NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2 IN
Form N-CSRS
May 04, 2007

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-7492

Nuveen Insured California Premium Income Municipal Fund 2, Inc.

(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: August 31

Date of reporting period: February 28, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT February 28, 2007

Nuveen Investments
Municipal Closed-End Funds

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.
NPC

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

NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND
NCU

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NAC

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NVX

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZH

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NKL

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND
NKX

Photo of: Woman and man at the beach.
Photo of: A child.

DEPENDABLE,
TAX-FREE INCOME BECAUSE
IT'S NOT WHAT YOU EARN,

IT'S WHAT YOU KEEP.(R)

Logo: NUVEEN Investments

Photo of: Woman
Photo of: Woman
Photo of: Man and child

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and statements directly from Nuveen.

(Be sure to have the address sheet that
accompanied this report handy. You'll need
it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

## Chairman's LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the six-month period covered by this report your Fund continued to provide you with attractive monthly

tax-free income. For more details about the management strategy and performance of your Fund, please read the Portfolio Manager's Comments, the Dividend and Share Price Information, and the Performance Overview sections of this report.

For some time, I've used these letters to remind you that municipal bonds can be an important building block in a well balanced investment portfolio. In addition to providing attractive tax-free monthly income, a municipal bond investment like your Fund may help you achieve and benefit from greater portfolio diversification. Portfolio diversification is a recognized way to try to reduce some of the risk that

"IN ADDITION TO PROVIDING ATTRACTIVE TAX-FREE MONTHLY INCOME, A MUNICIPAL BOND INVESTMENT LIKE YOUR FUND MAY HELP YOU ACHIEVE AND BENEFIT FROM GREATER PORTFOLIO DIVERSIFICATION."

comes with investing. For more information about this important investment strategy, I encourage you to contact your personal financial advisor.

We also are pleased to be able to offer you a choice concerning how you receive your shareholder reports and other Fund information. As an alternative to mailed copies, you can sign up to receive future Fund reports and other Fund information by e-mail and the Internet. The inside front cover of this report contains information on how you can sign up.

We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead. At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

April 16, 2007

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

Portfolio Manager's
COMMENTS

Portfolio manager Scott Romans discusses key investment strategies and the six-month performance of these eight closed-end Nuveen California Funds. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since 2003. He assumed portfolio management responsibility for NPC and NCL in 2005.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE CALIFORNIA FUNDS DURING THE SIX-MONTH REPORTING PERIOD ENDED FEBRUARY 28, 2007?

During this six-month period, we saw a modest increase in short-term interest rates, while longer-term rates continued to decline, resulting in further

flattening of the yield curve. In this environment, where the yield curve remained the dominant market factor, we continued to emphasize a disciplined approach to duration1 management and yield curve positioning. As part of this approach, our purchases for the Funds' portfolios focused mainly on attractively priced bonds in the 20-year to 30-year part of the yield curve. We believed that bonds in this part of the curve generally offered better value and reward opportunities more commensurate with their risk levels. To help us maintain the Funds' durations within our preferred strategic range, we also selectively sold holdings with shorter durations, including pre-refunded bonds and bonds with short maturities.

Our duration management strategies during this period also included the purchase of inverse floating rate trusts, a type of derivative financial instrument, in all eight of these California Funds. The inverse floaters had the dual benefit of increasing the Funds' distributable income and bringing their durations closer to our preferred strategic target. In past shareholder reports, we also have discussed the use of other derivatives as a duration management tool. Going into this reporting period, four of these California Funds--NPC, NCL, NAC and NVX--were using forward interest rate swaps to help manage net asset value (NAV) volatility. NAC also had purchased a small number of U.S. Treasury note futures contracts. As of February 28, 2007, these four Funds continued to use these derivatives, although we reduced the positions in NCL during this six-month period. (NCU, NZH, NKL and NKX did not use swaps during this period because we believed the durations of these Funds were adequately positioned relative to the general market.)

Overall, portfolio activity was relatively light during much of this period due to the fact that the rate environment was not advantageous for active trading. In watching the market for opportunities to add value to our portfolios, we focused mainly on premium

1 Duration is a measure of a bond's price sensitivity as interest rates change, with longer duration bonds displaying more sensitivity to these changes than bonds with shorter durations.



coupon - typically 5% bonds priced to 10-year calls. As the bond market continued to rally, especially in November and December 2006, we also purchased bonds with coupons in the 4% range which typically offered higher income.

We also continued to emphasize maintaining weightings of lower credit quality bonds in the four uninsured Funds (NCU, NAC, NVX, and NZH) and in NKL and NKX (which can invest up to 20% of their assets in uninsured investment-grade quality securities). We generally saw fewer attractively priced lower-rated credit offerings in the California market. Although California remained the largest state issuer of municipal debt in the nation, much of the new supply during this period was insured, and we did not find many opportunities outside the insured sector. Apart from credit, one area of the market in which we did continue to find value was the single family housing sector, where we purchased bonds for all four of the uninsured Funds as well as NKL.

HOW DID THE FUNDS PERFORM?

Individual results for these Nuveen California Funds, as well as relevant index and peer group information, are presented in the accompanying table.

TOTAL RETURNS ON NET ASSET VALUE
For periods ended 2/28/07

| | CUMULATIVE | ANNUALIZED | | |
|---|---|---|---|---|
| UNINSURED FUNDS | 6-MONTH | 1-YEAR | 5-YEAR | 10-YEAR |
| NCU | 3.45% | 5.40% | 6.87% | 7.05% |
| NAC | 3.16% | 5.37% | 7.40% | NA |
| NVX | 3.04% | 5.47% | 7.13% | NA |
| NZH | 3.38% | 5.65% | 7.49% | NA |
| Lehman Brothers CA Tax-Exempt Bond Index2 | 3.01% | 5.21% | 5.29% | 5.90% |
| Lipper CA Municipal Debt Funds Average3 | 3.66% | 6.15% | 6.85% | 6.41% |

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

3 The Lipper California Municipal Debt Funds category average is calculated using the returns of all closed-end funds in this category for each period as follows: 6 months, 25; 1 year, 25; 5 years, 15; and 10 years, 13. Fund and Lipper returns assume reinvestment of dividends.



| | CUMULATIVE | ANNUALIZED | | |
|---|---|---|---|---|
| INSURED FUNDS | 6-MONTH | 1-YEAR | 5-YEAR | 10-YEAR |
| NPC | 3.07% | 4.86% | 6.13% | 6.42% |
| NCL | 3.13% | 5.22% | 6.18% | 6.70% |
| NKL | 3.40% | 5.60% | NA | NA |
| NKX | 3.81% | 5.79% | NA | NA |
| Lehman Brothers Insured CA Tax-Exempt Bond Index2 | 3.12% | 5.28% | 5.24% | 5.99% |
| Lipper Insured CA Municipal Debt Funds Average4 | 3.66% | 5.87% | 5.56% | 6.15% |

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Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

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

For the six months ended February 28, 2007, the cumulative returns on NAV for NCU, NAC and NZH outperformed the return on the Lehman Brothers California Tax-Exempt Bond Index while NVX performed in line. The six-month returns for all four of the Funds underperformed the average return of the Lipper California peer group for this period. Among the insured Funds, NKL and NKX exceeded the return on the Lehman Brothers Insured California Tax-Exempt Bond Index, while NPC and NCL performed in line with this index return. NKX outperformed the average return for the Lipper Insured California peer group, while NPC, NCL and NKL trailed this group average.

Factors that influenced the Funds' returns during this period included duration management, exposure to lower-rated credits (or credit risk) in the four uninsured Funds, as well as NKL, and NKX, sector allocations, the relative amount of advance refunding activity5, and the use of financial leverage.

As the yield curve continued to flatten over the course of this period, bonds with longer duration structures, including zero coupon and non-callable bonds, generally outperformed shorter duration bonds. Overall, these Funds were strategically well positioned in terms of duration, as our careful approach to duration management--including the use of inverse floaters and interest rate swaps--kept the Funds' durations close to their preferred range.

With bonds rated BBB or lower and nonrated bonds generally outperforming other credit quality sectors during this period, the four uninsured Funds as well as NKL and NKX

4 The Lipper Insured California Municipal Debt Funds average is calculated using the returns of all closed-end funds in its category for each period as follows: 6 months, 13; 1 year, 13; 5 years, 8; and 10 years, 6. Fund and Lipper returns assume reinvestment of dividends.

5 Advance refundings, also known as pre-refundings or refinancings, occur when an issuer sells new bonds and uses the proceeds to fund principal and interest payments of older existing bonds. This process often results in lower borrowing costs for bond issuers.



(which can invest up to 20% of their assets in uninsured investment-grade quality securities) benefited from their allocations to lower-quality credits. The performance of this sector was largely the result of investor demand for the higher yields typically associated with lower-rated bonds, which drove up their value. (NPC and NCL, as 100% insured Funds, cannot hold any lower-rated credits.)

