
| 5,000 | 5.375%, 6/01/18 | 6/12 at 100 |

 CONNECTICUT - 0.8%

| | | |
|-------|--|--------------|
| 5,000 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2000B, Subseries B-2, 5.750%, 11/15/21 (Alternative Minimum Tax) | 11/09 at 100 |
|-------|--|--------------|

 DISTRICT OF COLUMBIA - 1.4%

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| | | |
|-------|---|--------------|
| 4,940 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988F-1, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/04 at 103 |
| 4,390 | District of Columbia Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax) | 6/07 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | FLORIDA - 2.0% | |
| \$ 2,770 | Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, 2000 Series O-1, 5.850%, 12/01/31 (Alternative Minimum Tax) - FSA Insured | 12/10 at 100 |
| 9,990 | City of Tampa, Florida, Allegany Health System Revenue Bonds, St. Mary's Hospital, Inc. Issue, Series 1993, 5.125%, 12/01/23 - MBIA Insured | 12/03 at 102 |
| ----- | | |
| | HAWAII - 0.8% | |
| 3,205 | Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax) | 7/07 at 102 |
| 2,215 | Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31 | 7/10 at 102 |
| ----- | | |
| | ILLINOIS - 13.7% | |
| 5,865 | City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 (Pre-refunded to 7/01/10) - FGIC Insured | 7/10 at 101 |
| 4,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 - AMBAC Insured | 12/07 at 102 |
| 12,500 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured | 12/07 at 102 |
| 5,000 | City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, | No Opt. C |

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| | | |
|--------|---|--------------|
| | Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | |
| 5,000 | City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 5,000 | City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 - AMBAC Insured | 1/08 at 102 |
| 10,115 | Illinois Health Facilities Authority, Revenue Bonds, Rush-Presbyterian-Saint Luke's Medical Center Obligation Group, Series 1996A Refunding, 6.250%, 11/15/20 - MBIA Insured | 11/06 at 102 |
| 6,165 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22 | 2/07 at 102 |
| 3,935 | Illinois Health Facilities Authority, Revenue Bonds, Victory Health Services, Series 1997A, 5.375%, 8/15/16 | 8/07 at 101 |
| 6,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22 | 5/12 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A: | |
| 12,455 | 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| 10,000 | 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| 2,600 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Opt. C |
| 1,940 | University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured | 4/13 at 100 |
| ----- | | |
| | INDIANA - 5.2% | |
| 7,425 | Ft. Wayne International Airport Building Corporation, Indiana, General Obligation Airport Bonds, Series 1994, 5.900%, 1/01/14 (Alternative Minimum Tax) | 1/04 at 101 |
| 5,205 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 9,000 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Community Hospitals Projects, Series 1995, 5.700%, 5/15/22 - MBIA Insured | 5/06 at 102 |
| 6,075 | LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21 | 10/09 at 101 |

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | INDIANA (continued) | |
| \$ 3,215 | Mooresville Consolidated School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 1994B, 6.400%, 7/15/15 (Pre-refunded to 1/15/04) | 1/04 at 102 |
| 2,725 | Saint Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center Inc. Project, Series 1999, 5.450%, 2/15/12 | 2/09 at 102 |
| ----- | | |
| | IOWA - 0.8% | |
| 1,925 | Iowa Finance Authority, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Bonds, Series 1995C, 6.450%, 1/01/24 | 1/05 at 102 |
| 3,500 | Marshalltown, Iowa, Pollution Control Revenue Refunding Bonds, Iowa Electric Light and Power Company Project, Series 1993, 5.500%, 11/01/23 - MBIA Insured | 11/03 at 102 |
| ----- | | |
| | KANSAS - 0.8% | |
| 5,000 | Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07) | No Opt. C |
| ----- | | |
| | KENTUCKY - 1.6% | |
| 5,500 | Louisville Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured | 5/07 at 101 |
| 4,950 | Louisville and Jefferson County Metropolitan Sewer District, Commonwealth of Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured | 11/07 at 101 |
| ----- | | |
| | LOUISIANA - 6.2% | |
| 13,500 | De Soto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured | 9/09 at 102 |
| 10,000 | Louisiana Public Facilities Authority, Extended Care Facilities | No Opt. C |

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Revenue Bonds, Comm-Care Corporation Project,
Series 1994, 11.000%, 2/01/14

| | | |
|--------|---|-------------|
| | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B: | |
| 6,000 | 5.500%, 5/15/30 | 5/11 at 101 |
| 11,750 | 5.875%, 5/15/39 | 5/11 at 101 |

MASSACHUSETTS - 2.8%

| | | |
|-------|--|--------------|
| 5,000 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan of 2002 Series D, 5.375%, 8/01/21 - MBIA Insured | 8/12 at 100 |
| 1,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Health Issue A, 5.000%, 7/01/28 - AMBAC Insured | 1/09 at 101 |
| 9,120 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |
| 1,495 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 79, 5.950%, 12/01/27 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |

MICHIGAN - 1.1%

| | | |
|-------|---|-------------|
| 3,275 | Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18 | 2/04 at 102 |
| 4,995 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A: 5.250%, 8/15/23 | 8/08 at 101 |
| 3,000 | 5.250%, 8/15/28 | 8/08 at 101 |

MINNESOTA - 2.2%

| | | |
|-------|---|-------------|
| 5,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |
| 5,890 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 5.550%, 7/01/24 (Alternative Minimum Tax) | 7/09 at 100 |
| 3,560 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%, 1/01/23 (Alternative Minimum Tax) | 1/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MISSISSIPPI - 0.7% | |
| \$ 2,140 | Coahoma-Clarksdale Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990A, 8.000%, 8/01/24 | 2/04 at 100 |
| 2,665 | Coahoma-Clarksdale Housing Development Corporation, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990B, 8.000%, 8/01/24 | 2/04 at 100 |
| ----- | | |
| | MISSOURI - 0.4% | |
| 1,500 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Metrolink Cross County Extension Project, Mass Transit Sales Tax Appropriation Bonds, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 855 | Missouri Housing Development Commission, Homeownership Loan Program, Single Family Mortgage Revenue Bonds, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| | MONTANA - 2.4% | |
| 8,420 | Montana Board of Housing, Single Family Program Bonds, Series 1995B, 6.400%, 12/01/27 (Alternative Minimum Tax) | 12/05 at 102 |
| 6,920 | Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.050%, 12/01/37 | 6/07 at 101 |
| ----- | | |
| | NEVADA - 3.9% | |
| 7,310 | Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/19 | 7/10 at 100 |
| 7,500 | Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 101 |
| 7,000 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 2,125 | Nevada Housing Division, Single Family Mortgage Bonds, 1997 Senior Series C-2, 5.750%, 4/01/29 (Alternative Minimum Tax) | 4/07 at 102 |
| ----- | | |
| | NEW HAMPSHIRE - 0.6% | |

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| | | |
|-------------------|--|--------------|
| 2,480 | New Hampshire Business Finance Authority, Water Facility Revenue Bonds, Pennichuck Water Works Inc., Series 1994A, 6.350%, 12/01/19 - AMBAC Insured | 12/04 at 102 |
| 1,320 | New Hampshire Business Finance Authority, Revenue Bonds, Pennichuck Water Works, Inc., Series 1994B, 6.450%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/04 at 102 |
| ----- | | |
| NEW JERSEY - 3.2% | | |
| 3,000 | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 1991C, 6.500%, 1/01/09 | No Opt. C |
| | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: | |
| 16,000 | 5.750%, 6/01/32 | 6/12 at 100 |
| 5,000 | 6.125%, 6/01/42 | 6/12 at 100 |
| ----- | | |
| NEW MEXICO - 1.1% | | |
| 7,500 | City of Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Public Service Company of New Mexico, San Juan Project, Series 1997B, 5.800%, 4/01/22 | 4/06 at 101 |
| ----- | | |
| NEW YORK - 15.4% | | |
| 7,000 | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29 | 7/12 at 100 |
| | County of Nassau, New York, General Obligations, Serial General Improvement Bonds, Series F: | |
| 3,980 | 7.000%, 3/01/11 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| 4,070 | 7.000%, 3/01/12 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| 3,925 | 7.000%, 3/01/15 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| | The City of New York, New York, General Obligation Bonds, Fiscal Series 1997G: | |
| 1,515 | 6.000%, 10/15/26 (Pre-refunded to 10/15/07) | 10/07 at 101 |
| 8,485 | 6.000%, 10/15/26 | 10/07 at 101 |
| 7,435 | The City of New York, New York, General Obligation Bonds, Fiscal Series 2000E, 5.750%, 5/15/20 | 5/10 at 101 |
| 9,750 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 - FGIC Insured | 6/09 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | NEW YORK (continued) | |
| \$ 5,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1997B, 5.750%, 6/15/29 - FGIC Insured | 6/07 at 101 |
| 10,000 | New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000B, 6.000%, 11/15/29 (Pre-refunded to 5/15/10) | 5/10 at 101 |
| 4,975 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax) | 12/08 at 102 |
| 3,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 2002, 7.625%, 12/01/32 | 12/12 at 101 |
| 3,655 | Dormitory Authority of the State of New York, State University Educational Facilities Revenue Bonds, Series 1997, 5.125%, 5/15/27 (Pre-refunded to 5/15/08) | 5/08 at 101 |
| 45 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997B: 5.625%, 2/15/21 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 7,315 | 5.625%, 2/15/21 | 2/07 at 102 |
| 9,495 | State of New York Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax) | 4/10 at 100 |
| 5,000 | New York State Urban Development Corporation, Correctional Facilities Service Contract Revenue Bonds, Series C, 6.000%, 1/01/29 (Pre-refunded to 1/01/09) - AMBAC Insured | 1/09 at 101 |
| | NORTH CAROLINA - 4.3% | |
| 9,815 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 7A, 1998 Trust Agreement, 6.250%, 1/01/29 (Alternative Minimum Tax) | 7/09 at 100 |
| 9,915 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 8A, 1998 Trust Agreement, 5.950%, 1/01/27 (Alternative Minimum Tax) | 1/10 at 100 |
| 5,990 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 9A, 1998 Trust Agreement, 5.875%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 100 |
| 1,545 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 10A, 1998 Trust Agreement, 5.400%, 7/01/32 (Alternative Minimum Tax) - | 7/10 at 100 |

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AMBAC Insured

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| NORTH DAKOTA - 0.7% | | |
| 4,575 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1998B, 5.500%, 7/01/29 (Alternative Minimum Tax) - MBIA Insured | 7/08 at 102 |
| ----- | | |
| OHIO - 6.0% | | |
| 5,000 | Akron, Bath, and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1998A, 5.375%, 11/15/18 | 11/09 at 101 |
| 6,000 | County of Cuyahoga, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Inc., Series 1999, 5.500%, 1/15/30 - AMBAC Insured | 7/09 at 101 |
| 7,840 | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999: 6.750%, 4/01/18 | 4/10 at 101 |
| 5,000 | 6.750%, 4/01/22 | 4/10 at 101 |
| 2,680 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program, Residential Mortgage Revenue Bonds, Series 2000D, 5.450%, 9/01/31 (Alternative Minimum Tax) | 8/10 at 100 |
| 2,650 | Ohio State Higher Education, General Obligation Bonds, Series 2003A, 5.000%, 5/01/22 | 5/13 at 100 |
| 10,000 | Ohio Air Quality Development Authority, Pollution Control Revenue Refunding Bonds, Ohio Edison Company Project, Series 1999C, 5.800%, 6/01/16 (Mandatory put 12/01/04) | 12/04 at 100 |
| ----- | | |
| OKLAHOMA - 2.0% | | |
| 5,000 | Oklahoma Industries Authority, Health System Revenue and Refunding Bonds, INTEGRIS Obligated Group of Baptist Medical Center, Inc., South Oklahoma City Hospital Corporation, and Rural Health, Inc., Series 1999A, 5.750%, 8/15/29 - MBIA Insured | 8/09 at 101 |
| 10,000 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc, Series 2001B, 5.650%, 12/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |
| ----- | | |

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| | | | |
|-------|-----------------------|---|--------------|
| | PENNSYLVANIA - 2.2% | | |
| \$ | 20 | Pennsylvania Housing Finance Agency, FNMA Rental Housing Revenue Refunding Bonds, Series 1993, 5.800%, 7/01/18 | 1/04 at 102 |
| | 2,500 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002A, 5.500%, 2/01/31 - FSA Insured | 2/12 at 100 |
| | 4,285 | Venango Housing Corporation, Pennsylvania, Multifamily FHA-Insured Mortgage Revenue Bonds, Evergreen Arbors Project, Series 1990A, 8.000%, 2/01/24 | 2/04 at 100 |
| | 6,750 | Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured | No Opt. C |
| ----- | | | |
| | RHODE ISLAND - 2.7% | | |
| | | The Housing Authority of the City of Providence, Rhode Island, Multifamily Mortgage Revenue Bonds, FHA-Insured Mortgage Loan - Cathedral Square Apartments II Project, 1992 Series: | |
| | 370 | 7.375%, 4/01/10 (Alternative Minimum Tax) | 4/07 at 100 |
| | 1,060 | 7.400%, 4/01/20 (Alternative Minimum Tax) | 4/07 at 100 |
| | 3,050 | 7.500%, 10/01/32 (Alternative Minimum Tax) | 4/07 at 100 |
| | 12,250 | Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, 5.500%, 5/15/16 - MBIA Insured | 5/07 at 102 |
| ----- | | | |
| | SOUTH CAROLINA - 3.9% | | |
| | 10,000 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20 | 12/12 at 101 |
| | 2,500 | Lexington County Health Services District, South Carolina, Hospital Revenue Bonds, Series 2003 Refunding and Improvement, 5.750%, 11/01/28 | 11/13 at 100 |
| | | South Carolina Public Service Authority, Revenue Refunding Bonds, Series 2003A: | |
| | 3,560 | 5.000%, 1/01/20 - AMBAC Insured | 7/13 at 100 |
| | 2,125 | 5.000%, 1/01/21 - AMBAC Insured | 7/13 at 100 |
| | 7,500 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | | |
| | TENNESSEE - 5.2% | | |
| | 6,000 | Knox County Health, Educational, and Housing Facilities Board, Tennessee, Hospital Facilities Revenue Bonds, Baptist Health System of East Tennessee, Series 2002, | 4/12 at 101 |

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6.500%, 4/15/31

| | | |
|--------|--|--------------|
| 20,415 | Knox County Health, Educational, and Housing Facility Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2002A, 0.000%, 1/01/18 - FSA Insured | 1/13 at 75 |
| 1,750 | The Metropolitan Government of Nashville and Davidson County, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26 | 5/11 at 100 |
| 14,385 | The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/28 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |

TEXAS - 16.3%

| | | |
|--------|--|--------------|
| 14,900 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| 6,000 | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Lighting and Power Company Project, Series 1998, 5.050%, 11/01/18 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 8,400 | Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation Project, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax) | 4/09 at 101 |
| 10,000 | Harris County Health Facilities Development Corporation, Texas, Special Facilities Revenue Bonds, Texas Medical Center Project, Series 1996, 5.900%, 5/15/16 - MBIA Insured | 5/06 at 102 |
| 5,000 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured | 11/13 at 100 |
| 12,500 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
 Portfolio of INVESTMENTS October 31, 2003

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

TEXAS (continued)

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| | | | |
|-------|--------|--|--------------|
| | | City of Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993 A-J: | |
| \$ | 5,490 | 6.800%, 12/15/10 - AMBAC Insured | No Opt. C |
| | 2,000 | 6.800%, 12/15/11 - AMBAC Insured | No Opt. C |
| | 16,305 | Matagorda County Navigation District 1, Texas, Revenue Refunding Bonds, Reliant Energy Project, Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax) | 5/09 at 101 |
| | 3,425 | Sabine River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11) | No Opt. C |
| | 4,700 | Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21 | 10/12 at 100 |
| | 4,000 | State of Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 199C, 5.500%, 8/01/35 | 8/09 at 100 |
| | 6,840 | Travis County Health Facilities Development Corporation, Texas, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| | 2,500 | Trinity River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, 5.000%, 5/01/27 (Alternative Minimum Tax) (Mandatory put 11/01/06) | No Opt. C |
| | 245 | Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood I Project, Series 1990A, 7.625%, 1/01/10 - MBIA Insured | 1/04 at 100 |
| | | Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood II Project, Series 1990C: | |
| | 205 | 7.625%, 1/01/10 - MBIA Insured | 1/04 at 100 |
| | 1,250 | 7.650%, 7/01/23 - MBIA Insured | 1/04 at 100 |
| ----- | | | |
| | | VIRGINIA - 1.0% | |
| | 6,380 | Capital Region Airport Authority, Richmond, Virginia, Airport Revenue Bonds, International Airport Projects, Series 1995A, 5.625%, 7/01/20 - AMBAC Insured | 7/05 at 102 |
| ----- | | | |
| | | WASHINGTON - 14.5% | |
| | 8,810 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| | 10,730 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Refunding | 7/11 at 101 |