Among the lower-rated holdings making contributions to the returns of NCU, NAC,

NVX, NZH, NKL and NKX were health care (including hospitals) credits and industrial development revenue bonds, which ranked as the top performing revenue sectors in the national Lehman Brothers Municipal Bond Index for this period. Bonds backed by the 1998 master tobacco settlement agreement, which comprised approximately 2% to 6% of the portfolios of these six Funds as of February 28, 2007, also performed well during this period.

We also continued to see positive contributions from advance refunding activity, which benefited these Funds through price appreciation and enhanced credit quality. Some of the performance differential among these eight Funds can be attributed to the relative amounts of advance refundings they experienced during this period, with NVX having the fewest bonds pre-refunded (as a percentage of its portfolio) among the uninsured Funds. Among the insured Funds, NKX had more than three times the amount of advance refundings than the other three insured Funds.

At the same time, holdings of older, previously pre-refunded bonds tended to underperform the general municipal market during this period, due primarily to their shorter effective maturities and higher credit quality. Among these eight Funds, NAC and NVX had the heaviest allocations of pre-refunded bonds entering into this period.

Another factor in the six-month performance of these Funds, especially relative to the performances of the unleveraged Lehman Brothers California Tax-Exempt Bond Index and Lehman Brothers Insured California Tax-Exempt Bond Index, was the use of financial leverage. While leverage can add volatility to a Fund's NAV and share price, this strategy can also provide opportunities for additional income and total return for common shareholders. Over this period, our leveraging strategy had a positive impact on the results of these eight Funds.



## Dividend and Share Price INFORMATION

The dividends of all eight of these California Funds remained stable over the six-month reporting period ended February 28, 2007.

Due to normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2006 as follows:

| | LONG-TERM CAPITAL GAINS (PER SHARE) | SHORT-TERM CAPITAL GAINS AND/OR ORDINARY INCOME (PER SHARE) |
|---|---|---|
| NPC | $0.0754 | $0.0058 |
| NCU | $0.0308 | -- |
| NAC | $0.0533 | -- |
| NKL | $0.0026 | -- |

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During

certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of February 28, 2007, NPC and NCL had positive UNII balances for both financial statement and, based on our best estimates, tax purposes, while the other six Funds had negative UNII balances for financial statement purposes and positive UNII balances, based on our best estimates, for tax purposes.



At the end of the reporting period, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

| | 2/28/07 PREMIUM/DISCOUNT | 6-MONTH AVERAGE PREMIUM/DISCOUNT |
|---|---|---|
| NPC | -3.14% | -3.10% |
| NCL | -5.09% | -5.35% |
| NCU | -3.93% | -4.84% |
| NAC | +1.92% | +1.48% |
| NVX | -1.23% | -1.26% |
| NZH | -0.13% | -0.07% |
| NKL | -1.15% | +0.21% |
| NKX | -2.64% | -1.72% |



Nuveen Insured California Premium Income Municipal Fund, Inc.
NPC

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)
Insured 67%
U.S. Guaranteed 33%

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE2
Mar 0.067

| | |
|---|---|
| Apr | 0.067 |
| May | 0.067 |
| Jun | 0.0635 |
| Jul | 0.0635 |
| Aug | 0.0635 |
| Sep | 0.0605 |
| Oct | 0.0605 |
| Nov | 0.0605 |
| Dec | 0.0605 |
| Jan | 0.0605 |
| Feb | 0.0605 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 16.25 |
| | 15.9 |
| | 15.62 |
| | 15.28 |
| | 15.35 |
| | 15.39 |
| | 15.42 |
| | 15.84 |
| | 15.51 |
| | 15.61 |
| | 15.86 |
| | 15.69 |
| | 15.41 |
| | 15.03 |
| | 14.73 |
| | 14.83 |
| | 14.82 |
| | 14.77 |
| | 14.68 |
| | 14.83 |
| | 14.61 |
| | 14.61 |
| | 14.78 |
| | 14.79 |
| | 14.97 |
| | 14.95 |
| | 15.07 |
| | 15.03 |
| | 14.99 |
| | 14.92 |
| | 15.51 |
| | 15.32 |
| | 15.32 |
| | 15.01 |
| | 14.98 |
| | 14.81 |
| | 14.89 |
| | 15.02 |
| | 15.05 |
| | 15.11 |
| | 15.24 |
| | 15.79 |
| | 15.2 |
| | 15.06 |
| | 15.03 |
| | 15.15 |

| | |
|---|---|
| | 15.29 |
| | 15.14 |
| | 14.95 |
| | 15.1 |
| | 15.07 |
| | 15.21 |
| | 15.1 |
| 2/28/07 | 15.12 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $15.12 |
| Common Share Net Asset Value | $15.61 |
| Premium/(Discount) to NAV | -3.14% |
| Market Yield | 4.80% |
| Taxable-Equivalent Yield1 | 7.35% |
| Net Assets Applicable to Common Shares ($000) | $100,794 |
| Average Effective Maturity on Securities (Years) | 14.94 |
| Leverage-Adjusted Duration | 8.56 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 3.24% | 3.07% |
| 1-Year | -0.40% | 4.86% |
| 5-Year | 5.48% | 6.13% |
| 10-Year | 7.16% | 6.42% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| U.S. Guaranteed | 33.2% |
| Tax Obligation/General | 23.6% |
| Tax Obligation/Limited | 16.6% |
| Water and Sewer | 16.6% |
| Other | 10.0% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a

fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

2 The Fund paid shareholders capital gains and net ordinary income distributions in December 2006 of $0.0812 per share.



Nuveen Insured California Premium Income Municipal Fund 2, Inc.
NCL

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| Insured | 77% |
| U.S. Guaranteed | 23% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|---|---|
| Mar | 0.0625 |
| Apr | 0.0625 |
| May | 0.0625 |
| Jun | 0.059 |
| Jul | 0.059 |
| Aug | 0.059 |
| Sep | 0.056 |
| Oct | 0.056 |
| Nov | 0.056 |
| Dec | 0.056 |
| Jan | 0.056 |
| Feb | 0.056 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 15.17 |
| | 15.05 |
| | 14.71 |
| | 14.76 |
| | 14.66 |
| | 14.62 |
| | 14.53 |
| | 14.79 |
| | 14.5 |
| | 14.42 |
| | 14.46 |
| | 14.18 |
| | 14.13 |
| | 14.13 |
| | 14.12 |
| | 14.15 |
| | 13.97 |

| | |
|---|---|
| | 14.03 |
| | 13.79 |
| | 13.97 |
| | 13.69 |
| | 13.69 |
| | 14.14 |
| | 14.21 |
| | 14.12 |
| | 14.19 |
| | 14.21 |
| | 14.24 |
| | 14.22 |
| | 14.19 |
| | 14.29 |
| | 14.35 |
| | 14.27 |
| | 14.3 |
| | 14.14 |
| | 14.08 |
| | 14.14 |
| | 14.21 |
| | 14.08 |
| | 14.13 |
| | 14.21 |
| | 14.46 |
| | 14.28 |
| | 14.27 |
| | 14.26 |
| | 14.25 |
| | 14.29 |
| | 14.2 |
| | 14.12 |
| | 14.17 |
| | 14.25 |
| | 14.26 |
| | 14.26 |
| 2/28/07 | 14.35 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $14.35 |
| Common Share Net Asset Value | $15.12 |
| Premium/(Discount) to NAV | -5.09% |
| Market Yield | 4.68% |
| Taxable-Equivalent Yield1 | 7.17% |
| Net Assets Applicable to Common Shares ($000) | $192,243 |
| Average Effective Maturity on Securities (Years) | 15.83 |
| Leverage-Adjusted Duration | 7.96 |

AVERAGE ANNUAL TOTAL RETURN

(Inception 3/18/93)

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 3.53% | 3.13% |
| 1-Year | -0.14% | 5.22% |
| 5-Year | 5.19% | 6.18% |
| 10-Year | 6.93% | 6.70% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 27.3% |
| U.S. Guaranteed | 22.6% |
| Tax Obligation/General | 16.2% |
| Water and Sewer | 14.5% |
| Utilities | 6.5% |
| Other | 12.9% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.