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| | | |
|------------------------|---|---------------------|
| | Bonds, Series 2001C, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured | |
| 5,665 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured | 7/12 at 100 |
| 10,730 | Pierce County School District 320, Sumner, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 - FSA Insured | 12/10 at 100 |
| 10,550 | Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |
| 5,315 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 19,295 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999A, 6.000%, 9/01/29 - MBIA Insured | 3/10 at 101 |
| 5,000 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B, 6.000%, 9/01/20 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 5,000 | Washington Health Care Facilities Authority Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |
| 8,750 | Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| ----- | | |
| | WEST VIRGINIA - 0.7% | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| 30 | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| | WISCONSIN - 7.8% | |
| \$ 8,000 | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 | 6/12 at 100 |
| 5,000 | Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas & Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative | 4/12 at 100 |

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| | | | |
|------------|--|--------------|-------------|
| | | Minimum Tax) | |
| 3,000 | Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured | | No Opt. C |
| 3,640 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax) | | 3/10 at 100 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Medical Group, Inc. Project, Series 1996: | | |
| 10,000 | 5.600%, 11/15/16 - FSA Insured | | 5/06 at 102 |
| 20,000 | 5.750%, 11/15/25 - FSA Insured | | 5/06 at 102 |
| ----- | | | |
| \$ 962,480 | Total Long-Term Investments (cost \$936,335,897) - 148.5% | | |
| ===== | | | |
| | SHORT-TERM INVESTMENTS - 1.8% | | |
| 4,000 | Moffat County, Colorado, Pollution Control Revenue Refunding Bonds, Pacificorp Projects, Variable Rate Demand Bonds, Series 1994, 1.200%, 5/01/13 - AMBAC Insured+ | | |
| 6,095 | Montgomery County, Tennessee, Public Building Authority Pooled Financing Revenue Bonds, County Loan Pool Program, Variable Rate Demand Bonds, Series 2002, 1.150%, 4/01/32+ | | |
| 2,000 | Nebraska Educational Finance Authority, Variable Rate Demand Revenue Refunding Bonds, Creighton University, Series 2001, 1.150%, 8/01/31+ | | |
| ----- | | | |
| \$ 12,095 | Total Short-Term Investments (cost \$12,095,000) | | |
| ===== | | | |
| | Total Investments (cost \$948,430,897) - 150.3% | | |
| ----- | | | |
| | Other Assets Less Liabilities - 3.0% | | |
| ----- | | | |
| | Preferred Shares, at Liquidation Value - (53.3)% | | |
| ----- | | | |
| | Net Assets Applicable to Common Shares - 100% | | |
| ===== | | | |

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

* Optional Call Provisions (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.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally

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considered to be equivalent to AAA rated securities.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.

N/R Investment is not rated.

+ 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 Municipal Market Opportunity Fund, Inc. (NMO)
Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ARIZONA - 0.8% | |
| \$ 3,000 | Arizona State Transportation Board, Highway Revenue Bonds, Series 2001, 5.250%, 7/01/20 | 7/11 at 100 |
| 1,725 | Maricopa County Industrial Development Authority, Education Revenue Bonds, Arizona Charter Schools Project I, Series 2000A, 6.750%, 7/01/29 | 7/10 at 102 |
| 570 | Pima County Industrial Development Authority, Arizona, FNMA/GNMA Single Family Mortgage Revenue Bonds, Series 1997A, 7.100%, 11/01/29 (Alternative Minimum Tax) | 5/07 at 105 |
| ----- | | |
| | ARKANSAS - 1.8% | |
| 5,000 | Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15 | 2/10 at 100 |
| 3,480 | Cabot School District No. 4 of Lonoke County, Arkansas, General Obligation Bonds, Series 2003 Refunding, 5.000%, 2/01/27 - AMBAC Insured | 8/08 at 100 |
| 2,865 | Board of Trustees of The University of Arkansas at | 12/12 at 100 |

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Fayetteville, Various Facilities Revenue Bonds, Series 2002,
5.500%, 12/01/20 - FGIC Insured

| CALIFORNIA - 4.9% | | |
|-------------------|--|-------------|
| 3,225 | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 1,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17 | 5/12 at 101 |
| 2,500 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Central Business District Redevelopment Project, Series 1987G, 6.750%, 7/01/10 | 1/04 at 100 |
| | Department of Water and Power of The City of Los Angeles, California, Electric Plant Revenue Bonds, Second Issue of 1993: | |
| 490 | 4.750%, 10/15/20 | 4/04 at 102 |
| 5,510 | 4.750%, 10/15/20 | 4/04 at 102 |
| 995 | Department of Water and Power of The City of Los Angeles, California, Electric Plant Revenue Bonds, Issue of 1994, 5.375%, 2/15/34 | 2/04 at 102 |
| | Orange County, California, Recovery Certificates of Participation, Series 1996A: | |
| 13,100 | 5.875%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 690 | 6.000%, 7/01/26 - MBIA Insured | 7/06 at 102 |
| 5,000 | San Joaquin Hills Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1997A, 0.000%, 1/15/17 - MBIA Insured | 1/14 at 102 |

| COLORADO - 3.9% | | |
|-----------------|---|--------------|
| 3,000 | Broomfield, Colorado, Master Facilities Lease Purchase Agreement, Certificates of Participation, Series 1999, 5.750%, 12/01/24 - AMBAC Insured | 12/09 at 100 |
| 6,000 | Broomfield, Colorado, Sales and Use Tax Revenue Bonds, Series 2002A Refunding and Improvement, 5.500%, 12/01/22 - AMBAC Insured | 12/12 at 100 |
| 11,465 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 (Alternative Minimum Tax) - AMBAC Insured | 11/10 at 100 |
| 20,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured | 9/10 at 31 |

| GEORGIA - 6.2% | | |
|----------------|--|-------------|
| 15,000 | City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |

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| | | |
|--------|---|--------------|
| 14,000 | Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured | 11/10 at 101 |
|--------|---|--------------|

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| GEORGIA (continued) | | |
| \$ 8,000 | Georgia, General Obligation Bonds, Series 1995C, 7.250%, 7/01/08 | No Opt. C |
| ILLINOIS - 10.1% | | |
| 6,500 | Chicago, Illinois, Gas Supply Revenue Refunding Bonds, Peoples Gas Light and Coke Company Project, Series 1995A, 6.100%, 6/01/25 | 6/05 at 102 |
| 5,250 | City of Chicago, Illinois, Chicago Midway Airport, Revenue Bonds, Series 1998B, 5.000%, 1/01/28 - MBIA Insured | 1/09 at 101 |
| 4,000 | City of Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured | 7/13 at 100 |
| 5,210 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West Development, Series 1992A, 6.875%, 1/01/20 | 1/04 at 101 |
| 950 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Village Center Development, Series 1992C, 6.600%, 3/01/07 | 3/04 at 101 |
| 38,645 | State of Illinois, General Obligation Bonds, Illinois FIRST, Series 2000, 5.500%, 4/01/25 - MBIA Insured | 4/10 at 100 |
| 1,975 | Lake County Community High School District No. 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured | No Opt. C |
| 3,250 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A: 0.000%, 6/15/25 - MBIA Insured | 6/22 at 101 |
| 2,270 | 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |
| INDIANA - 2.0% | | |
| 4,695 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Butler University Project, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 20,695 | Indianapolis Airport Authority, Indiana, Specialty Facility | 11/05 at 102 |

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| | | |
|--------|---|--------------|
| | Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | |
| 2,000 | City of Petersburg, Indiana, Pollution Control Revenue Refunding Bonds, Indianapolis Power and Light Company, Series 1991, 5.750%, 8/01/21 | 8/11 at 102 |
| ----- | | |
| | IOWA - 0.6% | |
| 4,215 | Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, IPSCO Project, Series 1997, 6.000%, 6/01/27 (Alternative Minimum Tax) (Mandatory put 6/01/07) | No Opt. C |
| ----- | | |
| | KENTUCKY - 1.6% | |
| | Jefferson County, Kentucky, School District Finance Corporation, School Building Revenue Bonds, Series 2000A: | |
| 3,045 | 5.250%, 7/01/17 - FSA Insured | 1/10 at 101 |
| 7,490 | 5.250%, 7/01/20 - FSA Insured | 1/10 at 101 |
| ----- | | |
| | LOUISIANA - 1.1% | |
| 7,415 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation Project, Series 2002, 5.000%, 12/01/32 - MBIA Insured | 12/12 at 100 |
| ----- | | |
| | MARYLAND - 1.6% | |
| | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | |
| 3,710 | 5.000%, 11/01/18 | 11/12 at 101 |
| 3,890 | 5.000%, 11/01/19 | 11/12 at 101 |
| 2,500 | Department of Transportation, State of Maryland, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |
| ----- | | |
| | MASSACHUSETTS - 3.3% | |
| 5,250 | Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30 | 7/10 at 100 |
| 10,000 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2000A, 5.750%, 8/01/39 - FGIC Insured | 8/10 at 101 |

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Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MASSACHUSETTS (continued) | |
| \$ 6,195 | University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, Commonwealth Guaranteed, 5.125%, 11/01/25 - MBIA Insured | 11/10 at 100 |
| ----- | | |
| | MICHIGAN - 1.5% | |
| 6,635 | Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 2001A, 5.750%, 7/01/28 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 101 |
| 2,090 | City of Grand Rapids Building Authority, County of Kent, Michigan, General Obligation Limited Tax Bonds, Series 2000, 5.375%, 8/01/17 - AMBAC Insured | 8/10 at 100 |
| ----- | | |
| | MINNESOTA - 8.1% | |
| 13,675 | State of Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16 | 11/10 at 100 |
| 4,375 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-2, Remarketed, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at 101 |
| 30,000 | Minnesota Agricultural and Economic Development Board, Health Care System Revenue Bonds, Fairview Health Services, Series 2000A, 6.375%, 11/15/29 | 11/10 at 101 |
| 3,390 | The Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |
| ----- | | |
| | MISSISSIPPI - 1.2% | |
| 5,900 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/04 at 102 |
| 2,070 | Mississippi Home Corporation, GNMA Mortgage-Backed Securities Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax) | 7/07 at 105 |
| ----- | | |
| | NEVADA - 3.8% | |
| | Director of Nevada State Department of Business and Industry, | |

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| | | |
|--------|--|-------------|
| | Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000: | |
| 8,500 | 0.000%, 1/01/26 - AMBAC Insured | No Opt. C |
| 5,315 | 0.000%, 1/01/27 - AMBAC Insured | No Opt. C |
| 21,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

NEW JERSEY - 4.0%

| | | |
|--------|--|--------------|
| 650 | Camden County Pollution Control Financing Authority, New Jersey, Solid Waste Disposal and Resource Recovery System Revenue Bonds, Series 1991D, 7.250%, 12/01/10 | 12/03 at 100 |
| 21,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2000B, 5.750%, 6/15/17 (Pre-refunded to 6/15/10) | 6/10 at 100 |
| 3,165 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 | 6/12 at 100 |

NEW MEXICO - 1.9%

| | | |
|-------|---|-------------|
| 5,925 | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A, 5.500%, 8/01/21 | 8/11 at 101 |
| 5,675 | Regents of the University of New Mexico, System Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12 | No Opt. C |

NEW YORK - 24.8%

| | | |
|--------|--|-------------|
| 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - MBIA Insured | 6/08 at 101 |
| 11,000 | Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series 1999A, 6.400%, 7/15/33 | 7/09 at 101 |
| 21,715 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18 | 3/06 at 101 |
| | City of New York, New York, General Obligation Bonds, Fiscal Series 2002G: | |
| 1,000 | 5.000%, 8/01/17 | 8/12 at 100 |
| 10,500 | 5.750%, 8/01/18 | 8/12 at 100 |
| 5,000 | City of New York, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16 | 8/12 at 100 |

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| | | | |
|----|---|---|--------------|
| | NEW YORK (continued) | | |
| | City of New York, New York, General Obligation Bonds, Fiscal Series 1997H: | | |
| \$ | 80 | 6.125%, 8/01/25 (Pre-refunded to 8/01/07) | 8/07 at 101 |
| | 9,920 | 6.125%, 8/01/25 | 8/07 at 101 |
| | 17,870 | New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997A: | | |
| | 19,290 | 5.750%, 2/15/27 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| | 710 | 5.750%, 2/15/27 | 2/07 at 102 |
| | 4,500 | New York State Energy Research and Development Authority, Gas Facilities Revenue Bonds, The Brooklyn Union Gas Company Project, Series 1989C, 5.600%, 6/01/25 (Alternative Minimum Tax) - MBIA Insured | 1/04 at 102 |
| | 3,000 | New York State Medical Care Facilities Finance Agency, Brookdale Hospital Medical Center Secured Hospital Revenue Bonds, 1995 Series A, 6.850%, 2/15/17 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| | 4,785 | New York State Medical Care Facilities Finance Agency, Health Center Projects Revenue Bonds, Secured Mortgage Program, Series 1995A, 6.375%, 11/15/19 | 11/05 at 102 |
| | 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 5.750%, 12/01/22 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| | 5,400 | Tobacco Settlement Financing Corporation of New York State, Asset-Backed Bonds, Series 2003-A1, 5.500%, 6/01/16 | 6/10 at 100 |
| | 7,000 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 1999B, 5.500%, 1/01/30 (Pre-refunded to 1/01/22) | 1/22 at 100 |
| | 20,500 | TSASC, Inc., New York, Tobacco Flexible Amortization Bonds, Series 1999-1, 6.250%, 7/15/34 | 7/09 at 101 |
| | ----- | | |
| | NORTH CAROLINA - 1.2% | | |
| | 7,500 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - MBIA Insured | 1/13 at 100 |
| | ----- | | |
| | NORTH DAKOTA - 4.3% | | |
| | 22,905 | Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - FSA Insured | 6/10 at 101 |

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| | | |
|--|--|--------------|
| North Dakota Water Commission, Water Development and Management Program Bonds, Series 2000A: | | |
| 2,230 | 5.700%, 8/01/18 - MBIA Insured | 8/10 at 100 |
| 2,450 | 5.750%, 8/01/19 - MBIA Insured | 8/10 at 100 |
| ----- | | |
| OHIO - 2.6% | | |
| 16,140 | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12 | No Opt. C |
| ----- | | |
| OKLAHOMA - 0.0% | | |
| 300 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |
| ----- | | |
| OREGON - 2.4% | | |
| 5,000 | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured | 1/13 at 100 |
| Portland, Oregon, Water System Revenue Bonds, Series 2000A: | | |
| 6,780 | 5.375%, 8/01/18 | 8/10 at 100 |
| 3,655 | 5.500%, 8/01/20 | 8/10 at 100 |
| ----- | | |
| PENNSYLVANIA - 6.4% | | |
| 5,000 | Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19 | 1/08 at 102 |
| 15,000 | Delaware River Port Authority, Pennsylvania, Revenue Refunding Bonds, Series 1998B, 5.250%, 1/01/08 - AMBAC Insured | No Opt. C |
| 15,050 | Pennsylvania General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14 | 9/11 at 101 |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--------------------------|--|---------------------|
| ----- | | |
| PENNSYLVANIA (continued) | | |
| \$ 5,000 | Pennsylvania Higher Education Assistance Agency, | 12/10 at 100 |