Nuveen California Premium Income Municipal Fund
NCU

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| AAA/U.S. Guaranteed | 67% |
| AA | 6% |
| A | 10% |
| BBB | 12% |
| BB or Lower | 4% |
| N/R | 1% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|---|---|
| Mar | 0.0635 |
| Apr | 0.0635 |

| | |
|---|---|
| May | 0.0635 |
| Jun | 0.0595 |
| Jul | 0.0595 |
| Aug | 0.0595 |
| Sep | 0.0565 |
| Oct | 0.0565 |
| Nov | 0.0565 |
| Dec | 0.0565 |
| Jan | 0.0565 |
| Feb | 0.0565 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 14.25 |
| | 13.96 |
| | 13.92 |
| | 14.03 |
| | 14.1 |
| | 13.9 |
| | 13.87 |
| | 13.67 |
| | 13.55 |
| | 13.66 |
| | 14.05 |
| | 14.04 |
| | 13.95 |
| | 13.85 |
| | 13.98 |
| | 13.67 |
| | 13.4 |
| | 13.11 |
| | 13.16 |
| | 13.32 |
| | 13.3 |
| | 13.4 |
| | 13.83 |
| | 13.88 |
| | 13.66 |
| | 13.97 |
| | 13.99 |
| | 14.01 |
| | 13.8 |
| | 13.91 |
| | 14 |
| | 13.93 |
| | 13.85 |
| | 13.79 |
| | 13.71 |
| | 13.73 |
| | 13.83 |
| | 13.85 |
| | 13.85 |
| | 13.92 |
| | 13.92 |
| | 14.03 |
| | 13.99 |
| | 14.01 |
| | 13.99 |
| | 14.15 |
| | 14.12 |

| | |
|---|---|
| | 14.18 |
| | 13.99 |
| | 14.11 |
| | 14.39 |
| | 14.12 |
| | 14.05 |
| 2/28/07 | 14.18 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $14.18 |
| Common Share Net Asset Value | $14.76 |
| Premium/(Discount) to NAV | -3.93% |
| Market Yield | 4.78% |
| Taxable-Equivalent Yield1 | 7.32% |
| Net Assets Applicable to Common Shares ($000) | $85,223 |
| Average Effective Maturity on Securities (Years) | 16.69 |
| Leverage-Adjusted Duration | 7.87 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 3.91% | 3.45% |
| 1-Year | 5.66% | 5.40% |
| 5-Year | 6.60% | 6.87% |
| 10-Year | 7.29% | 7.05% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 32.0% |
| Tax Obligation/General | 19.4% |
| U.S. Guaranteed | 12.9% |
| Water and Sewer | 11.8% |
| Health Care | 9.5% |
| Other | 14.4% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

2 The Fund paid shareholders a capital gains distribution in December 2006 of $0.0308 per share.



Nuveen California Dividend Advantage Municipal Fund
NAC

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| AAA/U.S. Guaranteed | 72% |
| AA | 2% |
| A | 11% |
| BBB | 8% |
| N/R | 7% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|---|---|
| Mar | 0.0745 |
| Apr | 0.0745 |
| May | 0.0745 |
| Jun | 0.0705 |
| Jul | 0.0705 |
| Aug | 0.0705 |
| Sep | 0.0675 |
| Oct | 0.0675 |
| Nov | 0.0675 |
| Dec | 0.0675 |
| Jan | 0.0675 |
| Feb | 0.0675 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 16.16 |
| | 16.01 |
| | 16 |
| | 15.84 |
| | 15.65 |
| | 15.74 |
| | 15.57 |
| | 15.01 |
| | 15.23 |
| | 15.24 |
| | 15.63 |
| | 15.34 |
| | 15.23 |

| | |
|---|---|
| | 15.7 |
| | 15.87 |
| | 15.63 |
| | 15.25 |
| | 15.21 |
| | 15.18 |
| | 15.45 |
| | 15.28 |
| | 15.45 |
| | 15.46 |
| | 15.89 |
| | 15.87 |
| | 15.53 |
| | 15.73 |
| | 15.88 |
| | 15.69 |
| | 15.74 |
| | 15.8 |
| | 16 |
| | 15.9 |
| | 15.66 |
| | 15.71 |
| | 15.62 |
| | 15.72 |
| | 15.6 |
| | 15.68 |
| | 15.87 |
| | 16.24 |
| | 16.21 |
| | 15.67 |
| | 15.67 |
| | 15.9 |
| | 15.73 |
| | 15.78 |
| | 16.02 |
| | 16.01 |
| | 16 |
| | 16.03 |
| | 15.84 |
| | 15.89 |
| 2/28/07 | 15.92 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $15.92 |
| Common Share Net Asset Value | $15.62 |
| Premium/(Discount) to NAV | 1.92% |
| Market Yield | 5.09% |
| Taxable-Equivalent Yield1 | 7.79% |
| Net Assets Applicable to Common Shares ($000) | $366,471 |
| Average Effective Maturity on Securities (Years) | 15.32 |

| Leverage-Adjusted Duration | 7.45 |
|---|---|

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 2.59% | 3.16% |
| 1-Year | 5.20% | 5.37% |
| 5-Year | 8.72% | 7.40% |
| Since Inception | 7.20% | 7.44% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| U.S. Guaranteed | 26.0% |
| Tax Obligation/Limited | 18.9% |
| Tax Obligation/General | 13.7% |
| Transportation | 12.6% |
| Health Care | 6.8% |
| Water and Sewer | 5.7% |
| Utilities | 5.7% |
| Housing/Multifamily | 5.5% |
| Other | 5.1% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

2 The Fund paid shareholders a capital gains distribution in December 2006 of $0.0533 per share.



Nuveen California Dividend Advantage Municipal Fund 2
NVX

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| AAA/U.S. Guaranteed | 73% |
| AA | 1% |
| A | 11% |
| BBB | 8% |
| N/R | 7% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|---|---|
| Mar | 0.0685 |
| Apr | 0.0685 |
| May | 0.0685 |
| Jun | 0.0655 |
| Jul | 0.0655 |
| Aug | 0.0655 |
| Sep | 0.0655 |
| Oct | 0.0655 |
| Nov | 0.0655 |
| Dec | 0.0655 |
| Jan | 0.0655 |
| Feb | 0.0655 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 14.9 |
| | 14.63 |
| | 14.67 |
| | 14.55 |
| | 14.51 |
| | 14.55 |
| | 14.41 |
| | 14.35 |
| | 14.42 |
| | 14.35 |
| | 14.65 |
| | 14.67 |
| | 14.75 |
| | 14.73 |
| | 14.9 |
| | 14.75 |
| | 14.49 |
| | 14.14 |
| | 14.15 |
| | 14.2 |
| | 14.19 |
| | 14.17 |
| | 14.7 |
| | 14.81 |
| | 14.69 |
| | 14.75 |
| | 14.8 |
| | 14.99 |
| | 15.07 |
| | 15.02 |
| | 15.22 |
| | 15.25 |
| | 15.03 |
| | 14.97 |

| | |
|---|---|
| | 14.81 |
| | 14.91 |
| | 15.18 |
| | 15.14 |
| | 15.29 |
| | 15.15 |
| | 15.37 |
| | 15.34 |
| | 15.12 |
| | 15.25 |
| | 15.49 |
| | 15.4 |
| | 15.31 |
| | 15.13 |
| | 15.2 |
| | 15.46 |
| | 15.4 |
| | 15.23 |
| | 15.12 |
| 2/28/07 | 15.24 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $15.24 |
| Common Share Net Asset Value | $15.43 |
| Premium/(Discount) to NAV | -1.23% |
| Market Yield | 5.16% |
| Taxable-Equivalent Yield1 | 7.90% |
| Net Assets Applicable to Common Shares ($000) | $228,237 |
| Average Effective Maturity on Securities (Years) | 14.67 |
| Leverage-Adjusted Duration | 8.39 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 4.57% | 3.04% |
| 1-Year | 7.70% | 5.47% |
| 5-Year | 7.60% | 7.13% |
| Since Inception | 6.51% | 7.28% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| U.S. Guaranteed | 20.7% |
| Tax Obligation/Limited | 20.7% |
| Water and Sewer | 10.3% |
| Education and Civic Organizations | 10.1% |
| Tax Obligation/General | 9.6% |
| Health Care | 7.9% |
| Transportation | 6.8% |
| Housing/Multifamily | 6.7% |
| Other | 7.2% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.



Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| AAA/U.S. Guaranteed | 68% |
| AA | 1% |
| A | 14% |
| BBB | 8% |
| N/R | 9% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|---|---|
| Mar | 0.068 |
| Apr | 0.068 |
| May | 0.068 |
| Jun | 0.0655 |
| Jul | 0.0655 |
| Aug | 0.0655 |
| Sep | 0.0655 |
| Oct | 0.0655 |
| Nov | 0.0655 |
| Dec | 0.0655 |
| Jan | 0.0655 |
| Feb | 0.0655 |

Line Chart:

SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 14.71 |
| | 14.56 |
| | 14.4 |
| | 14.41 |
| | 14.29 |
| | 14.5 |
| | 14.5 |
| | 14.2 |
| | 14.11 |
| | 14.3 |
| | 14.39 |
| | 14.31 |
| | 14.38 |
| | 14.45 |
| | 14.52 |
| | 14.43 |
| | 14.22 |
| | 14.07 |
| | 14.11 |
| | 14.16 |
| | 14.13 |
| | 14.22 |
| | 14.4 |
| | 14.54 |
| | 14.55 |
| | 14.6 |
| | 14.67 |
| | 14.78 |
| | 14.93 |
| | 14.82 |
| | 14.94 |
| | 14.86 |
| | 14.96 |
| | 14.7 |
| | 14.92 |
| | 14.95 |
| | 14.98 |
| | 15.01 |
| | 15.07 |
| | 15.1 |
| | 15.14 |
| | 15.15 |
| | 15.08 |
| | 15.25 |
| | 15.5 |
| | 15.32 |
| | 15.25 |
| | 15.21 |
| | 15.15 |
| | 15.23 |
| | 15.28 |
| | 15.05 |
| | 15.05 |
| 2/28/07 | 15.12 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $15.12 |

| Common Share | |
|---|---|
| Net Asset Value | $15.14 |
| Premium/(Discount) to NAV | -0.13% |
| Market Yield | 5.20% |
| Taxable-Equivalent Yield1 | 7.96% |
| Net Assets Applicable to Common Shares ($000) | $365,300 |
| Average Effective Maturity on Securities (Years) | 16.07 |
| Leverage-Adjusted Duration | 7.62 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 4.56% | 3.38% |
| 1-Year | 8.94% | 5.65% |
| 5-Year | 8.24% | 7.49% |
| Since Inception | 6.38% | 6.97% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 27.2% |
| Tax Obligation/General | 15.8% |
| U.S. Guaranteed | 10.8% |
| Health Care | 10.2% |
| Water and Sewer | 8.4% |
| Utilities | 7.3% |
| Transportation | 6.9% |
| Housing/Multifamily | 6.5% |
| Other | 6.9% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

Nuveen Insured California Dividend Advantage Municipal Fund
NKL

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| Insured | 73% |
| U.S. Guaranteed | 13% |
| GNMA/FNMA Guaranteed | 1% |
| A (Uninsured) | 7% |
| BBB (Uninsured) | 6% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|---|---|
| Mar | 0.072 |
| Apr | 0.072 |
| May | 0.072 |
| Jun | 0.068 |
| Jul | 0.068 |
| Aug | 0.068 |
| Sep | 0.065 |
| Oct | 0.065 |
| Nov | 0.065 |
| Dec | 0.065 |
| Jan | 0.065 |
| Feb | 0.065 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 15.25 |
| | 15.2 |
| | 15.27 |
| | 15.09 |
| | 15.41 |
| | 15.28 |
| | 15.2 |
| | 15.24 |
| | 15.36 |
| | 15.29 |
| | 15.4 |
| | 15.35 |
| | 15.14 |
| | 15.42 |
| | 15.46 |
| | 15.46 |
| | 15.02 |
| | 14.85 |
| | 14.57 |
| | 14.85 |
| | 14.92 |
| | 14.86 |
| | 15.08 |

| | |
|---|---|
| | 15.3 |
| | 15.35 |
| | 15.46 |
| | 15.51 |
| | 15.64 |
| | 15.38 |
| | 15.35 |
| | 15.53 |
| | 15.7 |
| | 15.71 |
| | 15.64 |
| | 15.69 |
| | 15.55 |
| | 15.58 |
| | 15.61 |
| | 15.47 |
| | 15.5 |
| | 15.71 |
| | 15.98 |
| | 15.52 |
| | 15.68 |
| | 15.82 |
| | 15.67 |
| | 15.63 |
| | 15.54 |
| | 15.4 |
| | 15.48 |
| | 15.44 |
| | 15.4 |
| | 15.31 |
| 2/28/07 | 15.45 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $15.45 |
| Common Share Net Asset Value | $15.63 |
| Premium/(Discount) to NAV | -1.15% |
| Market Yield | 5.05% |
| Taxable-Equivalent Yield1 | 7.73% |
| Net Assets Applicable to Common Shares ($000) | $238,698 |
| Average Effective Maturity on Securities (Years) | 16.97 |
| Leverage-Adjusted Duration | 7.16 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 0.91% | 3.40% |

| | | |
|---|---|---|
| 1-Year | 6.77% | 5.60% |
| Since Inception | 6.96% | 8.00% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 29.0% |
| Tax Obligation/General | 18.5% |
| U.S. Guaranteed | 12.7% |
| Utilities | 12.0% |
| Water and Sewer | 11.6% |
| Education and Civic Organizations | 3.8% |
| Other | 12.4% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

2 The Fund paid shareholders a capital gains distribution in December 2006 of $0.0026 per share.



Nuveen Insured California Tax-Free Advantage Municipal Fund
NKX

Performance
OVERVIEW As of February 28, 2007

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

| | |
|---|---|
| Insured | 69% |
| U.S. Guaranteed | 16% |
| A (Uninsured) | 9% |
| BBB (Uninsured) | 6% |

Bar Chart:
2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|---|---|
| Mar | 0.063 |
| Apr | 0.063 |
| May | 0.063 |
| Jun | 0.059 |
| Jul | 0.059 |
| Aug | 0.059 |

| | |
|---|---|
| Sep | 0.059 |
| Oct | 0.059 |
| Nov | 0.059 |
| Dec | 0.059 |
| Jan | 0.059 |
| Feb | 0.059 |

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

| | |
|---|---|
| 3/01/06 | 14.4 |
| | 14.47 |
| | 14.32 |
| | 14.13 |
| | 14.37 |
| | 14.4 |
| | 14.52 |
| | 14.49 |
| | 14.3 |
| | 14.43 |
| | 14.49 |
| | 14.02 |
| | 14.15 |
| | 14.18 |
| | 14.89 |
| | 14.43 |
| | 14 |
| | 13.69 |
| | 13.68 |
| | 13.79 |
| | 13.36 |
| | 13.99 |
| | 14.28 |
| | 14.45 |
| | 14.54 |
| | 14.05 |
| | 13.96 |
| | 14.25 |
| | 14.33 |
| | 14.52 |
| | 14.56 |
| | 14.5 |
| | 14.62 |
| | 14.31 |
| | 14.22 |
| | 14.34 |
| | 14.5 |
| | 14.65 |
| | 14.45 |
| | 14.6 |
| | 14.68 |
| | 14.85 |
| | 14.8 |
| | 15.09 |
| | 15.01 |
| | 15.03 |
| | 15.22 |
| | 15 |
| | 15.44 |
| | 15 |
| | 14.95 |

| | |
|---|---|
| | 14.77 |
| | 14.67 |
| 2/28/07 | 14.73 |

FUND SNAPSHOT

| | |
|---|---|
| Common Share Price | $14.73 |
| Common Share Net Asset Value | $15.13 |
| Premium/(Discount) to NAV | -2.64% |
| Market Yield | 4.81% |
| Taxable-Equivalent Yield1 | 7.37% |
| Net Assets Applicable to Common Shares ($000) | $89,029 |
| Average Effective Maturity on Securities (Years) | 17.04 |
| Leverage-Adjusted Duration | 7.39 |

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

| | ON SHARE PRICE | ON NAV |
|---|---|---|
| 6-Month (Cumulative) | 5.72% | 3.81% |
| 1-Year | 7.02% | 5.79% |
| Since Inception | 5.32% | 7.00% |

INDUSTRIES
(as a % of total investments)

| | |
|---|---|
| Tax Obligation/Limited | 27.0% |
| Tax Obligation/General | 24.4% |
| U.S. Guaranteed | 16.3% |
| Water and Sewer | 8.4% |
| Health Care | 7.3% |
| Transportation | 6.7% |
| Other | 9.9% |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing this Fund to investments that generate

qualified dividend income, the Taxable-Equivalent Yield is lower.