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Capital Acquisition Revenue Bonds, Series 2000,
5.875%, 12/15/30 (Pre-refunded to 12/15/10) - MBIA Insured

| | | |
|--------------------|--|-------------|
| PUERTO RICO - 1.1% | | |
| 8,150 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |

| | | |
|-----------------------|--|--------------|
| SOUTH CAROLINA - 5.4% | | |
| 24,730 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 | 12/12 at 101 |
| 1,865 | Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured | 1/07 at 102 |
| 10,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |

| | | |
|------------------|--|-------------|
| TENNESSEE - 0.9% | | |
| 5,000 | The Health, Educational, and Housing Facilities Board of Knox County, Tennessee, Hospital Facilities Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured | 7/13 at 100 |
| 1,200 | The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Refunding Bonds, The Blakeford at Green Hills, Series 1998, 5.650%, 7/01/16 | 1/04 at 102 |

| | | |
|---------------|---|--------------|
| TEXAS - 26.5% | | |
| 5,000 | Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/03 at 100 |
| | Arlington Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 1995: | |
| 3,710 | 0.000%, 2/15/12 | 2/05 at 67 |
| 3,710 | 0.000%, 2/15/13 | 2/05 at 62 |
| 12,250 | Austin, Texas, Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 - AMBAC Insured | 11/09 at 100 |
| 14,200 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| | Brownsville Independent School District, Cameron County, | |

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| | | | |
|--------|---|--|--------------|
| | Texas, General Obligation Bonds, Series 1999: | | |
| 5,015 | 5.625%, 8/15/25 | | 8/09 at 100 |
| 8,825 | 5.625%, 8/15/29 | | 8/09 at 100 |
| | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000: | | |
| 17,325 | 5.400%, 2/15/18 | | 2/10 at 100 |
| 10,000 | 5.650%, 2/15/19 | | 2/10 at 100 |
| 6,880 | 5.700%, 2/15/20 | | 2/10 at 100 |
| 8,020 | 5.700%, 2/15/21 | | 2/10 at 100 |
| 6,000 | Dallas-Fort Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines, Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax) | | 11/09 at 101 |
| 11,750 | Dallas-Fort Worth International Airport Facilities Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines, Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | | 11/07 at 100 |
| 21,500 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | | 7/10 at 100 |
| 22,500 | Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2000B, 5.250%, 12/01/30 - FGIC Insured | | 12/10 at 100 |
| 1,250 | Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - FSA Insured | | 12/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 15,000 | San Antonio Independent School District, Bexar County, Texas, General Obligation Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 4,259 | Texas General Services Commission, Participation Interests, Series 1992, 7.500%, 9/01/22 | 9/05 at 100 |
| 3,970 | City of Wichita Falls, Wichita County, Texas, Water and Sewer System Priority Lien Revenue Bonds, Series 2001, 5.000%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| ----- | | |
| | WASHINGTON - 16.1% | |
| 5,500 | Public Utility District No. 1 of Clark County, Washington, Generating System Revenue Refunding Bonds, Series 2000, | 1/11 at 100 |

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| | | |
|--------------|--|--------------|
| | 5.125%, 1/01/20 - FSA Insured | |
| 2,755 | Cowlitz County, Washington, Special Sewer Revenue Refunding Bonds, CSOB Wastewater Treatment Facilities, Series 2002, 5.500%, 11/01/16 - FGIC Insured | No Opt. C |
| 10,000 | Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Refunding Bonds, Series 2001A, 5.500%, 7/01/17 - FSA Insured | 7/11 at 101 |
| 2,500 | King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured | 1/12 at 100 |
| 33,490 | Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 - MBIA Insured | 8/10 at 100 |
| 6,950 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 (Alternative Minimum Tax) - MBIA Insured | 8/10 at 100 |
| | Seattle, Washington, General Obligation Bonds, Series 2002 Refunding and Improvement: | |
| 6,165 | 4.400%, 12/01/19 | 12/12 at 100 |
| 6,445 | 4.500%, 12/01/20 | 12/12 at 100 |
| | City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding: | |
| 6,630 | 5.750%, 1/01/17 - FSA Insured | 1/11 at 101 |
| 3,500 | 5.750%, 1/01/18 - FSA Insured | 1/11 at 101 |
| 9,000 | State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured | 1/12 at 100 |
| 7,890 | Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University Project, Series 1999, 5.950%, 11/01/29 - RAAI Insured | 11/09 at 101 |
| 3,520 | Washington State Health Care Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| ----- | | |
| | WISCONSIN - 0.2% | |
| 1,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., Series 1998, 5.700%, 3/01/28 | 3/08 at 101 |
| ----- | | |
| | WYOMING - 0.4% | |
| 2,800 | Jackson National Rural Utilities Cooperative Financing Corporation, Wyoming, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power and Light Inc. Project, Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax) | 5/07 at 101 |
| ----- | | |
| \$ 1,019,914 | Total Long-Term Investments (cost \$977,453,141) - 150.7% | |
| ===== | | |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|---------------------------|---|
| | SHORT-TERM INVESTMENTS - 1.7% |
| \$ 11,900 | Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Variable Rate Demand Revenue Bonds, Series 2001, 1.150%, 7/01/31+ |
| \$ 11,900 | Total Short-Term Investments (cost \$11,900,000) |
| | Total Investments (cost \$989,353,141) - 152.4% |
| | Other Assets Less Liabilities - 2.8% |
| | Preferred Shares, at Liquidation Value - (55.2)% |
| | 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.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.

N/R Investment is not rated.

+ 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

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based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund (NAD)
 Portfolio of
 INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | ALABAMA - 0.2% | |
| \$ 1,500 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20 | 6/10 at 102 |
| | ARIZONA - 2.6% | |
| 15,000 | Maricopa County, Arizona, Pollution Control Corporation, Pollution Control Revenue Remarketing Bonds, El Paso Electric Company, Series 1994A, 6.375%, 7/01/14 (Mandatory put 8/01/05) | No Opt. C |
| | CALIFORNIA - 2.1% | |
| 2,475 | Department of Water and Power of the City of Los Angeles, California, Power System Revenue Bonds, Series 2001A, Subseries A-3, 5.375%, 7/01/20 | 7/06 at 100 |
| 9,375 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.875%, 12/01/27 | 12/05 at 101 |
| | COLORADO - 2.6% | |
| 10,000 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 1,475 | City and County of Denver, Colorado, Multifamily Housing Revenue Bonds, FHA-Insured Mortgage Loan - The Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) | 10/07 at 102 |
| 3,205 | City and County of Denver, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A, 6.000%, 1/01/12 (Alternative Minimum Tax) - MBIA Insured | 1/09 at 101 |

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CONNECTICUT - 0.5%

Connecticut Development Authority, Health Facility Refunding
Revenue Bonds, Alzheimer's Resource Center of Connecticut,
Inc. Project, Series 1994A:
290 6.875%, 8/15/04 No Opt. C
2,700 7.125%, 8/15/14 8/04 at 102

FLORIDA - 2.7%

1,630 Florida Housing Finance Agency, Housing Revenue Bonds,
Mar Lago Village Apartments Project, Series 1997F,
5.800%, 12/01/17 (Alternative Minimum Tax) -
AMBAC Insured 12/07 at 102
13,625 Martin County, Florida, Industrial Development Authority,
Industrial Development Revenue Bonds, Indiantown
Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25
(Alternative Minimum Tax) 12/04 at 102

GEORGIA - 1.4%

4,000 Forsyth County Water and Sewerage Authority, Georgia,
Revenue Bonds, Series 2000, 6.000%, 4/01/25
(Pre-refunded to 4/01/10) 4/10 at 102
3,500 The Hospital Authority of Hall County and the City of Gainesville,
Georgia, Revenue Anticipation Certificates, Northeast Georgia
Health System, Inc. Project, Series 1999, 5.500%, 5/15/29 -
MBIA Insured 5/09 at 101

IDAHO - 0.8%

1,045 Idaho Housing and Finance Association, Single Family
Mortgage Bonds, Series 1999E, 5.750%, 1/01/21
(Alternative Minimum Tax) 7/09 at 101
1,690 Idaho Housing and Finance Association, Single Family
Mortgage Bonds, Series 2000D, 6.350%, 7/01/22
(Alternative Minimum Tax) 1/10 at 100
1,595 Idaho Housing and Finance Association, Single Family
Mortgage Bonds, Series 2000E, 5.950%, 7/01/20
(Alternative Minimum Tax) 7/10 at 100

ILLINOIS - 33.2%

3,635 Channahon, Illinois, Revenue Refunding Bonds, Morris
Hospital, Series 1999, 5.750%, 12/01/12 12/09 at 102
22,750 City of Chicago, Illinois, General Obligation Bonds, Emergency
Telephone System, Refunding Series 1999, 5.500%, 1/01/23 -
FGIC Insured No Opt. C

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 7,250 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured | No Opt. C |
| | Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A: | |
| 935 | 5.500%, 12/20/19 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,210 | 5.600%, 12/20/29 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,925 | 5.650%, 12/20/40 (Alternative Minimum Tax) | 10/10 at 101 |
| 4,940 | City of Chicago, Illinois, Wastewater Transmission Revenue Bonds, Series 1995, 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 5,000 | City of Chicago, Illinois, Water Revenue Bonds, Series 1997, 5.250%, 11/01/27 - FGIC Insured | 11/07 at 102 |
| 24,835 | Illinois Development Finance Authority, Revenue Bonds, The Presbyterian Home of Lake Forest Project, Series 1999, 5.625%, 9/01/31 - FSA Insured | 9/07 at 102 |
| 3,935 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Round Lake Community Unit School District 116 Project, Series 1999, 0.000%, 1/01/15 - MBIA Insured | No Opt. C |
| 2,750 | Illinois Educational Facilities Authority, Revenue Bonds, MJH Education Assistance Illinois LLC, Series 1999D, 5.450%, 9/01/14 - AMBAC Insured | 9/09 at 100 |
| | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 1997A: | |
| 1,600 | 5.000%, 7/01/24 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 101 |
| 5,400 | 5.000%, 7/01/24 - MBIA Insured | 7/07 at 101 |
| 5,490 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16 | 2/07 at 102 |
| 17,280 | Illinois Health Facilities Authority Converted Adjustable Rate Revenue Bonds, Highland Park Hospital, Series 1991A, 6.000%, 10/01/15 (Pre-refunded to 10/01/07) - FGIC Insured | 10/07 at 102 |
| 9,940 | Illinois Health Facilities Authority, Revenue Bonds, University of Chicago Project, Series 1985A Remarketed, 5.500%, 8/01/20 | 8/11 at 103 |
| 7,245 | Illinois Health Facilities Authority, Revenue Refunding Bonds, | 1/04 at 100 |

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| | | |
|---------------------------|---|------------------------|
| | Proctor Community Hospital Project, Series 1991, 7.375%, 1/01/23 | |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A: | |
| 9,750 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/23 - MBIA Insured | No Opt. C |
| 20,500 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999: | |
| 22,650 | 5.750%, 6/01/19 - FSA Insured | No Opt. C |
| 3,500 | 5.750%, 6/01/23 - FSA Insured | No Opt. C |
| 5,000 | Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | No Opt. C |
| 4,500 | Will County School District No. 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured | No Opt. C |
| ----- | | |
| | INDIANA - 3.9% | |
| 8,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 - MBIA Insured | 8/10 at 101 |
| 8,755 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded to 11/15/09) - MBIA Insured | 11/09 at 101 |
| 4,190 | Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation Inc., Project, Series 1999, 5.700%, 6/01/24 | 6/09 at 101 |
| ----- | | |
| | IOWA - 2.0% | |
| 11,135 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Waldorf College Project, Series 1999, 7.375%, 10/01/19 | 10/10 at 102 |
| ----- | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| | KANSAS - 0.6% | |

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| | | | |
|-------|--------|---|--------------|
| \$ | 3,825 | Wichita, Kansas, Water and Sewer Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured | 10/06 at 101 |
| ----- | | | |
| | | KENTUCKY - 5.6% | |
| | 3,030 | Hardin County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20 | 2/10 at 101 |
| | 1,850 | Kentucky Economic Development Financing Authority, Hospital System Revenue and Refunding Improvement Bonds, Appalachian Regional Healthcare, Inc. Project, Series 1997: 5.850%, 10/01/17 | 4/08 at 102 |
| | 5,000 | 5.875%, 10/01/22 | 4/08 at 102 |
| | 16,730 | Newport Public Properties Corporation, Kentucky, First Mortgage Revenue Bonds, Public Parking and Plaza Project, Series 2000A: 8.375%, 1/01/18 | 7/10 at 104 |
| | 3,000 | 8.500%, 1/01/27 | 7/10 at 104 |
| | 4,985 | 8.375%, 1/01/27 | 7/10 at 104 |
| ----- | | | |
| | | LOUISIANA - 1.7% | |
| | 2,245 | City of Lafayette, Louisiana, Public Improvement Sales Tax Bonds, Series 2000B, 5.625%, 5/01/25 - FGIC Insured | 5/10 at 101 |
| | 9,545 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30 | 5/11 at 101 |
| ----- | | | |
| | | MARYLAND - 0.9% | |
| | 5,000 | Community Development Administration, Maryland Department of Housing and Community Development, Residential Revenue Bonds, Series 2000G, 5.950%, 9/01/29 (Alternative Minimum Tax) | 9/09 at 100 |
| ----- | | | |
| | | MASSACHUSETTS - 1.8% | |
| | 1,500 | Boston, Massachusetts, Industrial Development Financing Authority, Subordinate Revenue Bonds, Crosstown Center Project, Series 2002, 8.000%, 9/01/35 (Alternative Minimum Tax) | 9/12 at 102 |
| | 785 | Massachusetts Port Authority, Special Facilities Revenue Bonds, US Air Project, Series 1996-A, 5.875%, 9/01/23 (Alternative Minimum Tax) - MBIA Insured | 9/06 at 102 |
| | 7,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation Project, Series 1997, 5.500%, 7/01/18 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| | 955 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 32, 6.600%, 12/01/26 (Alternative Minimum Tax) | 12/04 at 102 |

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| | | |
|---|---|--------------|
| MICHIGAN - 1.6% | | |
| Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 2001A: | | |
| 2,565 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 2,435 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 4,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |

| | | |
|------------------|--|-------------|
| MINNESOTA - 0.8% | | |
| 2,250 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines, Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax) | 4/11 at 101 |
| 2,510 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 101 |

| | | |
|---|---------------------------------|-------------|
| MISSOURI - 1.4% | | |
| Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care Series 2001A: | | |
| 4,370 | 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| 3,670 | 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |

| | | |
|----------------|--|--------------|
| MONTANA - 0.9% | | |
| 3,900 | Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2003

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

| | | |
|---------------------|---|--------------|
| MONTANA (continued) | | |
| \$ 1,000 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax) | 12/09 at 100 |

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| | | |
|----------------------|--|--------------|
| NEBRASKA - 0.4% | | |
| 2,000 | Nebraska Higher Education Loan Program Incorporated, Senior Subordinate Bonds, Series 1993A-5A, 6.200%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| <hr/> | | |
| NEW HAMPSHIRE - 0.7% | | |
| 4,250 | New Hampshire Housing Finance Authority Single Family Mortgage Acquisition Revenue Bonds, Series 1995D, 6.550%, 7/01/26 (Alternative Minimum Tax) | 7/05 at 102 |
| <hr/> | | |
| NEW JERSEY - 8.2% | | |
| 3,835 | New Jersey Higher Education Student Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Jersey City Medical Center Issue, Series 2001, 4.800%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| 15,600 | New Jersey Economic Development Authority, Solid Waste Facilities Revenue Bonds, Bridgewater Resources Inc. Project, Series 1999B, 8.250%, 6/01/19 (Alternative Minimum Tax)## | No Opt. C |
| 475 | New Jersey Economic Development Authority, Solid Waste Revenue Bonds, Bridgewater Resources Inc. Project, Series 2003C, 0.000%, 6/30/05## | No Opt. C |
| 4,130 | New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18 | No Opt. C |
| 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 5.900%, 12/01/17 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| 10,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32 | 6/12 at 100 |
| 3,165 | 6.125%, 6/01/42 | 6/12 at 100 |
| <hr/> | | |
| NEW YORK - 19.1% | | |
| 1,940 | Cattaraugus County Industrial Development Agency, | No Opt. C |

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| | | |
|--------|---|-------------|
| | New York, Revenue Bonds, Laidlaw Energy and Environmental Inc. Project, Series 1999A, 8.500%, 7/01/21 (Alternative Minimum Tax)# | |
| 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - FSA Insured | 6/08 at 101 |
| | County of Nassau, New York, General Obligation Serial Improvement Bonds, Series B: | |
| 4,005 | 5.250%, 6/01/19 - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/20 - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/21 - AMBAC Insured | 6/09 at 102 |
| 2,000 | City of New York, New York, General Obligation Bonds, Fiscal Series 1998E, 5.250%, 8/01/14 - AMBAC Insured | 2/08 at 101 |
| 14,000 | City of New York, New York, General Obligation Bonds, Series 1998F, 5.375%, 8/01/19 - MBIA Insured | 2/08 at 101 |
| 2,525 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 1998A, 5.000%, 8/15/27 (Pre-refunded to 8/15/07) | 8/07 at 101 |
| 12,350 | New York City Transitional Finance Authority, Future Tax Secured Bonds, Fiscal Series 2000C, 5.500%, 11/01/29 (Pre-refunded to 5/01/10) | 5/10 at 101 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 4,400 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996E, 5.250%, 2/15/18 - AMBAC Insured | 2/07 at 102 |
| 2,170 | Dormitory Authority of the State of New York, Frances Schervier Home & Hospital Insured Revenue Bonds, Franciscan Health Partnership Obligated Group, Series 1997, 5.500%, 7/01/17 - RAAI Insured | 7/07 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 4,305 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B: | |
| 165 | 5.125%, 8/15/21 (Pre-refunded to 2/15/06) - MBIA Insured | 2/06 at 100 |
| | 5.125%, 8/15/21 - MBIA Insured | 2/06 at 102 |
| 7,500 | Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - MBIA Insured | 2/08 at 101 |

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| | | |
|-----------------------|--|--------------|
| 10,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1999 Series 1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | 7/09 at 101 |
| 2,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1997 Series 1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| 7,500 | New York State Urban Development Corporation, Correctional Facilities Revenue Bonds, Series 6, 5.375%, 1/01/25 (Pre-refunded to 1/01/06) - AMBAC Insured | 1/06 at 102 |
| ----- | | |
| NORTH CAROLINA - 0.6% | | |
| 3,000 | County of Wake, North Carolina, General Obligation School Bonds, Series 2001B, 5.250%, 2/01/17 | 2/11 at 102 |
| ----- | | |
| OHIO - 4.4% | | |
| 2,300 | Amherst Exempted Village School District, Ohio, General Obligation Unlimited Tax School Improvement Bonds, Series 2001, 5.125%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 3,635 | Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | 1/05 at 103 |
| 5,650 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at 102 |
| 13,500 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| 1,115 | Warren County, Ohio, Special Assessment Bonds, Waterstone Boulevard, Series 1997 General Obligation, 5.500%, 12/01/17 | 12/07 at 101 |
| ----- | | |
| OREGON - 0.4% | | |
| 2,255 | Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured | 6/10 at 101 |
| ----- | | |
| PENNSYLVANIA - 5.0% | | |
| 3,480 | Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/22 | 11/10 at 102 |

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| | | |
|---------------------|--|-------------|
| 2,365 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 18,900 | City of Philadelphia Airport Revenue Refunding Bonds, Pennsylvania, Philadelphia Airport System, Series 1998A, 5.500%, 6/15/18 (Alternative Minimum Tax) - FGIC Insured | 6/08 at 102 |
| 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |
| ----- | | |
| RHODE ISLAND - 2.7% | | |
| 2,015 | Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured | 5/09 at 102 |
| 3,500 | Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.750%, 4/01/29 - AMBAC Insured | 4/10 at 101 |
| 12,000 | Tobacco Settlement Financing Corporation of Rhode Island, Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32 | 6/12 at 100 |
| ----- | | |
| TENNESSEE - 2.3% | | |
| 5,260 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 2,425 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| TENNESSEE (continued) | | |
| \$ 3,625 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| 1,790 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-2B, 6.250%, 1/01/20 (Alternative Minimum Tax) | 7/10 at 100 |

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| | | |
|--------|--|--------------|
| | TEXAS - 14.2% | |
| 1,000 | Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/03 at 100 |
| 10,000 | Austin, Texas, Airport System Prior Lien Revenue Bonds, Series 1995A, 6.125%, 11/15/25 (Alternative Minimum Tax) - MBIA Insured | 11/05 at 102 |
| 2,560 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 1999C, 7.700%, 4/01/32 (Alternative Minimum Tax) | 4/13 at 101 |
| 4,675 | Carrollton-Farmers Branch Independent School District, Dallas County, Texas, School Building Unlimited Tax Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded to 2/15/09) | 2/09 at 100 |
| | Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999: | |
| 5,130 | 0.000%, 8/15/20 | 8/09 at 52 |
| 7,000 | 0.000%, 8/15/21 | 8/09 at 49 |
| 7,345 | 0.000%, 8/15/23 | 8/09 at 44 |
| 7,000 | 0.000%, 8/15/24 | 8/09 at 41 |
| 7,350 | 0.000%, 8/15/25 | 8/09 at 39 |
| 7,000 | 0.000%, 8/15/26 | 8/09 at 36 |
| 2,000 | Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, American Airlines, Series 2000B, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 6,000 | Dallas-Fort Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, American Airlines, Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| | Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A: | |
| 12,000 | 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 11,000 | 5.375%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 2,500 | Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded to 8/01/10) - FSA Insured | 8/10 at 100 |
| 4,245 | Laredo Independent School District, Webb County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.250%, 8/01/24 | 8/09 at 100 |
| 2,000 | Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 - FGIC Insured | 3/09 at 100 |
| 1,500 | Port Arthur, Texas, Jefferson County, General Obligation Bonds, Series 1997, 5.000%, 2/15/21 - MBIA Insured | 2/07 at 100 |
| 10,000 | Tarrant County Health Facilities Development Corporation Texas Health Resources System Revenue Bonds, Series 1997A, 5.250%, 2/15/17 - MBIA Insured | 2/08 at 102 |

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| | | | |
|-------|---|--|-------------|
| | UTAH - 1.2% | | |
| 195 | Utah Housing Finance Agency, Single Family Mortgage Senior Bonds, Federally Insured or Guaranteed Mortgage Loans, Series 1994F, 7.000%, 7/01/27 (Alternative Minimum Tax) | | 7/04 at 102 |
| | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1999 Series C-2 Class I: | | |
| 1,795 | 5.700%, 7/01/19 (Alternative Minimum Tax) | | 1/10 at 101 |
| 910 | 5.750%, 7/01/21 (Alternative Minimum Tax) | | 1/10 at 101 |
| 1,685 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax) | | 7/09 at 101 |
| 350 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 (Alternative Minimum Tax) | | 7/09 at 101 |
| 1,800 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | | 7/10 at 100 |

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

| | | | |
|----------|---|--|--------------|
| | VIRGINIA - 1.4% | | |
| \$ 4,815 | Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured | | 10/04 at 100 |
| 3,395 | Virginia Small Business Financing Authority, Industrial Development Water Revenue Bonds, S.I.L. Clean Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax) | | 11/09 at 102 |

| | | | |
|-------|---|--|-------------|
| | WASHINGTON - 10.7% | | |
| 4,000 | Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/17 | | 7/13 at 100 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B: | | |
| 1,755 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | | 3/10 at 101 |
| 2,590 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | | 3/10 at 101 |
| | Port of Seattle, Washington, Special Facilities Revenue Bonds, Terminal 18 Project, Series 1999C: | | |
| 875 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | | 3/10 at 101 |
| 1,260 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | | 3/10 at 101 |

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| | | |
|------------|--|--------------|
| 9,760 | City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding, 5.625%, 1/01/21 - FSA Insured | 1/11 at 101 |
| 7,725 | Tobacco Settlement Authority, Washington State, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |
| 11,605 | State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured | 7/09 at 100 |
| 3,350 | State of Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured | No Opt. C |
| | State of Washington, General Obligation Compound Interest Bonds, Series 1999S-3: | |
| 17,650 | 0.000%, 1/01/20 | No Opt. C |
| 18,470 | 0.000%, 1/01/21 | No Opt. C |
| 4,800 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1997A, 5.250%, 7/01/16 - FSA Insured | 7/07 at 102 |
| ----- | | |
| | WISCONSIN - 6.3% | |
| 3,810 | City of La Crosse, Wisconsin, Industrial Development Refunding Revenue Bonds, Dairyland Power Cooperative Project, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |
| 4,180 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc. Project, Series 1999, 5.625%, 5/15/29 | 5/09 at 101 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Development Inc. Project, Series 1999: | |
| 8,375 | 6.250%, 11/15/20 | 11/09 at 101 |
| 5,000 | 6.250%, 11/15/28 | 11/09 at 101 |
| 12,700 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured | 8/09 at 101 |
| 2,200 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
| ----- | | |
| \$ 901,055 | Total Long-Term Investments (cost \$810,194,357) - 144.9% | |
| ===== | | |

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| AMOUNT (000) | DESCRIPTION(1) |
|--------------|--|
| | SHORT-TERM INVESTMENTS - 1.8% |
| \$ 5,250 | California Statewide Communities Development Authority, Variable Rate Demand Revenue Bonds, Fremont-Rideout Health Group, Series 2001A, 1.100%, 1/01/31 - AMBAC Insured+ |
| 2,300 | Fulton County Residential Care Facilities Authority, Georgia, Variable Rate Demand Revenue Refunding Bonds, Lenbrook Square Foundation Inc., Series 1996, 1.200%, 1/01/18+ |
| 3,300 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Wellesley College Variable Rate Demand Obligations, Series 1999G, 1.080%, 7/01/39+ |
| \$ 10,850 | Total Short-Term Investments (cost \$10,850,000) |
| | Total Investments (cost \$821,044,357) - 146.7% |
| | Other Assets Less Liabilities - 2.9% |
| | Preferred Shares, at Liquidation Value - (49.6)% |
| | 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.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- # Non-income producing security. In August 2002, Cattaraugus Acquisition Corp. (an entity formed by several Nuveen Funds owning various interests in the Laidlaw Energy and Environmental Inc. project) took possession of 80% of the Laidlaw Energy assets on behalf of the various Nuveen Funds. Cattaraugus Acquisition Corp. has determined that a sale of the facility is in the best interests of shareholders and is proceeding accordingly.
- ## Non-income producing security. In June 2003, Waste Solutions Group, Inc. (an entity formed for the benefit

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of Nuveen Dividend Advantage Municipal Fund (NAD) which owns various interests in the Bridgewater Resources Inc. project) took possession of 45% of the Bridgewater Resources Inc. assets on behalf of the Fund. Bridgewater Resources Inc. emerged from bankruptcy in June 2003. NAD, via Waste Solutions Group Inc., has agreed to allow debt service reserve monies to be used for capital expenses, and has also agreed to a debt service moratorium until December 2005. Nuveen Advisory Corp. will continue to actively monitor the Bridgewater Resources, Inc. project, and to cause NAD and Waste Solutions Group Inc. to act in what it believes is in the best interests of fund shareholders.

N/R Investment is not rated.

- + 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 Dividend Advantage Municipal Fund 2 (NXZ)
Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ALABAMA - 4.2% | |
| \$ 18,500 | Huntsville Health Care Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31 | 6/11 at 101 |
| ----- | | |
| | ARIZONA - 0.6% | |
| 2,500 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| ----- | | |
| | ARKANSAS - 0.6% | |
| 2,500 | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 2002C, 5.400%, 1/01/34 (Alternative Minimum Tax) | 1/12 at 100 |

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| CALIFORNIA - 10.0% | | |
|--------------------|---|--------------|
| 6,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 13,825 | Department of Veterans Affairs of the State of California, Home Purchase Revenue Bonds, Series 2001A, 5.550%, 12/01/25 - AMBAC Insured | 6/06 at 101 |
| 11,200 | State of California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28 | 8/13 at 100 |
| 1,500 | California Statewide Communities Development Authority, Revenue Bonds, East Valley Tourist Authority, Senior Lien, Series 2003B, 9.250%, 10/01/20 | 10/15 at 103 |
| 5,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at 100 |
| 6,000 | Regional Airports Improvement Corporation, California, American Airlines Inc. Terminal 4 Project, Los Angeles International Airport Facilities Sublease Revenue Bonds, Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax) | 12/12 at 102 |
| 240 | Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company Project, Series 1966A, 4.000%, 3/01/16 | 3/04 at 100 |

| COLORADO - 5.2% | | |
|-----------------|--|-------------|
| 3,000 | Colorado Educational and Cultural Facilities Authority, Boulder County, Colorado, Charter School Revenue Bonds, Peak to Peak Charter School Project, Created by Boulder Valley School District No. RE-2, 7.500%, 8/15/21 | 8/11 at 100 |
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured | 9/10 at 31 |
| 1,885 | Eagle County Air Terminal Corporation, Colorado, Airport Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31 (Alternative Minimum Tax) | 5/11 at 101 |
| 5,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured | 6/11 at 102 |
| 22,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001B: 0.000%, 6/15/28 - FSA Insured | 6/11 at 35 |
| 17,650 | 0.000%, 6/15/29 - AMBAC Insured | 6/11 at 33 |
| 1,000 | Plaza Metropolitan District No. 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |

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| FLORIDA - 5.1% | | |
|----------------|--|--------------|
| 15,000 | City of Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured | 10/11 at 100 |
| 3,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 4,000 | Miami-Dade County Health Facilities Authority, Florida, Hospital Revenue Refunding Bonds, Miami Children's Hospital, Series 2001A, 5.125%, 8/15/26 - AMBAC Insured | 8/11 at 101 |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| <hr/> | | |
| HAWAII - 2.3% | | |
| | Honolulu City and County, Hawaii, Board of Water Supply, Water System Revenue Bonds, Series 2001: | |
| \$ 3,000 | 5.250%, 7/01/26 - FSA Insured | 7/11 at 100 |
| 6,725 | 5.250%, 7/01/31 - FSA Insured | 7/11 at 100 |
| <hr/> | | |
| ILLINOIS - 12.0% | | |
| 15,270 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.250%, 1/01/33 - MBIA Insured | 1/11 at 101 |
| 3,710 | Chicago, Illinois, FHA/GNMA Collateralized Multifamily Housing Revenue Bonds, Stone Terrace Apartments Project, Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax) | 12/11 at 100 |
| 1,755 | City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Opt. C |
| 3,790 | Chicago, Illinois, Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative Minimum Tax) | 4/11 at 105 |
| 3,180 | Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation Project, Series 2002A, 6.250%, 12/01/32 | 12/21 at 100 |
| 5,000 | Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured | 9/11 at 100 |

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| | | |
|-------|---|-------------|
| 3,100 | Illinois Development Finance Authority, Revenue Bonds, Midwestern University, Series 2001B, 6.000%, 5/15/31 | 5/11 at 101 |
| 5,000 | Illinois Health Facilities Authority, Revenue Bonds, Edward Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 - FSA Insured | 2/11 at 101 |
| 3,000 | Illinois Educational Facilities Authority, Student Housing Revenue Bonds, Educational Advancement Foundation Fund, University Center Project, Series 2002, 6.250%, 5/01/34 | 5/12 at 101 |
| 2,275 | State of Illinois, Build Illinois Bonds, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16 | 6/11 at 100 |
| 4,980 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured | 6/06 at 102 |
| 5,000 | Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | No Opt. C |

INDIANA - 5.6%

| | | |
|-------|--|--------------|
| 2,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, The Methodist Hospital Inc, Series 2001, 5.500%, 9/15/31 | 9/11 at 100 |
| 2,500 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured | No Opt. C |
| | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A: | |
| 4,000 | 5.000%, 6/01/23 - FSA Insured | 6/13 at 100 |
| 6,000 | 5.000%, 6/01/24 - FSA Insured | 6/13 at 100 |
| 2,000 | Indianapolis Airport Authority, Indiana, Special Facilities Revenue Bonds, Federal Express Corporation Project, Series 1994, 7.100%, 1/15/17 (Alternative Minimum Tax) | 7/04 at 102 |
| 5,000 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 6,000 | Saint Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center Inc. Project, Series 1999, 5.800%, 2/15/24 | 2/09 at 102 |