Shareholder
MEETING REPORT

The meeting was held in the offices of Nuveen Investments on November 14, 2006.

| | NPC | | NCL | |
|---|---|---|---|---|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| Robert P. Bremner | | | | |
| For | 5,917,713 | -- | 11,697,483 | -- |
| Withhold | 57,359 | -- | 97,309 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| Lawrence H. Brown | | | | |
| For | 5,913,913 | -- | 11,698,246 | -- |
| Withhold | 61,159 | -- | 96,546 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| Jack B. Evans | | | | |
| For | 5,918,113 | -- | 11,695,573 | -- |
| Withhold | 56,959 | -- | 99,219 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| William C. Hunter | | | | |
| For | 5,918,113 | -- | 11,697,883 | -- |
| Withhold | 56,959 | -- | 96,909 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| David J. Kundert | | | | |
| For | 5,918,113 | -- | 11,694,938 | -- |
| Withhold | 56,959 | -- | 99,854 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| William J. Schneider | | | | |
| For | -- | 1,547 | -- | 3,131 |
| Withhold | -- | 2 | -- | 19 |
| Total | -- | 1,549 | -- | 3,150 |
| Timothy R. Schwertfeger | | | | |
| For | -- | 1,547 | -- | 3,131 |

| | | | | |
|---|---|---|---|---|
| Withhold | -- | 2 | -- | 19 |
| Total | -- | 1,549 | -- | 3,150 |
| Judith M. Stockdale | | | | |
| For | 5,914,813 | -- | 11,698,638 | -- |
| Withhold | 60,259 | -- | 96,154 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |
| Eugene S. Sunshine | | | | |
| For | 5,918,377 | -- | 11,697,883 | -- |
| Withhold | 56,695 | -- | 96,909 | -- |
| Total | 5,975,072 | -- | 11,794,792 | -- |



| | NAC | | NVX | |
|---|---|---|---|---|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| Robert P. Bremner | | | | |
| For | 22,406,788 | -- | 14,118,025 | -- |
| Withhold | 225,819 | -- | 214,421 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |
| Lawrence H. Brown | | | | |
| For | 22,376,172 | -- | 14,118,525 | -- |
| Withhold | 256,435 | -- | 213,921 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |
| Jack B. Evans | | | | |
| For | 22,404,302 | -- | 14,117,445 | -- |
| Withhold | 228,305 | -- | 215,001 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |
| William C. Hunter | | | | |
| For | 22,405,248 | -- | 14,110,995 | -- |
| Withhold | 227,359 | -- | 221,451 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |
| David J. Kundert | | | | |
| For | 22,408,462 | -- | 14,119,325 | -- |
| Withhold | 224,145 | -- | 213,121 | -- |

| | | | | |
|---|---|---|---|---|
| Total | 22,632,607 | -- | 14,332,446 | -- |
| William J. Schneider | | | | |
| For | -- | 6,219 | -- | 3,888 |
| Withhold | -- | 44 | -- | -- |
| Total | -- | 6,263 | -- | 3,888 |
| Timothy R. Schwertfeger | | | | |
| For | -- | 6,219 | -- | 3,888 |
| Withhold | -- | 44 | -- | -- |
| Total | -- | 6,263 | -- | 3,888 |
| Judith M. Stockdale | | | | |
| For | 22,395,121 | -- | 14,111,375 | -- |
| Withhold | 237,486 | -- | 221,071 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |
| Eugene S. Sunshine | | | | |
| For | 22,401,735 | -- | 14,119,325 | -- |
| Withhold | 230,872 | -- | 213,121 | -- |
| Total | 22,632,607 | -- | 14,332,446 | -- |



Shareholder
MEETING REPORT (continued)

| | NKL | |
|---|---|---|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| Robert P. Bremner | | |
| For | 14,596,332 | -- |
| Withhold | 122,709 | -- |
| Total | 14,719,041 | -- |
| Lawrence H. Brown | | |
| For | 14,596,332 | -- |
| Withhold | 122,709 | -- |
| Total | 14,719,041 | -- |
| Jack B. Evans | | |
| For | 14,593,932 | -- |

| | | |
|---|---|---|
| Withhold | 125,109 | -- |
| Total | 14,719,041 | -- |
| William C. Hunter | | |
| For | 14,590,998 | -- |
| Withhold | 128,043 | -- |
| Total | 14,719,041 | -- |
| David J. Kundert | | |
| For | 14,596,332 | -- |
| Withhold | 122,709 | -- |
| Total | 14,719,041 | -- |
| William J. Schneider | | |
| For | -- | 3,804 |
| Withhold | -- | 18 |
| Total | -- | 3,822 |
| Timothy R. Schwertfeger | | |
| For | -- | 3,804 |
| Withhold | -- | 18 |
| Total | -- | 3,822 |
| Judith M. Stockdale | | |
| For | 14,592,632 | -- |
| Withhold | 126,409 | -- |
| Total | 14,719,041 | -- |
| Eugene S. Sunshine | | |
| For | 14,590,598 | -- |
| Withhold | 128,443 | -- |
| Total | 14,719,041 | -- |



Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | EDUCATION AND CIVIC ORGANIZATIONS - 6.5% (4.5% OF TOTAL INVESTMENTS) | |
| $ 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax) | 3/08 at 102 |
| 2,500 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/18 - FSA Insured | 5/14 at 100 |

| | | |
|---|---|---|
| 1,500 | California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured | 5/15 at 100 |
| 6,125 | Total Education and Civic Organizations | |
| | HEALTH CARE - 4.6% (3.2% OF TOTAL INVESTMENTS) | |
| 3,000 | California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured | 8/08 at 101 |
| 1,500 | California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured | 8/09 at 101 |
| 4,500 | Total Health Care | |
| | HOUSING/SINGLE FAMILY - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 225 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |
| 115 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 - MBIA Insured (Alternative Minimum Tax) | 8/07 at 102 |
| 340 | Total Housing/Single Family | |
| | TAX OBLIGATION/GENERAL - 34.1% (23.6% OF TOTAL INVESTMENTS) | |
| | Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A: | |
| 1,890 | 5.250%, 8/01/23 - MBIA Insured | 8/14 at 100 |
| 1,250 | 5.250%, 8/01/25 - MBIA Insured | 8/14 at 100 |
| 2,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax) | 6/07 at 101 |
| | El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004: | |
| 2,580 | 5.250%, 9/01/21 - FGIC Insured | 9/14 at 100 |
| 1,775 | 5.250%, 9/01/22 - FGIC Insured | 9/14 at 100 |
| 1,225 | Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 - MBIA Insured | 2/13 at 103 |
| 1,180 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |

| | | |
|---|---|---|
| 1,130 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured | 8/15 at 100 |
| 1,690 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 - MBIA Insured | 8/11 at 103 |
| 160 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 3,000 | Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured | 7/15 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL (continued) | |
| | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C: | |
| $ 1,335 | 5.000%, 7/01/21 - FSA Insured | 7/11 at 102 |
| 3,500 | 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 4,895 | 5.000%, 7/01/23 - FSA Insured | 7/11 at 102 |
| 1,234 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 31,844 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 24.0% (16.6% OF TOTAL INVESTMENTS) | |
| 1,000 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |
| 1,215 | 5.000%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 1,615 | 5.000%, 12/01/21 - AMBAC Insured | 12/13 at 100 |
| 195 | Capistrano Unified School District, Orange County, California, | 9/15 at 100 |

| | | |
|---|---|---|
| | Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | |
| 595 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 1,900 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured | 9/12 at 100 |
| 5,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured | 1/11 at 100 |
| 435 | Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 - AMBAC Insured | 9/13 at 100 |
| 345 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 895 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 165 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 205 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 3,000 | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1997A, 5.000%, 11/15/22 - AMBAC Insured | 11/07 at 102 |
| 3,565 | Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/25 - FSA Insured | 9/15 at 100 |
| 2,805 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured | 10/11 at 100 |
| 22,935 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 2.5% (1.8% OF TOTAL INVESTMENTS) | |
| 2,400 | San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured | 9/14 at 100 |



| PRINCIPAL | | OPTIONAL C |
|---|---|---|

| AMOUNT (000) | DESCRIPTION (1) | PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED - 48.0% (33.2% OF TOTAL INVESTMENTS) (4) | |
| $ 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 (Pre-refunded 11/01/09) - MBIA Insured | 11/09 at 101 |
| | California, Various Purpose General Obligation Bonds, Series 2000: | |
| 7,995 | 5.750%, 3/01/22 (Pre-refunded 3/01/10) - MBIA Insured | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 (Pre-refunded 3/01/10) - MBIA Insured | 3/10 at 101 |
| 2,500 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001A, 5.125%, 8/01/26 - FSA Insured (ETM) | 8/09 at 102 |
| 6,000 | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM) | No Opt. C |
| 965 | Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 (Pre-refunded 9/01/13) - AMBAC Insured | 9/13 at 100 |
| 5,135 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) (ETM) | No Opt. C |
| 6,220 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) (ETM) | No Opt. C |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 (Pre-refunded 12/01/14) - AMBAC Insured | 12/14 at 100 |
| 1,485 | San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 (ETM) | No Opt. C |
| 2,150 | Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 (Pre-refunded 6/01/10) - FGIC Insured | 6/10 at 100 |
| 2,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.125%, 9/01/31 (Pre-refunded 9/01/10) - FGIC Insured | 9/10 at 101 |
| 39,200 | Total U.S. Guaranteed | |
| | UTILITIES - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| 345 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |

| | | |
|---|---|---|
| | WATER AND SEWER - 23.9% (16.6% OF TOTAL INVESTMENTS) | |
| 5,255 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2003A, 5.000%, 3/01/20 - FGIC Insured | 3/13 at 100 |
| 1,230 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 235 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 5,000 | Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 - AMBAC Insured | 4/16 at 100 |
| 220 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 1,500 | Placerville Public Financing Authority, California, Wastewater System Refinancing and Improvement Project Revenue Bonds, Series 2006, 5.000%, 9/01/34 - XLCA Insured | 9/16 at 100 |
| 3,400 | San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Series 1997A, 5.250%, 5/15/22 - FGIC Insured | 5/07 at 101 |
| 1,310 | Santa Fe Springs Public Financing Authority, California, Water Revenue Bonds, Series 2003A, 5.000%, 5/01/33 - MBIA Insured | 5/13 at 100 |
| 1,345 | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured | 8/13 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| $ 2,000 | Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/30 - MBIA Insured | 3/15 at 100 |
| 1,310 | Wheeler Ridge-Maricopa Water District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured | 5/07 at 102 |
| 22,805 | Total Water and Sewer | |
| $ 130,494 | Total Investments (cost $134,933,608) - 144.3% | |
| | Floating Rate Obligations - (2.3)% | |

| |
|---|
| Other Assets Less Liabilities - 2.6% |
| Preferred Shares, at Liquidation Value - (44.6)% |
| Net Assets Applicable to Common Shares - 100% |

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND PAY/RECEIVE FLOATING RATE | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|---|---|---|---|---|---|---|
| Goldman Sachs | $4,900,000 | Receive | 3-month USD-LIBOR | 5.681% | Semi-Annually | 7/ |
| JPMorgan | 7,700,000 | Receive | 3-month USD-LIBOR | 5.630 | Semi-Annually | 7/ |
| JPMorgan | 3,100,000 | Pay | 3-month USD-LIBOR | 5.869 | Semi-Annually | 7/ |
| Morgan Stanley | 7,300,000 | Pay | 3-month USD-LIBOR | 5.816 | Semi-Annually | 7/ |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

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

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest.

(5) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | EDUCATION AND CIVIC ORGANIZATIONS - 5.6% (3.8% OF TOTAL INVESTMENTS) | |
| $ 620 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured | 11/10 at 100 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax) | 3/08 at 102 |
| 1,500 | California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured | 5/15 at 100 |
| 6,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured | 5/13 at 100 |
| 10,245 | Total Education and Civic Organizations | |
| | HEALTH CARE - 4.4% (2.9% OF TOTAL INVESTMENTS) | |
| 1,450 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Mark Twain St. Joseph's Healthcare Corporation, Series 1996A, 6.000%, 7/01/19 - MBIA Insured | 7/07 at 101 |
| 5,000 | The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2007A, 4.500%, 5/15/37 - MBIA Insured | 5/15 at 101 |
| 1,755 | University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured | 5/12 at 101 |
| 8,205 | Total Health Care | |
| | HOUSING/SINGLE FAMILY - 2.2% (1.6% OF TOTAL INVESTMENTS) | |
| 440 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |
| 2,500 | California Housing Finance Agency, Home Mortgage Revenue | 2/16 at 100 |

| | | |
|---|---|---|
| | Bonds, Series 2006K, 5.500%, 2/01/42 - AMBAC Insured (Alternative Minimum Tax) | |
| 1,100 | California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 - MBIA Insured (Alternative Minimum Tax) | 8/07 at 101 |
| 4,040 | Total Housing/Single Family | |
| | TAX OBLIGATION/GENERAL - 24.1% (16.2% OF TOTAL INVESTMENTS) | |
| 1,460 | ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000B, 5.750%, 8/01/16 - FGIC Insured | 8/10 at 101 |
| 1,425 | Bassett Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 5.250%, 8/01/30 - FGIC Insured | 8/16 at 100 |
| 4,400 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| 2,250 | California, General Obligation Bonds, Series 2004, 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
| 3,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax) | 6/07 at 101 |
| 1,910 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002A, 6.000%, 8/01/26 - MBIA Insured | No Opt. C |
| 1,255 | Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured | 8/15 at 100 |
| 3,310 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 4,000 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2007A, 4.500%, 7/01/24 - FSA Insured | 7/17 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL (continued) | |

| | | |
|---|---|---|
| | Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C: | |
| $ 2,110 | 5.000%, 8/01/21 - FSA Insured | 8/14 at 102 |
| 3,250 | 5.000%, 8/01/22 - FSA Insured | 8/14 at 102 |
| 3,395 | 5.000%, 8/01/23 - FSA Insured | 8/14 at 102 |
| 1,270 | Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured | 8/13 at 100 |
| 305 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 2,500 | Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured | 7/15 at 100 |
| 1,125 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured | No Opt. C |
| 1,575 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 2,000 | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured | 6/10 at 102 |
| 1,000 | San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 - FSA Insured | 8/14 at 100 |
| 2,445 | Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 - FGIC Insured | 8/13 at 100 |
| 43,985 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 40.8% (27.3% OF TOTAL INVESTMENTS) | |
| | Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C: | |
| 5,130 | 0.000%, 9/01/18 - FSA Insured | No Opt. C |
| 8,000 | 0.000%, 9/01/21 - FSA Insured | No Opt. C |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |
| 1,535 | 5.000%, 12/01/20 - AMBAC Insured | 12/13 at 100 |
| 1,780 | 5.000%, 12/01/23 - AMBAC Insured | 12/13 at 100 |
| 3,725 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2005J, 5.000%, 1/01/17 - AMBAC Insured | 1/16 at 100 |
| 380 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, | 9/15 at 100 |

| | | |
|---|---|---|
| | 5.000%, 9/01/24 - FGIC Insured | |
| 1,110 | Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 4,000 | Contra Costa County, California, Certificates of Participation Refunding, Merrithew Memorial Hospital Replacement, Series 1997, 5.500%, 11/01/22 - MBIA Insured | 11/07 at 102 |
| 6,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 8,280 | Fontana Public Financing Authority, California, Tax Allocation Revenue Bonds, North Fontana Redevelopment Project, Series 2005A, 5.000%, 10/01/32 - AMBAC Insured | 10/15 at 100 |
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured | 11/07 at 102 |
| 1,810 | Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 - MBIA Insured | 5/08 at 102 |
| 5,000 | La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured | 9/07 at 102 |
| 2,300 | Long Beach Bond Finance Authority, California, Multiple Project Tax Allocation Bonds, Housing and Gas Utility Financing Project Areas, Series 2005A-1, 5.000%, 8/01/25 - AMBAC Insured | 8/15 at 100 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| $ 685 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 1,000 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 1,250 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 4,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |

| | | |
|---|---|---|
| 2,780 | Pittsburg Redevelopment Agency, California, Tax Allocation Refunding Bonds, Los Medanos Community Development Project, Series 2003A, 5.000%, 8/01/12 - MBIA Insured | No Opt. C |
| 4,140 | Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured | 6/13 at 101 |
| 2,000 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured | 12/10 at 102 |
| 325 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 1,000 | Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured | 9/13 at 100 |
| 405 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 5,000 | San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured | 9/09 at 102 |
| 5,510 | Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/28 - FSA Insured | 9/15 at 100 |
| 80,145 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 6.9% (4.6% OF TOTAL INVESTMENTS) | |
| 6,500 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured | 1/10 at 65 |
| 4,000 | Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 - AMBAC Insured | 8/13 at 100 |
| 5,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.250%, 5/01/31 - MBIA Insured (Alternative Minimum Tax) | 5/11 at 100 |
| 15,500 | Total Transportation | |
| | U.S. GUARANTEED - 33.7% (22.6% OF TOTAL INVESTMENTS) (4) | |
| 1,380 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 | 11/10 at 100 |

| | | |
|---|---|---|
| | (Pre-refunded 11/01/10) - MBIA Insured | |
| | California Infrastructure Economic Development Bank, Revenue Bonds, Asian Art Museum of San Francisco, Series 2000: | |
| 1,295 | 5.500%, 6/01/19 (Pre-refunded 6/01/10) - MBIA Insured | 6/10 at 101 |
| 1,000 | 5.500%, 6/01/20 (Pre-refunded 6/01/10) - MBIA Insured | 6/10 at 101 |
| 3,450 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 (Pre-refunded 11/01/09) - MBIA Insured | 11/09 at 101 |
| 2,500 | California, Various Purpose General Obligation Bonds, Series 1999, 5.500%, 9/01/24 (Pre-refunded 9/01/09) - FSA Insured | 9/09 at 101 |
| | California, Various Purpose General Obligation Bonds, Series 2000: | |
| 7,995 | 5.750%, 3/01/22 (Pre-refunded 3/01/10) - MBIA Insured | 3/10 at 101 |
| 1,900 | 5.750%, 3/01/27 (Pre-refunded 3/01/10) - MBIA Insured | 3/10 at 101 |
| 2,425 | Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 - AMBAC Insured (ETM) | 3/07 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED (4) (continued) | |
| $ 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 - MBIA Insured (ETM) | 5/07 at 102 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001F: | |
| 1,065 | 5.125%, 8/01/21 - FSA Insured (ETM) | 8/09 at 102 |
| 1,160 | 5.125%, 8/01/22 - FSA Insured (ETM) | 8/09 at 102 |
| 1,220 | 5.125%, 8/01/23 - FSA Insured (ETM) | 8/09 at 102 |
| 1,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000A, 5.250%, 8/01/25 (Pre-refunded 8/01/10) - MBIA Insured | 8/10 at 101 |
| 2,665 | Kern Community College District, California, General Obligation Bonds, Series 2003A, 5.000%, 11/01/21 (Pre-refunded 11/01/13) - FGIC Insured | 11/13 at 100 |
| 3,190 | Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 (Pre-refunded 5/01/08) - MBIA Insured | 5/08 at 102 |
| 1,750 | Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds, Series 1999A, 5.250%, 8/01/24 (Pre-refunded 8/01/09) - FGIC Insured | 8/09 at 100 |