IOWA - 0.2%

| | | |
|-------|---|--------------|
| 1,000 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College Project, Series 2002, 5.500%, 10/01/28 - ACA Insured | 10/12 at 100 |
|-------|---|--------------|

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KANSAS - 3.9%

| | | |
|--------|--|--------------|
| 17,000 | City of Wichita, Kansas, Hospital Facilities Improvement and Refunding Revenue Bonds, Via Christi Health System Inc, Series III 2001, 5.625%, 11/15/31 | 11/11 at 101 |
|--------|--|--------------|

LOUISIANA - 3.1%

| | | |
|--------|--|-------------|
| 17,060 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |
|--------|--|-------------|

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

MASSACHUSETTS - 4.2%

| | | |
|----------|--|-------------|
| \$ 3,300 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation Project, Series 1997, 5.750%, 7/01/39 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
|----------|--|-------------|

| | | |
|--------|--|-------------|
| 15,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Series 1997A Senior, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |
|--------|--|-------------|

MICHIGAN - 14.3%

| | | |
|--|--|-------------|
| Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 2001A: | | |
| 15,390 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 20,000 | 5.500%, 7/01/33 - FGIC Insured | 7/11 at 101 |
| 14,610 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |

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| 4,000 | Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy, Series 2001A, 8.000%, 10/01/31 | 10/09 at 102 |
|-------|---|--------------|

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|---|-----------------|-------------|
| Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A: | | |
| 2,000 | 6.250%, 8/15/13 | 2/04 at 102 |
| 4,000 | 6.500%, 8/15/18 | 2/04 at 102 |

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|-------|--|-------------|
| 2,000 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18 | 8/08 at 101 |
|-------|--|-------------|

MINNESOTA - 3.2%

| | | |
|--------|--|-------------|
| 14,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, | 1/11 at 100 |
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5.250%, 1/01/32 - FGIC Insured

| | | |
|-----------------|---|-------------|
| MISSOURI - 4.9% | | |
| 21,000 | Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |

| | | |
|----------------|--|--------------|
| MONTANA - 1.2% | | |
| 5,320 | Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax) | 12/10 at 100 |

| | | |
|---------------|--|-------------|
| NEVADA - 4.6% | | |
| 12,275 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 3,500 | State of Nevada, Director of Business and Industry, Las Vegas Monorail Company Project, Second Tier Series 2000, 7.375%, 1/01/40 | 1/10 at 102 |
| 4,000 | Henderson, Nevada, Health Care Facility Revenue Bonds, Catholic Healthcare West, Series 1998A, 5.250%, 7/01/18 | 7/08 at 101 |

| | | |
|----------------------|--|--------------|
| NEW HAMPSHIRE - 2.7% | | |
| 8,000 | New Hampshire Business Finance Authority, Pollution Control Revenue Bonds, Connecticut Light and Power Company, Series 1992A Refunding, Remarketed, 5.850%, 12/01/22 | 10/08 at 102 |
| 3,660 | New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax) | 5/11 at 100 |

| | | |
|-------------------|---|--------------|
| NEW JERSEY - 1.4% | | |
| 3,995 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc. Project, Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | 11/10 at 101 |
| 425 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: 6.750%, 6/01/39 | 6/13 at 100 |
| 2,700 | 6.250%, 6/01/43 | 6/13 at 100 |

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| NEW MEXICO - 5.2% | | |
|-------------------|--|--|

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| | | |
|--------|---|-------------|
| | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A: | |
| 12,000 | 5.500%, 8/01/25 | 8/11 at 101 |
| 10,800 | 5.500%, 8/01/30 | 8/11 at 101 |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | NEW YORK - 6.7% | |
| \$ 6,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2000L, 5.375%, 5/01/33 | 5/11 at 100 |
| 14,500 | New York City Municipal Water Finance Authority, Water and Sewer System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33 | 6/11 at 101 |
| 5,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, American Airlines, Inc. JFK Airport Project, Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax) | 8/12 at 101 |
| 4,900 | Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Obligated Group, Series 2000A, 6.625%, 7/01/19 | 7/10 at 101 |
| ----- | | |
| | NORTH CAROLINA - 1.7% | |
| 2,950 | North Carolina Capital Facilities Financing Agency, Educational Facilities Revenue Bonds, Johnson and Wales University Project, Series 2003A, 5.000%, 4/01/33 - XLCA Insured | 4/13 at 100 |
| 4,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15 | 1/09 at 102 |
| ----- | | |
| | NORTH DAKOTA - 0.9% | |
| 4,130 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2001A, 5.550%, 1/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | OHIO - 0.4% | |
| 1,845 | Board of Education, City School District of Columbus, Franklin County, Ohio, General Obligation Bonds, | 6/13 at 100 |

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Series 2003, 5.000%, 12/01/28 - FGIC Insured

| | | |
|-----------------|--|-------------|
| OKLAHOMA - 0.7% | | |
| | Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A: | |
| 2,655 | 5.125%, 8/15/10 | 8/09 at 101 |
| 1,000 | 5.200%, 8/15/11 | 8/09 at 101 |

| | | |
|---------------|--|-------------|
| OREGON - 3.9% | | |
| 8,000 | Hospital Facility Authority of Clackamas County, Oregon, Revenue Refunding Bonds, Legacy Health System, Series 2001, 5.250%, 5/01/21 | 5/11 at 101 |
| 9,000 | State of Oregon Department of Administrative Services, Certificates of Participation, Series 2001D, 5.000%, 5/01/26 - AMBAC Insured | 5/11 at 101 |

| | | |
|---------------------|--|--------------|
| PENNSYLVANIA - 3.0% | | |
| 5,000 | Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/30 | 11/10 at 102 |
| 8,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31 | 1/11 at 101 |

| | | |
|-----------------------|---|-------------|
| SOUTH CAROLINA - 0.2% | | |
| 630 | South Carolina Public Service Authority, Revenue Refunding Bonds, Series 1996A, 5.750%, 1/01/22 - MBIA Insured | 1/06 at 102 |

| | | |
|---------------------|--|-------------|
| SOUTH DAKOTA - 1.1% | | |
| 4,820 | South Dakota Housing Development Authority, Remarketed Homeownership Mortgage Bonds, Series 1997E-4, 5.450%, 5/01/18 (Alternative Minimum Tax) | 5/09 at 102 |

| | | |
|---------------|---|--------------|
| TEXAS - 22.7% | | |
| 7,500 | City of Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - FSA Insured | 11/10 at 100 |
| | Dallas-Fort Worth International Airport Public Facility Improvement Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001: | |

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| | | |
|--------|-------------------------------|-------------|
| 15,000 | 5.250%, 1/15/26 - FSA Insured | 1/09 at 100 |
| 1,750 | 5.200%, 1/15/31 - FSA Insured | 1/09 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 10,000 | Gulf Coast Industrial Development Authority, Texas, Solid Waste Disposal Revenue Bonds, Citgo Petroleum Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 40,000 | Houston Sports Authority, Harris County, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - MBIA Insured | 11/30 at 54 |
| 30,980 | Houston Sports Authority, Harris County, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at 100 |
| | Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001: | |
| 10,715 | 0.000%, 8/15/25 | 8/11 at 43 |
| 12,940 | 0.000%, 8/15/26 | 8/11 at 40 |
| | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B: | |
| 5,000 | 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 5,000 | 0.000%, 9/01/31 - AMBAC Insured | No Opt. C |
| 5,000 | Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital Project, Series 2001, 7.250%, 1/01/31 | 1/11 at 100 |
| 10,500 | Texas State, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35 | 8/11 at 100 |
| 2,000 | Tom Green County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21 | 5/11 at 101 |
| ----- | | |
| | UTAH - 0.5% | |
| 2,200 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1993A, 5.500%, 7/01/20 | 1/04 at 102 |
| ----- | | |
| | WASHINGTON - 4.8% | |

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| | | |
|------------|---|--------------|
| 7,250 | City of Seattle, Washington, Municipal Light and Power Improvements and Revenue Refunding Bonds, Series 2001, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 3,500 | City of Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/18 - FSA Insured | 1/11 at 101 |
| 2,000 | State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured | 7/09 at 100 |
| 7,500 | Washington State Health Care Facilities Authority, Revenue Bonds, Providence Health System, Series 2001A, 5.250%, 10/01/21 - MBIA Insured | 10/11 at 100 |
| ----- | | |
| | WEST VIRGINIA - 1.1% | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| ----- | | |
| | WISCONSIN - 0.7% | |
| 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26 | 5/12 at 100 |
| 2,100 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
| ----- | | |
| \$ 732,985 | Total Long-Term Investments (cost \$613,391,578) - 142.9% | |
| ===== | | |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | |
|---------------------------|---|--|
| ----- | | |
| | SHORT-TERM INVESTMENTS - 4.6% | |
| \$ 10,000 | Clark County School District, Nevada, General Obligation Variable Rate Demand Bonds, Series A, 1.120%, 6/15/21 - FSA Insured+ | |
| 10,200 | Clarksville Public Building Authority, Tennessee, Municipal Bond Fund Pooled Financing, Variable Rate Demand Bonds, Series 2003, 1.150%, 1/01/33+ | |

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| | | |
|-------|--------|--|
| \$ | 20,200 | Total Short-Term Investments (cost \$20,200,000) |
| ===== | | |
| | | Total Investments (cost \$633,591,578) - 147.5% |
| ----- | | |
| | | Other Assets Less Liabilities - 2.6% |
| ----- | | |
| | | Preferred Shares, at Liquidation Value - (50.1)% |
| ----- | | |
| | | Net Assets Applicable to Common Shares - 100% |
| ===== | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * Optional Call Provisions (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.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- N/R Investment is not rated.
- + 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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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|--|--------------|
| ----- | | |
| | ALABAMA - 1.0% | |
| \$ 5,655 | Alabama State Port Authority, Docks Facilities Revenue Bonds, Series 2001, 5.250%, 10/01/26 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 100 |
| ----- | | |
| | ALASKA - 0.7% | |
| 4,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured | 7/08 at 100 |
| ----- | | |
| | ARKANSAS - 0.9% | |
| | Sebastian County, Arkansas, Sparks Regional Medical Center, Public Health Facilities Board Hospital Revenue Improvement Bonds, Series 2001A: | |
| 1,805 | 5.500%, 11/01/13 | 11/11 at 101 |
| 1,900 | 5.500%, 11/01/14 | 11/11 at 101 |
| 1,305 | 5.250%, 11/01/21 | 11/11 at 101 |
| ----- | | |
| | CALIFORNIA - 9.6% | |
| 5,000 | California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I - LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 18,850 | California State, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| 1,500 | California Statewide Communities Development Authority, Revenue Bonds, East Valley Tourist Authority, Senior Lien, Series 2003B, 9.250%, 10/01/20 | 10/15 at 103 |
| | Los Angeles, California, Regional Airports Improvement Corporation Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001: | |
| 13,955 | 5.750%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 5,000 | 5.375%, 1/01/21 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 1,500 | 5.250%, 1/01/23 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 10,000 | 5.500%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| ----- | | |
| | COLORADO - 8.5% | |
| 2,250 | Canterberry Crossing Metropolitan District II, Parker, Colorado, General Obligation Limited Tax Bonds, Series 2002, 7.375%, 12/01/32 | 12/12 at 100 |
| 1,775 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Series 2001, Frontier | 6/11 at 100 |

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| | | |
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| | Academy Project in Weld County School District No. 6, 7.375%, 6/01/31 | |
| 3,250 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32 | 5/12 at 102 |
| 1,700 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32 | 3/12 at 100 |
| 5,060 | Colorado Housing and Finance Authority, Multifamily Project Bonds, Class I, Series 2001A-1, 5.500%, 4/01/31 (Alternative Minimum Tax) | 10/11 at 100 |
| 10,100 | City of Colorado Springs, Colorado, Utilities System Improvement and Refunding Revenue Bonds, Series 1997A, 5.375%, 11/15/26 | 11/07 at 100 |
| 2,000 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996A: | |
| 19,150 | 5.750%, 11/15/16 - MBIA Insured | 11/06 at 101 |
| 1,105 | 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 1,000 | Plaza Metropolitan District No. 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | CONNECTICUT - 1.4% | |
| \$ 5,250 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2000B, Subseries B-2, 5.850%, 5/15/31 (Alternative Minimum Tax) | 11/09 at 100 |
| 2,895 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2001A, Subseries A-2, 5.350%, 11/15/22 (Alternative Minimum Tax) | 5/10 at 100 |
| | DELAWARE - 0.7% | |
| 4,000 | Delaware State Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24 | 7/12 at 100 |

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DISTRICT OF COLUMBIA - 1.1%

| | | |
|-------|--|--------------|
| 6,000 | District of Columbia, Revenue Bonds, Catholic University of America Issue, Series 1999, 5.625%, 10/01/29 - AMBAC Insured | 10/09 at 101 |
|-------|--|--------------|

 FLORIDA - 1.7%

| | | |
|-------|--|--------------|
| 2,000 | Dade County, Florida, Water and Sewer System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured | 10/07 at 102 |
|-------|--|--------------|

| | | |
|-------|--|--------------|
| | Orange County, Florida, Housing Finance Authority, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G: | |
| 1,105 | 5.400%, 12/01/32 (Alternative Minimum Tax) - FSA Insured | 12/11 at 100 |
| 2,195 | 5.450%, 12/01/41 (Alternative Minimum Tax) - FSA Insured | 12/11 at 100 |

| | | |
|-------|--|-------------|
| 4,175 | Pace Property Finance Authority, Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured | 9/07 at 102 |
|-------|--|-------------|

 GEORGIA - 2.3%

| | | |
|-------|---|-------------|
| 5,000 | City of Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 (Alternative Minimum Tax) - FGIC Insured | 1/10 at 101 |
|-------|---|-------------|

| | | |
|-------|---|--------------|
| 2,700 | City of Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24 | 12/11 at 101 |
|-------|---|--------------|

| | | |
|-------|--|-------------|
| 3,600 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health System Inc. Project, Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
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| | | |
|-------|---|-------------|
| 2,000 | Henry County Water and Sewerage Authority, Georgia, Water and Sewerage Revenue Bonds, Series 2000, 5.625%, 2/01/30 - FGIC Insured | 2/10 at 101 |
|-------|---|-------------|

 HAWAII - 0.9%

| | | |
|-------|--|-------------|
| 5,125 | State of Hawaii, Highway Revenue Bonds, Series 2001, 5.375%, 7/01/21 - FSA Insured | 7/11 at 100 |
|-------|--|-------------|

 ILLINOIS - 16.6%

| | | |
|-------|---|-------------|
| 3,000 | City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2001A, 5.500%, 1/01/31 - FGIC Insured | 1/11 at 100 |
|-------|---|-------------|

| | | |
|-------|--|-------------|
| 8,375 | City of Chicago, Illinois, Midway Airport Revenue Bonds, Series 2001A, 5.500%, 1/01/19 (Alternative Minimum Tax) - FSA Insured | 1/11 at 101 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 4,950 | City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue | 1/11 at 101 |
|-------|--|-------------|

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| | | |
|--------|---|--------------|
| | Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | |
| 1,750 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at 102 |
| 10,800 | City of Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded to 1/01/09) - FGIC Insured | 1/09 at 101 |
| | City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A: | |
| 2,220 | 5.500%, 1/01/16 - MBIA Insured | No Opt. C |
| 8,610 | 5.500%, 1/01/26 - AMBAC Insured | 1/11 at 100 |
| 10,000 | City of Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 - AMBAC Insured | 11/11 at 100 |
| 1,100 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30 | 5/10 at 101 |
| 15,000 | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31 | 7/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 9,000 | Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31 | 12/11 at 101 |
| 2,000 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A, 5.500%, 6/15/29 - FGIC Insured | No Opt. C |
| 16,900 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| 4,000 | Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| | INDIANA - 4.9% | |
| | Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| 1,255 | 5.000%, 7/15/21 - AMBAC Insured | 1/12 at 100 |
| 1,000 | 5.000%, 1/15/26 - AMBAC Insured | 1/12 at 100 |
| | Evansville Vanderburgh Public Library Leasing Corporation, Indiana, First Mortgage Bonds, Series 2001: | |