| | | |
|---|---|---|
| 3,865 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Bonds, Series 2000A, 5.250%, 7/01/30 (Pre-refunded 7/01/10) - FGIC Insured | 7/10 at 101 |
| | Manteca Unified School District, San Joaquin County, California, General Obligation Bonds, Series 2004: | |
| 1,000 | 5.250%, 8/01/21 (Pre-refunded 8/01/14) - FSA Insured | 8/14 at 100 |
| 1,000 | 5.250%, 8/01/22 (Pre-refunded 8/01/14) - FSA Insured | 8/14 at 100 |
| 2,500 | Oakland, California, Insured Revenue Bonds, 1800 Harrison Foundation - Kaiser Permanente, Series 1999A, 6.000%, 1/01/29 (Pre-refunded 1/01/10) - AMBAC Insured | 1/10 at 100 |
| 2,775 | Pomona Public Financing Authority, California, Revenue Bonds, Water Facilities Project, Series 1999AC, 5.500%, 5/01/29 (Pre-refunded 5/01/09) - FGIC Insured | 5/09 at 101 |
| 4,320 | Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax) (ETM) | No Opt. C |
| 1,690 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 (Pre-refunded 12/01/09) - AMBAC Insured | 12/09 at 102 |
| 1,000 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 (Pre-refunded 12/01/10) - AMBAC Insured | 12/10 at 101 |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2004A, 5.000%, 12/01/21 (Pre-refunded 12/01/14) - AMBAC Insured | 12/14 at 100 |
| 3,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 (Pre-refunded 7/01/09) - FGIC Insured | 7/09 at 101 |
| 59,895 | Total U.S. Guaranteed | |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | UTILITIES - 9.8% (6.5% OF TOTAL INVESTMENTS) | |
| $ 3,740 | California Pollution Control Financing Authority, Revenue Refunding Bonds, Southern California Edison Company, Series 1999B, 5.450%, 9/01/29 - MBIA Insured | 9/09 at 101 |
| 670 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |

| | | |
|---|---|---|
| 3,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.125%, 7/01/26 - FSA Insured | 7/12 at 101 |
| 100 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 1,950 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 - AMBAC Insured (Alternative Minimum Tax) | 8/12 at 100 |
| | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A: | |
| 2,800 | 5.000%, 7/01/24 - MBIA Insured | 7/13 at 100 |
| 5,000 | 5.000%, 7/01/28 - MBIA Insured | 7/13 at 100 |
| 17,760 | Total Utilities | |
| | WATER AND SEWER - 21.6% (14.5% OF TOTAL INVESTMENTS) | |
| 1,700 | Castaic Lake Water Agency, California, Revenue Certificates of Participation, Series 2004A, 5.000%, 8/01/20 - AMBAC Insured | 8/14 at 100 |
| 2,975 | Chino Basin Regional Finance Authority, California, Sewerage System Revenue Bonds, Inland Empire Utilities Agency, Series 1994, 6.000%, 8/01/16 - AMBAC Insured | 8/07 at 100 |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured | 3/14 at 100 |
| 460 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 2,700 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/21 - FSA Insured | 10/13 at 100 |
| 430 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 12,000 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| 1,700 | Pomona Public Finance Authority, California, Revenue Bonds, Water Facilities Project, Series 2007AY, 5.000%, 5/01/37 - AMBAC Insured | 5/17 at 100 |
| 1,520 | San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 - AMBAC Insured | 10/14 at 100 |
| 3,675 | San Dieguito Water District, California, Water Revenue Bonds, Series 2004, 5.000%, 10/01/23 - FGIC Insured | 10/14 at 100 |
| | Santa Clara Valley Water District, California, Certificates of | |

| | | |
|---|---|---|
| | Participation, Series 2004A: | |
| 1,400 | 5.000%, 2/01/19 - FGIC Insured | 2/14 at 100 |
| 445 | 5.000%, 2/01/20 - FGIC Insured | 2/14 at 100 |
| 465 | 5.000%, 2/01/21 - FGIC Insured | 2/14 at 100 |
| 2,500 | West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 - MBIA Insured | 8/13 at 100 |
| 750 | Westlands Water District, California, Revenue Certificates of Participation, Series 2007A, 5.000%, 9/01/37 - MBIA Insured | 9/16 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| | Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003: | |
| $ 2,010 | 5.000%, 10/01/28 - FGIC Insured | 10/13 at 100 |
| 2,530 | 5.000%, 10/01/33 - FGIC Insured | 10/13 at 100 |
| 39,260 | Total Water and Sewer | |
| $ 279,035 | Total Investments (cost $271,367,321) - 149.1% | |
| | Floating Rate Obligations - (2.1)% | |
| | Other Assets Less Liabilities - 2.4% | |
| | Preferred Shares, at Liquidation Value - (49.4)% | |
| | Net Assets Applicable to Common Shares - 100% | |

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND PAY/RECEIVE FLOATING RATE | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|---|---|---|---|---|---|---|
| Morgan Stanley | $6,200,000 | Pay | 3-month USD-LIBOR | 5.811% | Semi-Annually | 7/ |
| Morgan Stanley | 5,400,000 | Pay | 3-month USD-LIBOR | 5.816 | Semi-Annually | 7/ |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

All of the bonds in the Portfolio of Investments are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed

by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest.

(5) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen California Premium Income Municipal Fund (NCU)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 6.5% (4.3% OF TOTAL INVESTMENTS) | |
| $ 1,500 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 6/12 at 100 |
| 310 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100 |
| 3,475 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29 | 5/12 at 100 |

| | | |
|---|---|---|
| 5,285 | Total Consumer Staples | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 2.1% (1.4% OF TOTAL INVESTMENTS) | |
| 70 | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35 | 10/15 at 100 |
| | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: | |
| 45 | 5.000%, 11/01/21 | 11/15 at 100 |
| 60 | 5.000%, 11/01/25 | 11/15 at 100 |
| 1,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
| 1,675 | Total Education and Civic Organizations | |
| | HEALTH CARE - 14.3% (9.5% OF TOTAL INVESTMENTS) | |
| 4,705 | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15 | 5/07 at 100 |
| 480 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 1,500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 2,180 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 3/01/41 | 3/16 at 100 |
| 730 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31 | 8/16 at 100 |
| 2,100 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 11,695 | Total Health Care | |
| | HOUSING/MULTIFAMILY - 1.9% (1.3% OF TOTAL INVESTMENTS) | |
| 1,600 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13) | 7/08 at 101 |

| | | |
|---|---|---|
| | HOUSING/SINGLE FAMILY - 0.5% (0.4% OF TOTAL INVESTMENTS) | |
| 200 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |
| 210 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 - MBIA Insured (Alternative Minimum Tax) | 8/07 at 102 |
| 35 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1996C, 7.500%, 8/01/27 (Alternative Minimum Tax) | No Opt. C |
| 445 | Total Housing/Single Family | |