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| | | |
|-------|--|--------------|
| 2,000 | 5.750%, 7/15/18 - MBIA Insured | 7/12 at 100 |
| 2,750 | 5.125%, 1/15/24 - MBIA Insured | 1/12 at 100 |
| 3,480 | Gary, Indiana, GNMA/FHA Mortgage Revenue Bonds, Windsor Square Project, Series 2001A, 5.375%, 10/20/41 (Alternative Minimum Tax) | 11/11 at 102 |
| 1,250 | Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 - AMBAC Insured | 1/12 at 100 |
| 9,500 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Butler University Project, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 3,000 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 3,500 | University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| | Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| 1,150 | 5.625%, 7/15/18 - AMBAC Insured | 1/13 at 101 |
| 1,090 | 5.500%, 7/15/22 - AMBAC Insured | 1/13 at 101 |

IOWA - 4.6%

| | | |
|--------|---|-------------|
| 2,000 | Iowa Finance Authority, Healthcare Facilities Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA Insured | 5/11 at 100 |
| | Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B: | |
| 28,000 | 5.300%, 6/01/25 | 6/11 at 101 |
| 3,950 | 5.600%, 6/01/35 | 6/11 at 101 |

KENTUCKY - 3.2%

| | | |
|--------|--|--------------|
| 18,500 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 - MBIA Insured | 11/11 at 101 |
|--------|--|--------------|

LOUISIANA - 3.7%

| | | |
|--------|---|--------------|
| 19,890 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |
| 6,000 | Parish of West Feliciana, Louisiana, Remarketed Pollution Control Revenue Bonds, Gulf States Utilities Company Project, Series 1985A, 7.500%, 5/01/15 | 11/03 at 102 |

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MAINE - 1.3%

| | | | |
|-------|--|--|--------------|
| | Maine State Housing Authority, Mortgage Purchase Bonds, Series 2001B: | | |
| 4,610 | 5.400%, 11/15/21 (Alternative Minimum Tax) | | 11/10 at 100 |
| 3,065 | 5.500%, 11/15/32 (Alternative Minimum Tax) | | 11/10 at 100 |

MARYLAND - 2.3%

| | | | |
|-------|--|--|-------------|
| | Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Insured Mortgage Loan, Series 2001B: | | |
| 1,175 | 5.250%, 5/15/21 (Alternative Minimum Tax) | | 5/11 at 100 |
| 1,585 | 5.250%, 7/01/21 (Alternative Minimum Tax) | | 7/11 at 100 |

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MARYLAND (continued) | |
| \$ 10,600 | Maryland Energy Financing Administration Limited Obligation Cogeneration Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) | 9/05 at 102 |
| ----- | | |
| | MASSACHUSETTS - 1.0% | |
| 5,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc. Project, Series 2001A, 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 765 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured | 6/09 at 100 |
| ----- | | |
| | MICHIGAN - 8.1% | |
| 15,000 | Detroit School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement General Obligation Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured | No Opt. C |
| 11,000 | Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31 | 7/11 at 101 |
| | Michigan State Hospital Finance Authority, Hospital Revenue | |

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| | | |
|--------|---|--------------|
| | Refunding Bonds, Sparrow Obligated Group, Series 2001: | |
| 1,400 | 5.500%, 11/15/21 | 11/11 at 101 |
| 2,500 | 5.625%, 11/15/31 | 11/11 at 101 |
| 12,640 | Royal Oak, Michigan, Hospital Finance Authority, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured | 11/11 at 100 |
| 2,395 | Ypsilanti Community Utilities Authority, Washtenaw County, Michigan, Sanitary Sewer System No. 3 Bonds, Charter Township of Ypsilanti, 5.100%, 5/01/31 - FGIC Insured | 5/11 at 100 |
| ----- | | |
| | MINNESOTA - 0.4% | |
| 2,390 | Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax) | 10/11 at 105 |
| ----- | | |
| | MISSISSIPPI - 0.4% | |
| 2,155 | Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34 | 5/09 at 103 |
| ----- | | |
| | MISSOURI - 2.6% | |
| 2,000 | Fenton, Missouri, Tax Increment Bonds, Gravois Bluffs Project, Series 2002 Refunding and Improvement, 6.125%, 10/01/21 | 10/12 at 100 |
| | Missouri Development Finance Board, Cultural Facilities Revenue Bonds, The Nelson Gallery Foundation, Series 2001A: | |
| 3,335 | 5.250%, 12/01/19 - MBIA Insured | 12/11 at 100 |
| 3,510 | 5.250%, 12/01/20 - MBIA Insured | 12/11 at 100 |
| 3,695 | 5.250%, 12/01/21 - MBIA Insured | 12/11 at 100 |
| 2,040 | 5.250%, 12/01/22 - MBIA Insured | 12/11 at 100 |
| ----- | | |
| | MONTANA - 0.8% | |
| 5,000 | Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company Project, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 101 |
| ----- | | |
| | NEBRASKA - 1.4% | |
| | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D: | |
| 3,570 | 5.250%, 9/01/21 (Alternative Minimum Tax) | 9/11 at 100 |
| 4,825 | 5.375%, 9/01/32 (Alternative Minimum Tax) | 9/11 at 100 |

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| NEVADA - 7.9% | | |
|------------------------|--|---------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| 35,000 | Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured | 7/10 at 100 |
| 4,000 | State of Nevada, Director of Business and Industry, Las Vegas Monorail Company Project, Second Tier Series 2000, 7.375%, 1/01/40 | 1/10 at 102 |
| 1,165 | Nevada Housing Division, Single Family Mortgage Senior Bonds, Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax) | 4/08 at 101 |
| 56 | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| NEVADA (continued) | | |
| \$ 4,290 | University of Nevada, Universities Revenue Bonds, Community College System Project, Series 2001A, 5.250%, 7/01/26 - FGIC Insured | 1/12 at 100 |
| NEW HAMPSHIRE - 0.4% | | |
| 2,000 | New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital Issue, Series 2001, 5.500%, 10/01/21 - FSA Insured | 10/11 at 101 |
| NEW JERSEY - 2.5% | | |
| 10,000 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Project, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 101 |
| 4,125 | New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| NEW YORK - 5.0% | | |
| 1,780 | East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing, Inc. Project, Series 2001, 5.300%, 4/20/31 | 10/11 at 101 |
| 5,350 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, | 11/11 at 100 |

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| | | |
|--------|---|--------------|
| | 5.000%, 11/15/31 - FGIC Insured | |
| 4,155 | Monroe County Airport Authority, New York, Greater Rochester International Airport Revenue Refunding Bonds, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 2,500 | The City of New York, New York, General Obligation Bonds, Fiscal 2002 Series G, 5.625%, 8/01/20 - MBIA Insured | 8/12 at 100 |
| | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2001A: | |
| 8,610 | 5.500%, 6/15/33 - MBIA Insured | 6/10 at 101 |
| 5,710 | 5.500%, 6/15/33 - FGIC Insured | 6/10 at 101 |
| ----- | | |
| | OHIO - 3.2% | |
| 7,150 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured | 3/08 at 101 |
| 7,900 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| | Portage County, Ohio, General Obligation Bonds, Series 2001: | |
| 1,870 | 5.000%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 1,775 | 5.000%, 12/01/23 - FGIC Insured | 12/11 at 100 |
| ----- | | |
| | OKLAHOMA - 0.4% | |
| | Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A: | |
| 1,000 | 5.125%, 8/15/10 | 8/09 at 101 |
| 2,500 | 5.625%, 8/15/29 | 8/09 at 101 |
| ----- | | |
| | OREGON - 2.5% | |
| 4,700 | Oregon Health, Housing, Educational, and Cultural Facilities Authority, Revenue Bonds, Peacehealth Issue, Series 2001, 5.250%, 11/15/21 - AMBAC Insured | 11/11 at 101 |
| 10,000 | Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | PENNSYLVANIA - 1.9% | |
| | Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, West Penn Allegheny Health System, Series 2000B: | |
| 2,000 | 9.250%, 11/15/22 | 11/10 at 102 |
| 2,000 | 9.250%, 11/15/30 | 11/10 at 102 |

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| | | |
|-------|---|-------------|
| 3,500 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Series 1994A, 6.600%, 1/01/19 (Alternative Minimum Tax) | 1/04 at 102 |
|-------|---|-------------|

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| PENNSYLVANIA (continued) | | |
| \$ 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |
| SOUTH CAROLINA - 1.7% | | |
| 2,185 | Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 - AMBAC Insured | 4/11 at 101 |
| 6,850 | South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded to 10/01/11) - AMBAC Insured | 10/11 at 100 |
| TENNESSEE - 1.7% | | |
| 5,210 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured | 3/11 at 100 |
| 2,395 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax) | 1/09 at 101 |
| 2,130 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax) | 7/11 at 100 |
| TEXAS - 18.1% | | |
| 1,125 | Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax Revenue and Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured | 6/09 at 100 |
| 3,850 | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 | 11/11 at 100 |

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(Alternative Minimum Tax) - FGIC Insured

| | | |
|--------|--|--------------|
| | City of Frisco, Texas, Counties of Collins and Denton, General Obligation Bonds, Series 2001: | |
| 1,910 | 5.000%, 2/15/20 - FGIC Insured | 2/11 at 100 |
| 2,005 | 5.000%, 2/15/21 - FGIC Insured | 2/11 at 100 |
| 4,040 | Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27 | 8/11 at 100 |
| 7,000 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 7/08 at 101 |
| | City of Houston, Texas, Airport System Subordinate Lien Revenue Refunding Bonds, Series 2001A: | |
| 2,525 | 5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 2,905 | 5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 6,000 | City of Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - MBIA Insured | No Opt. C |
| | Jefferson County, Texas, Health Facilities Development Corporation, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001: | |
| 8,500 | 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |
| 8,500 | 5.500%, 8/15/41 - AMBAC Insured | 8/11 at 100 |
| 10,700 | Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25 | 8/11 at 100 |
| 2,500 | Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company Project, Series 1997, 5.125%, 11/01/28 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 1,540 | Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 | 2/11 at 100 |
| 5,430 | Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22 | 2/08 at 100 |
| 3,000 | North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 - MBIA Insured | 2/08 at 102 |
| 3,045 | Port of Houston Authority of Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 12,960 | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) | 7/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 15,600 | Texas Water Development Board, State Revolving Fund, Senior Lien Revenue Bonds, Series 1996B, 5.125%, 7/15/18 | 1/07 at 100 |
| ----- | | |
| | UTAH - 1.2% | |
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E: | |
| 2,385 | 5.200%, 1/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 730 | 5.500%, 1/01/23 (Alternative Minimum Tax) | 7/11 at 100 |
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1: | |
| 2,905 | 4.950%, 7/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 715 | 5.300%, 7/01/23 (Alternative Minimum Tax) | 7/11 at 100 |
| ----- | | |
| | VIRGINIA - 1.2% | |
| 7,145 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001J, Subseries J-1, 5.200%, 7/01/19 - MBIA Insured | 7/11 at 100 |
| ----- | | |
| | WASHINGTON - 16.5% | |
| | Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A: | |
| 1,000 | 5.500%, 12/01/27 - MBIA Insured | 12/11 at 100 |
| 2,000 | 5.600%, 12/01/36 - MBIA Insured | 12/11 at 100 |
| 2,090 | Public Utility District No. 1 of Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured | 11/11 at 100 |
| 1,500 | Public Utility District No. 1 of Grays Harbor County, Washington, Electric Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured | 1/11 at 100 |
| 2,475 | Public Utility District No. 1 of Klickitat County, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured | 12/11 at 100 |
| 12,955 | Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/08 at 101 |
| | Port of Seattle, Washington, Revenue Bonds, Series 2001B: | |
| 2,535 | 5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 16,000 | 5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured | 10/08 at 100 |
| 5,680 | City of Seattle, Washington, Municipal Light and Power | 3/11 at 100 |

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| | | |
|--------|---|--------------|
| | Improvements and Revenue Refunding Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured | |
| 4,530 | City of Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 - AMBAC Insured | 12/11 at 100 |
| 2,250 | State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured | 7/09 at 100 |
| | Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: | |
| 3,005 | 5.375%, 12/01/17 - AMBAC Insured | 12/11 at 101 |
| 2,915 | 5.375%, 12/01/18 - AMBAC Insured | 12/11 at 101 |
| 3,720 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured | 10/11 at 100 |
| | Washington State Health Care Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001: | |
| 5,480 | 5.500%, 10/01/21 - RAAI Insured | 10/11 at 101 |
| 25,435 | 5.625%, 10/01/31 - RAAI Insured | 10/11 at 101 |

WISCONSIN - 5.2%

| | | |
|--------|--|--------------|
| | City of Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001: | |
| 3,705 | 5.375%, 1/01/20 - FGIC Insured | 1/12 at 100 |
| 1,850 | 5.000%, 1/01/21 - FGIC Insured | 1/12 at 100 |
| 1,735 | Evansville Community School District, Dane, Green, and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 - FGIC Insured | 4/11 at 100 |
| 12,250 | City of La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative Project, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | WISCONSIN (continued) | |
| \$ 3,180 | State of Wisconsin, Clean Water Revenue Bonds, 1999 Series 1, 5.500%, 6/01/17 | 6/09 at 100 |
| 4,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedert and Community Health Obligated | 10/11 at 101 |

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Group, Series 2001, 5.375%, 10/01/30

| | | | |
|-------|---------|--|-------------|
| | 2,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25 | 2/12 at 100 |
| ----- | | | |
| \$ | 869,040 | Total Long-Term Investments (cost \$871,058,204) - 149.5% | |
| ===== | | | |
| | | Other Assets Less Liabilities - 3.0% | |
| ----- | | | |
| | | 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.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.

N/R Investment is not rated.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES October 31, 2003

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|------------------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ----- | | | | |
| ASSETS | | | | |
| Investments, at market value (cost | | | | |
| \$1,296,453,235, \$948,430,897, | | | | |
| \$989,353,141, \$821,044,357, | | | | |
| \$633,591,578 and \$871,058,204, | | | | |
| respectively) | \$1,379,062,830 | \$1,008,756,335 | \$1,048,169,730 | \$873,537,804 |
| Cash | -- | 1,024,201 | -- | -- |

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| | | | | |
|---|----------------|----------------|----------------|---------------|
| Receivables: | | | | |
| Interest | 22,300,811 | 18,849,236 | 18,162,689 | 15,069,666 |
| Investments sold | 8,514,439 | 1,273,831 | 9,669,706 | 3,143,978 |
| Other assets | 49,277 | 41,688 | 47,219 | 46,678 |
| ----- | | | | |
| Total assets | 1,409,927,357 | 1,029,945,291 | 1,076,049,344 | 891,798,126 |
| ----- | | | | |
| LIABILITIES | | | | |
| Cash overdraft | 4,335,428 | -- | 7,242,723 | 933,950 |
| Payable for investments purchased | -- | -- | -- | -- |
| Accrued expenses: | | | | |
| Management fees | 732,858 | 541,657 | 561,198 | 244,628 |
| Other | 306,507 | 230,456 | 259,908 | 337,533 |
| Preferred share dividends payable | 27,717 | 25,904 | 30,363 | 15,785 |
| ----- | | | | |
| Total liabilities | 5,402,510 | 798,017 | 8,094,192 | 1,531,896 |
| ----- | | | | |
| Preferred shares, at liquidation value | 479,000,000 | 358,000,000 | 380,000,000 | 295,000,000 |
| ----- | | | | |
| Net assets applicable to Common shares | \$ 925,524,847 | \$ 671,147,274 | \$ 687,955,152 | \$595,266,230 |
| ===== | | | | |
| Common shares outstanding | 59,914,073 | 42,980,333 | 45,540,872 | 39,237,705 |
| ===== | | | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.45 | \$ 15.62 | \$ 15.11 | \$ 15.17 |
| ===== | | | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | | |
| ----- | | | | |
| Common shares, \$.01 par value per share | \$ 599,141 | \$ 429,803 | \$ 455,409 | \$ 392,377 |
| Paid-in surplus | 836,307,520 | 600,296,194 | 635,397,085 | 557,556,239 |
| Undistributed net investment income | 11,883,367 | 9,507,298 | 6,566,696 | 6,991,496 |
| Accumulated net realized gain (loss) from investment transactions | (5,874,776) | 588,541 | (13,280,627) | (22,167,329) |
| Net unrealized appreciation of investments | 82,609,595 | 60,325,438 | 58,816,589 | 52,493,447 |
| ----- | | | | |
| Net assets applicable to Common shares | \$ 925,524,847 | \$ 671,147,274 | \$ 687,955,152 | \$595,266,230 |
| ===== | | | | |
| Authorized shares: | | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 | Unlimited |
| ===== | | | | |

See accompanying notes to financial statements.

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OPERATIONS Year Ended October 31, 2003

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| INVESTMENT INCOME | \$74,947,407 | \$56,742,924 | \$ 55,594,814 | \$48,296,15 |
| EXPENSES | | | | |
| Management fees | 8,676,542 | 6,397,562 | 6,586,891 | 5,553,18 |
| Preferred shares - auction fees | 1,218,276 | 901,466 | 955,263 | 752,72 |
| Preferred shares - dividend disbursing agent fees | 50,000 | 50,000 | 40,000 | 30,00 |
| Shareholders' servicing agent fees and expenses | 258,874 | 153,740 | 173,785 | 28,36 |
| Custodian's fees and expenses | 304,155 | 225,793 | 242,125 | 209,04 |
| Directors'/Trustees' fees and expenses | 24,305 | 14,057 | 19,095 | 15,98 |
| Professional fees | 36,381 | 36,576 | 131,553 | 1,134,65 |
| Shareholders' reports - printing and mailing expenses | 152,991 | 88,126 | 135,189 | 111,00 |
| Stock exchange listing fees | 23,105 | 16,784 | 17,739 | 15,92 |
| Investor relations expense | 149,319 | 132,004 | 139,930 | 111,70 |
| Other expenses | 63,655 | 60,322 | 64,701 | 42,67 |
| Total expenses before custodian fee credit and expense reimbursement | 10,957,603 | 8,076,430 | 8,506,271 | 8,005,26 |
| Custodian fee credit | (27,822) | (23,445) | (35,349) | (31,11 |
| Expense reimbursement | -- | -- | -- | (2,666,35 |
| Net expenses | 10,929,781 | 8,052,985 | 8,470,922 | 5,307,79 |
| Net investment income | 64,017,626 | 48,689,939 | 47,123,892 | 42,988,35 |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | | | | |
| Net realized gain (loss) from investments | (5,880,620) | 634,285 | (11,663,137) | (4,617,43 |
| Change in net unrealized appreciation (depreciation) of investments | 8,871,335 | 9,982,884 | 34,046,066 | 12,311,76 |
| Net gain from investments | 2,990,715 | 10,617,169 | 22,382,929 | 7,694,33 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | | |
| From net investment income | (4,280,974) | (3,175,596) | (3,474,652) | (2,660,19 |
| From accumulated net realized gains from investments | (139,879) | (242,543) | -- | - |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (4,420,853) | (3,418,139) | (3,474,652) | (2,660,19 |
| Net increase in net assets applicable to Common shares from operations | \$62,587,488 | \$55,888,969 | \$ 66,032,169 | \$48,022,49 |

See accompanying notes to financial statements.

Statement of
CHANGES IN NET ASSETS

| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | |
|---|------------------------|------------------------|---------------------------|------------------------|
| | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 |
| OPERATIONS | | | | |
| Net investment income | \$ 64,017,626 | \$ 65,273,913 | \$ 48,689,939 | \$ 49,642,500 |
| Net realized gain (loss) from investments | (5,880,620) | 1,658,527 | 634,285 | 3,175,700 |
| Change in net unrealized appreciation (depreciation) of investments | 8,871,335 | (15,059,549) | 9,982,884 | (13,241,200) |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (4,280,974) | (5,916,338) | (3,175,596) | (4,136,400) |
| From accumulated net realized gains from investments | (139,879) | (720,966) | (242,543) | (1,143,000) |
| Net increase in net assets applicable to Common shares from operations | 62,587,488 | 45,235,587 | 55,888,969 | 34,297,500 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (56,921,521) | (53,683,146) | (44,027,554) | (40,570,100) |
| From accumulated net realized gains from investments | (1,515,794) | (2,612,288) | (2,984,339) | (4,129,800) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (58,437,315) | (56,295,434) | (47,011,893) | (44,700,000) |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- |
| Preferred shares offering costs | (1,000) | (501,535) | -- | -- |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (1,000) | (501,535) | -- | -- |
| Net increase (decrease) in net assets applicable to Common shares | 4,149,173 | (11,561,382) | 8,877,076 | (10,402,400) |
| Net assets applicable to Common shares at the beginning of year | 921,375,674 | 932,937,056 | 662,270,198 | 672,672,600 |
| Net assets applicable to Common shares at the end of year | \$925,524,847 | \$921,375,674 | \$671,147,274 | \$662,270,198 |
| Undistributed net investment | | | | |

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income at the end of year \$ 11,883,367 \$ 9,074,385 \$ 9,507,298 \$ 8,026,3

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (continued)

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | |
|---|--------------------------|------------------------|----------------------------|------------------------|
| | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 |
| OPERATIONS | | | | |
| Net investment income | \$ 42,988,353 | \$ 44,433,341 | \$ 33,824,202 | \$ 33,702,6 |
| Net realized gain (loss) from investments | (4,617,432) | 140,122 | 890,827 | 301,7 |
| Change in net unrealized appreciation (depreciation) of investments | 12,311,762 | (107,226) | 4,294,735 | (9,579,3 |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (2,660,192) | (3,979,694) | (2,029,376) | (3,000,5 |
| From accumulated net realized gains from investments | -- | -- | (28,710) | (64,9 |
| Net increase in net assets applicable to Common shares from operations | 48,022,491 | 40,486,543 | 36,951,678 | 21,359,4 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (38,956,575) | (36,722,714) | (29,486,976) | (26,749,0 |
| From accumulated net realized gains from investments | -- | -- | (272,342) | (298,6 |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (38,956,575) | (36,722,714) | (29,759,318) | (27,047,7 |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 155,266 | 1,192,197 | -- | |
| Preferred shares offering costs | -- | -- | 2,137 | 286,6 |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 155,266 | 1,192,197 | 2,137 | 286,6 |
| Net increase (decrease) in net assets applicable to Common shares | 9,221,182 | 4,956,026 | 7,194,497 | (5,401,6 |
| Net assets applicable to Common shares at the beginning of year | 586,045,048 | 581,089,022 | 435,906,761 | 441,308,4 |

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| | | | | |
|---|---------------|---------------|---------------|-------------|
| Net assets applicable to Common shares at the end of year | \$595,266,230 | \$586,045,048 | \$443,101,258 | \$435,906,7 |
| ===== | | | | |
| Undistributed net investment income at the end of year | \$ 6,991,496 | \$ 5,680,795 | \$ 5,895,336 | \$ 3,600,0 |
| ===== | | | | |

See accompanying notes to financial statements.

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Notes to FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The National Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities.

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

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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 October 31, 2003, there were no such outstanding purchase commitments in any of the Funds.

Investment Income

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

Professional Fees

Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of the Fund's shareholders.

Federal 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 income tax, 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 October 31, 2003, have been designated Exempt Interest Dividends.

Notes to FINANCIAL STATEMENTS (continued)

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 more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch

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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:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|-------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| ----- | | | | | | |
| Number of shares: | | | | | | |
| Series M | 4,000 | 3,000 | 4,000 | 4,000 | 3,000 | |
| Series T | 4,000 | 3,000 | 4,000 | 4,000 | 3,000 | |
| Series W | 4,000 | 3,000 | 3,200 | -- | -- | |
| Series TH | 3,160 | 2,320 | -- | 3,800 | -- | |
| Series F | 4,000 | 3,000 | 4,000 | -- | 2,880 | |
| ----- | | | | | | |
| Total | 19,160 | 14,320 | 15,200 | 11,800 | 8,880 | |
| ===== | | | | | | |

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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 October 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

Costs incurred by Performance Plus (NPP) and Dividend Advantage 3 (NZF) in connection with their offerings of Preferred shares (\$502,535 and \$3,493,773, 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:

MUNICIPAL

MARKET

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| | PERFORMANCE PLUS (NPP) | | ADVANTAGE (NMA) | | OPPORTUNIT |
|---|------------------------|----------|-----------------|----------|------------|
| | YEAR | YEAR | YEAR | YEAR | YEAR |
| | ENDED | ENDED | ENDED | ENDED | ENDED |
| | 10/31/03 | 10/31/02 | 10/31/03 | 10/31/02 | 10/31/03 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- | -- |
| Preferred shares sold | -- | 1,400 | -- | -- | -- |

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | | DIVIDEND ADVANTA |
|---|--------------------------|----------|----------------------------|----------|------------------|
| | YEAR | YEAR | YEAR | YEAR | YEAR |
| | ENDED | ENDED | ENDED | ENDED | ENDED |
| | 10/31/03 | 10/31/02 | 10/31/03 | 10/31/02 | 10/31/03 |
| Common shares issued to shareholders due to reinvestment of distributions | 9,858 | 80,089 | -- | -- | -- |
| Preferred shares sold | -- | -- | -- | -- | -- |

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Notes to
FINANCIAL STATEMENTS (continued)

3. SECURITIES TRANSACTIONS

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

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|----------------------|------------------------|---------------------------|--------------------------|--------------------------|----------------------------|------|
| Purchases | \$142,495,719 | \$74,556,548 | \$ 95,269,111 | \$30,224,317 | \$72,469,463 | \$30 |
| Sales and maturities | 136,068,025 | 91,537,583 | 108,089,800 | 47,917,593 | 92,271,573 | 26 |

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences

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

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) |
|---------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Cost of investments | \$1,295,588,954 | \$947,768,522 | \$988,885,955 | \$820,431,397 | \$633,345,726 |

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

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Gross unrealized: Appreciation | \$96,389,691 | \$77,539,144 | \$81,144,469 | \$67,183,324 | \$30,778,706 | \$28,144,469 |
| Depreciation | (12,915,815) | (16,551,331) | (21,860,694) | (14,076,917) | (10,623,883) | (11,111,111) |
| Net unrealized appreciation of investments | \$83,473,876 | \$60,987,813 | \$59,283,775 | \$53,106,407 | \$20,154,823 | \$17,033,358 |

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

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Undistributed net tax-exempt income | \$15,733,229 | \$12,505,878 | \$9,582,171 | \$9,592,110 | \$8,183,960 | \$8,183,960 |
| Undistributed net ordinary income * | 166,616 | 11,261 | 145,432 | 27,034 | 11 | 11 |
| Undistributed net long-term capital gains | -- | 638,541 | -- | -- | 902,940 | 902,940 |

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

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

| 2003 | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|------|
| Distributions from net tax-exempt income | \$60,990,090 | \$46,876,673 | \$46,423,461 | \$41,473,029 | \$31,323,275 | \$40 |
| Distributions from net ordinary income * | 3,729 | 179,625 | -- | -- | 185,573 | |
| Distributions from net long-term capital gains | 1,655,369 | 3,226,882 | -- | -- | 115,479 | |

| 2002 | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|------|
| Distributions from net tax-exempt income | \$59,286,613 | \$44,278,184 | \$46,362,835 | \$40,491,284 | \$29,610,711 | \$37 |
| Distributions from net ordinary income * | 256,881 | 1,271,708 | -- | -- | 363,652 | |
| Distributions from net long-term capital gains | 3,076,373 | 4,070,716 | 1,281,935 | -- | -- | |

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

At October 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:

| Expiration year: | PERFORMANCE PLUS (NPP) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | ADV |
|------------------|------------------------------|--------------------------------|--------------------------------|-----|
| 2007 | \$ -- | \$ -- | \$ 2,980,482 | \$ |
| 2008 | -- | -- | 14,462,547 | |
| 2009 | -- | -- | -- | |
| 2010 | -- | 1,622,794 | -- | 1 |
| 2011 | 5,874,776 | 11,657,833 | 4,594,300 | |
| Total | \$5,874,776 | \$13,280,627 | \$22,037,329 | \$1 |

Notes to
FINANCIAL STATEMENTS (continued)

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Performance Plus' (NPP), Municipal Advantage's (NMA) and Market Opportunity's (NMO) investment management agreements with Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), 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 Dividend Advantage's (NAD), Dividend Advantage 2's (NXZ) and Dividend Advantage 3's (NZF) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

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

For the first ten years of Dividend Advantage's (NAD) 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 | YEAR ENDING |
|-------------|-------------|
| JULY 31, | JULY 31, |

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| | | | |
|-------|------|------|------|
| 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 Dividend Advantage (NAD) for any portion of its fees and expenses beyond July 31, 2009.

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For the first ten years of Dividend Advantage 2's (NXZ) 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 Dividend Advantage 2 (NXZ) for any portion of its fees and expenses beyond March 31, 2011.

For the first ten years of Dividend Advantage 3's (NZF) 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 Dividend Advantage 3 (NZF) for any portion of its fees and expenses beyond September 30, 2011.

6. INVESTMENT COMPOSITION

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At October 31, 2003, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|-----------------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Consumer Staples | 5% | 5% | 5% | 4% | 3% | |
| Education and Civic Organizations | 4 | -- | 4 | 5 | 3 | |
| Healthcare | 9 | 17 | 10 | 16 | 24 | |
| Housing/Multifamily | 6 | 2 | 1 | 1 | 1 | |
| Housing/Single Family | 6 | 11 | 1 | 4 | 6 | |
| Long-Term Care | 1 | 2 | -- | 4 | 1 | |
| Tax Obligation/General | 15 | 7 | 23 | 14 | 9 | |
| Tax Obligation/Limited | 14 | 9 | 13 | 12 | 19 | |
| Transportation | 8 | 10 | 16 | 14 | 14 | |
| U.S. Guaranteed | 16 | 14 | 13 | 12 | 3 | |
| Utilities | 10 | 17 | 8 | 10 | 7 | |
| Water and Sewer | 6 | 5 | 5 | 3 | 9 | |
| Other | -- | 1 | 1 | 1 | 1 | |
| | 100% | 100% | 100% | 100% | 100% | |

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (62% for Performance Plus (NPP), 55% for Municipal Advantage (NMA), 56% for Market Opportunity (NMO), 62% for Dividend Advantage (NAD), 53% for Dividend Advantage 2 (NXZ) and 66% for Dividend Advantage 3 (NZF)). Such insurance or escrow, however, does not guarantee the market value of the municipal securities or the value of the Funds' shares.

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

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Notes to FINANCIAL STATEMENTS (continued)

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2003, to shareholders of record on November 15, 2003, as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|

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| | | | | | | |
|------|-------|------|--------|-------|-------|----|
| 2001 | 14.45 | 1.16 | .80 | (.26) | (.01) | 1. |
| 2000 | 14.11 | 1.24 | .38 | (.34) | -- | 1. |
| 1999 | 15.96 | 1.26 | (1.83) | (.24) | -- | (. |

DIVIDEND ADVANTAGE (NAD)

| | | | | | | |
|-------------------|-------|------|--------|-------|----|-----|
| Year Ended 10/31: | | | | | | |
| 2003 | 14.94 | 1.10 | .19 | (.07) | -- | 1. |
| 2002 | 14.84 | 1.13 | .01 | (.10) | -- | 1. |
| 2001 | 13.59 | 1.16 | 1.21 | (.24) | -- | 2. |
| 2000 | 12.78 | 1.15 | .84 | (.31) | -- | 1. |
| 1999 (a) | 14.33 | .39 | (1.47) | (.07) | -- | (1. |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | | | | |
|-------------------|-------|------|-------|-------|----|----|
| Year Ended 10/31: | | | | | | |
| 2003 | 14.89 | 1.16 | .17 | (.07) | -- | 1. |
| 2002 | 15.07 | 1.15 | (.32) | (.10) | -- | . |
| 2001 (b) | 14.33 | .52 | .88 | (.09) | -- | 1. |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | | | | |
|-------------------|-------|------|-----|-------|----|----|
| Year Ended 10/31: | | | | | | |
| 2003 | 14.56 | 1.07 | .10 | (.07) | -- | 1. |
| 2002 | 14.47 | 1.03 | .16 | (.10) | -- | 1. |
| 2001 (c) | 14.33 | .03 | .14 | -- | -- | . |

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

PERFORMANCE PLUS (NPP)

| | | | | | |
|-------------------|-------|---------|-----------|---------|--------|
| Year Ended 10/31: | | | | | |
| 2003 | \$ -- | \$15.45 | \$14.6400 | 9.58% | 6.97% |
| 2002 | (.01) | 15.38 | 14.2800 | 4.51 | 5.03 |
| 2001 | -- | 15.57 | 14.5800 | 26.96 | 14.51 |
| 2000 | (.01) | 14.36 | 12.1875 | .90 | 11.47 |
| 1999 | -- | 13.69 | 12.9375 | (10.76) | (5.63) |

MUNICIPAL ADVANTAGE (NMA)

| | | | | | |
|-------------------|-------|-------|---------|--------|--------|
| Year Ended 10/31: | | | | | |
| 2003 | -- | 15.62 | 15.4400 | 13.17 | 8.71 |
| 2002 | -- | 15.41 | 14.6600 | 5.89 | 5.39 |
| 2001 | -- | 15.65 | 14.8500 | 23.35 | 13.97 |
| 2000 | -- | 14.61 | 12.8750 | 1.46 | 11.48 |
| 1999 | (.02) | 13.98 | 13.6250 | (8.16) | (5.83) |

MARKET OPPORTUNITY (NMO)

| | | | | | |
|-------------------|----|-------|---------|-------|-------|
| Year Ended 10/31: | | | | | |
| 2003 | -- | 15.11 | 14.2900 | 10.62 | 10.24 |
| 2002 | -- | 14.60 | 13.8000 | .49 | 2.03 |

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| | | | | | |
|------|-------|-------|---------|--------|--------|
| 2001 | -- | 15.24 | 14.6500 | 20.03 | 11.93 |
| 2000 | -- | 14.45 | 13.0000 | 2.97 | 9.41 |
| 1999 | (.02) | 14.11 | 13.5625 | (9.18) | (5.49) |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|--------|--------|
| 2003 | -- | 15.17 | 15.1200 | 11.41 | 8.41 |
| 2002 | -- | 14.94 | 14.5000 | 2.01 | 7.26 |
| 2001 | -- | 14.84 | 15.1400 | 27.35 | 16.03 |
| 2000 | (.01) | 13.59 | 12.6250 | (.79) | 13.61 |
| 1999 (a) | (.10) | 12.78 | 13.6250 | (7.29) | (8.83) |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|-------|------|
| 2003 | -- | 15.13 | 14.8500 | 14.39 | 8.67 |
| 2002 | .01 | 14.89 | 13.9100 | (.81) | 5.16 |
| 2001 (b) | (.12) | 15.07 | 14.9600 | 2.75 | 8.39 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|--------|------|
| 2003 | .01 | 14.74 | 13.8000 | 9.04 | 7.82 |
| 2002 | (.09) | 14.56 | 13.5300 | (4.26) | 7.20 |
| 2001 (c) | (.03) | 14.47 | 15.0700 | .47 | .98 |

Ratios/Supplemental Data

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

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

| | | | | |
|------|-----------|-------|-------|-------|
| 2003 | \$925,525 | 1.18% | 6.89% | 1.18% |
| 2002 | 921,376 | 1.18 | 7.11 | 1.17 |
| 2001 | 932,937 | 1.15 | 7.29 | 1.14 |
| 2000 | 860,556 | 1.17 | 8.09 | 1.16 |
| 1999 | 820,432 | 1.15 | 7.48 | 1.12 |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

| | | | | |
|------|---------|------|------|------|
| 2003 | 671,147 | 1.21 | 7.27 | 1.20 |
| 2002 | 662,270 | 1.22 | 7.55 | 1.22 |
| 2001 | 672,673 | 1.23 | 7.60 | 1.22 |
| 2000 | 628,099 | 1.23 | 8.77 | 1.23 |
| 1999 | 600,923 | 1.16 | 8.12 | 1.16 |

MARKET OPPORTUNITY (NMO)

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| | | | | |
|-------------------|---------|------|------|------|
| Year Ended 10/31: | | | | |
| 2003 | 687,955 | 1.25 | 6.94 | 1.25 |
| 2002 | 664,914 | 1.24 | 7.50 | 1.24 |
| 2001 | 694,025 | 1.23 | 7.73 | 1.23 |
| 2000 | 658,070 | 1.25 | 8.76 | 1.23 |
| 1999 | 642,643 | 1.15 | 8.18 | 1.14 |

DIVIDEND ADVANTAGE (NAD)

| | | | | |
|-------------------|---------|-------|-------|------|
| Year Ended 10/31: | | | | |
| 2003 | 595,266 | 1.35 | 6.78 | .89 |
| 2002 | 586,045 | 1.25 | 7.24 | .80 |
| 2001 | 581,089 | 1.26 | 7.56 | .78 |
| 2000 | 531,571 | 1.22 | 8.34 | .73 |
| 1999(a) | 499,783 | 1.06* | 6.10* | .58* |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | | |
|-------------------|---------|-------|-------|------|
| Year Ended 10/31: | | | | |
| 2003 | 443,101 | 1.17 | 7.20 | .71 |
| 2002 | 435,907 | 1.17 | 7.32 | .70 |
| 2001(b) | 441,308 | 1.13* | 5.56* | .63* |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | | |
|-------------------|---------|------|-------|------|
| Year Ended 10/31: | | | | |
| 2003 | 594,154 | 1.17 | 6.80 | .71 |
| 2002 | 586,799 | 1.17 | 6.78 | .70 |
| 2001(c) | 583,100 | .72* | 2.05* | .42* |

Preferred Shares at End of Period

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

PERFORMANCE PLUS (NPP)

| | | | |
|-------------------|-----------|----------|----------|
| Year Ended 10/31: | | | |
| 2003 | \$479,000 | \$25,000 | \$73,305 |
| 2002 | 479,000 | 25,000 | 73,089 |
| 2001 | 444,000 | 25,000 | 77,530 |
| 2000 | 444,000 | 25,000 | 73,455 |
| 1999 | 400,000 | 25,000 | 76,277 |

MUNICIPAL ADVANTAGE (NMA)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2003 | 358,000 | 25,000 | 71,868 |
| 2002 | 358,000 | 25,000 | 71,248 |
| 2001 | 358,000 | 25,000 | 71,974 |
| 2000 | 358,000 | 25,000 | 68,862 |
| 1999 | 358,000 | 25,000 | 66,964 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

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| | | | |
|------|---------|--------|--------|
| 2003 | 380,000 | 25,000 | 70,260 |
| 2002 | 380,000 | 25,000 | 68,744 |
| 2001 | 380,000 | 25,000 | 70,660 |
| 2000 | 380,000 | 25,000 | 68,294 |
| 1999 | 380,000 | 25,000 | 67,279 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | |
|---------|---------|--------|--------|
| 2003 | 295,000 | 25,000 | 75,446 |
| 2002 | 295,000 | 25,000 | 74,665 |
| 2001 | 295,000 | 25,000 | 74,245 |
| 2000 | 295,000 | 25,000 | 70,048 |
| 1999(a) | 295,000 | 25,000 | 67,354 |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | |
|---------|---------|--------|--------|
| 2003 | 222,000 | 25,000 | 74,899 |
| 2002 | 222,000 | 25,000 | 74,089 |
| 2001(b) | 222,000 | 25,000 | 74,697 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | |
|---------|---------|--------|--------|
| 2003 | 312,000 | 25,000 | 72,608 |
| 2002 | 312,000 | 25,000 | 72,019 |
| 2001(c) | -- | -- | -- |

* Annualized.

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

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares, where applicable.

(a) For the period May 26, 1999 (commencement of operations) through October 31, 1999.

(b) For the period March 27, 2001 (commencement of operations) through October 31, 2001.

(c) For the period September 25, 2001 (commencement of operations) through October 31, 2001.

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 twelve. 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.

| 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 |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

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 1996) of Nuveen Investments, Inc. and Nuveen Investment Director (since 1992) and Chairman (since 1992) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (since 1992) of Nuveen Asset Management, Inc.; Director of Institutional Capital Corporation; Chairman (since 1999) of Rittenhouse Asset Management; Chairman of Nuveen Investments Advisers |
|--|--|------|---|

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 Officer, Draper & Kramer, Inc., a private equity firm that handles mortgage banking, real estate development advisory and real estate management (1992-1998) thereto, Executive Vice President and Chairman of First Chicago Corporation and its principal subsidiary, First National Bank of Chicago. |
|--|------------------|------|--|

| | | | |
|--|------------------|------|--|
| 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 of Northern Trust Company; Director of the Board of Highland Park-Highwood (since 2002). |
|--|------------------|------|--|

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| | | | |
|--|------------------|------|--|
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director, All Vice Chairman, United Fire & Casualty C Federal Reserve Bank of Chicago; former Operating Officer, SCI Financial Group, services firm. |
| Anne E. Impellizzeri 1/26/33 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1994 | Retired, formerly, Executive Director (The Russel Wright Design Center; prior Chief Executive Officer of Blanton-Peal prior thereto, Vice President, Metropol |
| William L. Kissick 7/29/32 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1992 | Professor Emeritus, School of Medicine School of Management and former Chairma Institute of Health Economics, Universi Adjunct Professor, Health Policy and Ma |
| Thomas E. Leafstrand 11/11/31 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1992 | Retired; previously, Vice President in Underwriting and Dealer Sales at The No Company. |

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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 |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|------------------|------|---|
| Peter R. Sawers 4/3/33 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1991 | Adjunct Professor of Business and Econo Dubuque, Iowa; formerly (1991-2000) Adj Forest Graduate School of Management, L prior thereto, Executive Director, Towe management consulting firm; Chartered F Certified Management Consultant; Direct Service Corps of Chicago, a not-for-pro |
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1997 | Senior Partner and Chief Operating Offi Group, Vice President, Miller-Valentine company; Chair, MiamiValley Hospital; C Development Coalition; formerly, Member Advisory Board, National City Bank, Day Business Advisory Council, Cleveland Fe |
| Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1997 | Executive Director, Gaylord and Dorothy (since 1994); prior thereto, Executive Protection Fund (from 1990 to 1994). |

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| | | | |
|---|------------------|------|---|
| Sheila W. Wellington 2/24/32 333 W. Wacker Drive Chicago, IL 60606 | Director/Trustee | 1994 | President (since 1993) of Catalyst (a n focusing on women's leadership developm and the professions). |
|---|------------------|------|---|

| 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:

| | | | |
|--|------------------------------------|------|--|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assista and Associate General Counsel, formerly and Assistant General Counsel of Nuveen Managing Director (since 2002), General Assistant Secretary, formerly, Vice Pre Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assista Associate General Counsel, formerly, Vi 2000), of Nuveen Asset Management, Inc. Secretary of Nuveen Investments, Inc. (Assistant Secretary of NWQ Investment M Company, LLC (since 2002); Vice Preside Assistant Secretary of Nuveen Investmen (since 2002); Managing Director, Associ Counsel and Assistant Secretary of Ritt Management, Inc. (since May 2003); Char Financial Analyst. |
|--|------------------------------------|------|--|

| | | | |
|---|--|------|---|
| Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 2000 | Vice President (since 2002), formerly, Vice President (since 2000), previously Nuveen Investments, LLC. |
|---|--|------|---|

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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):

| | | | |
|---|----------------|------|--|
| Paul L. Brennan 11/10/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1999 | Vice President (since 2002), formerly, Vice President (since 1997), of Nuveen prior thereto, portfolio manager of Fla Chartered Financial Analyst and Certifi |
|---|----------------|------|--|

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| | | | |
|---|--|-------------|---|
| <p>Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Treasurer</p> | <p>1999</p> | <p>Vice President of Nuveen Investments, L prior thereto, Assistant Vice President President and Treasurer of Nuveen Inves 1999); Vice President and Treasurer of and Nuveen Institutional Advisory Corp. President and Treasurer of Nuveen Asset Inc. (since 2002) and of Nuveen Investm Inc. (since 2002); Assistant Treasurer Management Company, LLC (since 2002); C Financial Analyst.</p> |
| <p>Susan M. DeSanto 9/8/54 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>2001</p> | <p>Vice President of Nuveen Advisory Corp. previously, Vice President of Van Kamp Advisory Corp. (since 1998); Vice Presi Institutional Advisory Corp. (since 200 Assistant Vice President of Van Kamp Advisory Corp. (since 1994).</p> |
| <p>Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Secretary</p> | <p>2000</p> | <p>Vice President (since 2002) and Assista (since 1998); formerly, Assistant Vice of Nuveen Investments, LLC; Vice Presid and Assistant Secretary (since 1998), f Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.</p> |
| <p>Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>1998</p> | <p>Vice President of Nuveen Investments, L President (since 1998) of Nuveen Adviso Nuveen Institutional Advisory Corp.</p> |
| <p>William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>1995</p> | <p>Managing Director (since 2002) of Nuvee LLC; Managing Director (since 2001), fo President of Nuveen Advisory Corp. and Institutional Advisory Corp. (since 199 Director of Nuveen Asset Management, In Vice President of Nuveen Investment Adv (since 2002); Chartered Financial Analy</p> |
| <p>Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Controller</p> | <p>1998</p> | <p>Vice President (since 1993) and Funds C 1998) of Nuveen Investments, LLC and Vi Funds Controller (since 1998) of Nuveen Certified Public Accountant.</p> |
| <p>J. Thomas Futrell 7/5/55 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>1988</p> | <p>Vice President of Nuveen Advisory Corp. Chartered Financial Analyst.</p> |
| <p>Steven J. Krupa 8/21/57 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>1990</p> | <p>Vice President of Nuveen Advisory Corp.</p> |

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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 |
|---|--|---|--|
| ----- | | | |
| OFFICERS OF THE FUNDS (CONTINUED): | | | |
| ----- | | | |
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I previously Assistant Vice President (si thereto, Associate of Nuveen Investment Public Accountant. |
| ----- | | | |
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999), previously President (since 1993) of Nuveen Invest |
| ----- | | | |
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.; Assistant Investments, Inc. and (since 1997) Nuve Inc.; Vice President (since 2000), Assi Assistant General Counsel (since 1998) Management, Inc.; Vice President and As Nuveen Investments Advisers Inc. (since Secretary of NWQ Investment Management (since 2002). |
| ----- | | | |
| John V. Miller 4/10/67 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2003 | Vice President (since 2003), previously Vice President (since 1999), prior ther analyst (since 1996) of Nuveen Advisory Chartered Financial Analyst. |
| ----- | | | |
| Edward F. Neild, IV 7/7/65 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1996 | Managing Director (since 2002) of Nuvee LLC; Managing Director (since 1997), fo President (since 1996) of Nuveen Adviso Nuveen Institutional Advisory Corp.; Ma of Nuveen Asset Management, Inc. (since Chartered Financial Analyst. |
| ----- | | | |
| Thomas J. O'Shaughnessy 9/4/60 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1999 | Vice President (since 2002), formerly, Vice President (since 1998), of Nuveen prior thereto, portfolio manager. |
| ----- | | | |
| Daniel S. Solender 10/27/65 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2003 | Vice President of Nuveen Advisory Corp. previously, Principal and portfolio man Group (1999-2003); prior thereto, Assis of the Nuveen Advisory Corp.; Chartered |

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| | | | |
|---|----------------|------|--|
| Thomas C. Spalding 7/31/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1982 | Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.; Chartered |
|---|----------------|------|--|

- (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 Director/Trustee 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.

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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

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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.

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Fund INFORMATION

BOARD OF DIRECTORS/TRUSTEES

William E. Bennett
Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
Anne E. Impellizzeri
William L. Kissick
Thomas E. Leafstrand
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Sheila W. Wellington

FUND MANAGER

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

CUSTODIAN

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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

PROXY VOTING POLICIES AND PROCEDURES

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

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 Trustees 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 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.

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

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a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

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

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

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

Each Fund intends to repurchase shares of its own common or preferred stock, where applicable, in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the fiscal year ended October 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

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| www.nuveen.com

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ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The registrant has posted such code of ethics on its website at 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 of First Chicago Corporation and its principal subsidiary, The First National Bank of Chicago. 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 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), 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.

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

ITEM 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.

(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 Dividend Advantage Municipal Fund 3

By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger

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Vice President and Secretary

Date: January 8, 2004

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: January 8, 2004

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

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

Date: January 8, 2004

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