Nuveen California Premium Income Municipal Fund (NCU) (continued)
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | INDUSTRIALS - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| $ 500 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax) | 1/16 at 102 |
| | TAX OBLIGATION/GENERAL - 29.2% (19.4% OF TOTAL INVESTMENTS) | |
| | California, General Obligation Bonds, Series 2003: | |
| 1,000 | 5.250%, 11/01/19 - RAAI Insured | 11/13 at 100 |
| 1,500 | 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
| | California, General Obligation Bonds, Series 2004: | |
| 1,750 | 5.000%, 4/01/22 | 4/14 at 100 |
| 1,400 | 5.200%, 4/01/26 | 4/14 at 100 |
| 4,000 | California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax) | 6/07 at 100 |
| 1,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 - FGIC Insured | 8/12 at 101 |
| 6,000 | Hartnell Community College District, California, General Obligation Bonds, Series 2006B, 5.000%, 6/01/29 - FSA Insured | 6/16 at 100 |
| | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B: | |
| 885 | 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 590 | 4.750%, 7/01/27 - FGIC Insured (UB) | 7/16 at 100 |

| | | |
|---|---|---|
| 3,000 | Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured | 8/11 at 103 |
| 15 | Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - MBIA Insured | 8/14 at 100 |
| 135 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 705 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 1,355 | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 23,335 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 48.0% (32.0% OF TOTAL INVESTMENTS) | |
| 1,000 | Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 - RAAI Insured | 10/13 at 100 |
| | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004: | |
| 1,695 | 5.000%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 1,865 | 5.000%, 12/01/24 - AMBAC Insured | 12/13 at 100 |
| 5,920 | California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home - Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 - AMBAC Insured | 11/09 at 101 |
| 905 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 165 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | 9/15 at 100 |
| 500 | Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 1,450 | Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Settlement Revenue Bonds, Series 2005A, Residual Series 1503, 7.326%, 6/01/38 - FGIC Insured (IF) | 6/15 at 100 |
| | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A: | |
| 80 | 5.000%, 9/01/26 | 9/16 at 100 |

| | | |
|---|---|---|
| 185 | 5.125%, 9/01/36 | 9/16 at 100 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| $ 2,500 | Kern County Board of Education, California, Certificates of Participation, Series 2006A, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 3,500 | Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 - MBIA Insured | 8/11 at 100 |
| 310 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 1,435 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Multifamily Housing Bonds, Grand Central Square/Bunker Hill Project, Series 1993A, 5.750%, 12/01/13 (Alternative Minimum Tax) | 6/07 at 100 |
| 1,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured | 7/13 at 100 |
| 3,230 | Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2005, 5.000%, 8/01/35 - MBIA Insured | 8/35 at 100 |
| 2,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/15 - FGIC Insured | 3/13 at 100 |
| 1,000 | Poway, California, Community Facilities District 88-1, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09 | 8/08 at 102 |
| 155 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 190 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 1,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - MBIA Insured | No Opt. C |
| 3,000 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20 | No Opt. C |
| | San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998: | |
| 1,500 | 5.800%, 9/01/18 | 9/08 at 101 |
| 1,000 | 5.800%, 9/01/27 | 9/08 at 101 |

| | | |
|---|---|---|
| 2,050 | Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured | 12/11 at 102 |
| 38,135 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 3.4% (2.3% OF TOTAL INVESTMENTS) | |
| 780 | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31 | 4/16 at 100 |
| 2,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35 | 1/10 at 100 |
| 2,780 | Total Transportation | |
| | U.S. GUARANTEED - 19.3% (12.9% OF TOTAL INVESTMENTS) (4) | |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 400 | 5.375%, 5/01/17 (Pre-refunded 5/01/12) - XLCA Insured | 5/12 at 101 |
| 2,250 | 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101 |
| 1,200 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 (Pre-refunded 12/01/09) | 12/09 at 101 |
| 3,000 | California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 - FSA Insured (ETM) | No Opt. C |
| | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B: | |
| 1,000 | 5.625%, 6/01/33 (Pre-refunded 6/01/13) | 6/13 at 100 |
| 1,000 | 5.500%, 6/01/33 (Pre-refunded 6/01/13) | 6/13 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED (4) (continued) | |
| $ 2,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 (Pre-refunded 7/01/13) - FSA Insured | 7/13 at 100 |
| 2,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/21 (Pre-refunded 7/01/10) - | 7/10 at 100 |

| | | |
|---|---|---|
| | MBIA Insured | |
| 2,000 | Vista, California, Mobile Home Park Revenue Bonds, Vista Manor Mobile Home Park Project, Series 1999A, 5.750%, 3/15/29 (Pre-refunded 3/15/24) | 3/24 at 100 |
| 15,100 | Total U.S. Guaranteed | |
| | UTILITIES - 6.5% (4.3% OF TOTAL INVESTMENTS) | |
| 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 295 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |
| 4,580 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 - FSA Insured | 8/12 at 100 |
| 5,150 | Total Utilities | |
| | WATER AND SEWER - 17.7% (11.8% OF TOTAL INVESTMENTS) | |
| 1,125 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 - AMBAC Insured | 6/14 at 100 |
| 1,095 | California Statewide Community Development Authority, Water and Wastewater Revenue Bonds, Pooled Financing Program, Series 2003A, 5.250%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 5,000 | Culver City, California, Wastewater Facilities Revenue Refunding Bonds, Series 1999A, 5.700%, 9/01/29 - FGIC Insured | 9/09 at 102 |
| 205 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 3,495 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 - FGIC Insured | 8/13 at 100 |
| 370 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/36 - FGIC Insured | 6/16 at 100 |
| 1,000 | Sacramento County Water Financing Authority, California, Revenue Bonds, Agency Zones 40-41 System Projects, Series 2003, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 100 |
| 1,795 | Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33 | 7/13 at 100 |
| 14,085 | Total Water and Sewer | |

| | |
|---|---|
| $ 119,785 | Total Investments (cost $120,957,385) - 150.0% |
| | Floating Rate Obligations - (2.1)% |
| | Other Assets Less Liabilities - 2.6% |
| | Preferred Shares, at Liquidation Value - (50.5)% |
| | 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 unless otherwise noted.

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen California Dividend Advantage Municipal Fund (NAC)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 1.9% (1.3% OF TOTAL INVESTMENTS) | |
| $ 1,330 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100 |

| | | |
|---|---|---|
| 5,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 6,530 | Total Consumer Staples | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 2.3% (1.6% OF TOTAL INVESTMENTS) | |
| 290 | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35 | 10/35 at 100 |
| | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: | |
| 200 | 5.000%, 11/01/21 | 11/15 at 100 |
| 265 | 5.000%, 11/01/25 | 11/15 at 100 |
| 615 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 3,000 | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.500%, 11/01/17 - AMBAC Insured | 11/11 at 100 |
| 3,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
| 7,870 | Total Education and Civic Organizations | |
| | HEALTH CARE - 10.0% (6.8% OF TOTAL INVESTMENTS) | |
| 2,160 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/15 | 3/13 at 100 |
| 1,990 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 9,280 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 3/01/41 | 3/16 at 100 |
| 3,095 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31 | 8/16 at 100 |
| 8,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 10,500 | Duarte, California, Certificates of Participation, City of Hope National Medical Center, Series 1999A, 5.250%, 4/01/31 | 4/09 at 101 |

| | | |
|---|---|---|
| 35,025 | Total Health Care | |
| | HOUSING/MULTIFAMILY - 8.1% (5.5% OF TOTAL INVESTMENTS) | |
| 5,145 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| 7,250 | California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08) | 7/08 at 101 |
| 5,000 | Contra Costa County, California, Multifamily Housing Revenue Bonds, Delta View Apartments Project, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax) | 6/09 at 102 |
| 320 | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41 | 5/16 at 100 |
| 1,725 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | HOUSING/MULTIFAMILY (continued) | |
| $ 1,120 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |
| 28,060 | Total Housing/Multifamily | |
| | HOUSING/SINGLE FAMILY - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| 845 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |

| | | |
|---|---|---|
| | INDUSTRIALS - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 2,000 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax) | 1/16 at 102 |
| | LONG-TERM CARE - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| 8,500 | Riverside County Public Financing Authority, California, Certificates of Participation, Air Force Village West, Series 1999, 5.800%, 5/15/29 | 5/09 at 101 |
| | TAX OBLIGATION/GENERAL - 20.2% (13.7% OF TOTAL INVESTMENTS) | |
| 10,000 | California State, General Obligation Bonds, Series 2007, 4.250%, 12/01/35 (WI/DD, Settling 3/01/07) - AMBAC Insured | 12/16 at 100 |
| 2,000 | California, General Obligation Bonds, Series 2003, 5.250%, 11/01/19 - RAAI Insured | 11/13 at 100 |
| | California, General Obligation Bonds, Series 2004: | |
| 5,000 | 5.125%, 4/01/23 | 4/14 at 100 |
| 4,150 | 5.125%, 4/01/25 | 4/14 at 100 |
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 8,000 | 5.000%, 2/01/12 | No Opt. C |
| 4,435 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 5,000 | Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/24 - FSA Insured | 8/16 at 100 |
| 5,000 | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002A, 6.000%, 8/01/26 - MBIA Insured | No Opt. C |
| 3,335 | Moreno Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 - FSA Insured | 8/14 at 100 |
| 5,210 | Oak Valley Hospital District, Stanislaus County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/35 - FGIC Insured | 7/14 at 101 |
| 1,750 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2001, 5.125%, 8/01/21 - FSA Insured | 8/08 at 101 |
| 575 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 5,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 - FSA Insured | 7/13 at 101 |
| 2,975 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, | 7/16 at 101 |

| | | |
|---|---|---|
| | 4.500%, 7/01/29 - FSA Insured (UB) | |
| 2,865 | San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2006, 5.000%, 8/01/21 - MBIA Insured | 8/16 at 100 |
| 3,605 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/21 - FSA Insured | 8/11 at 101 |
| 68,900 | Total Tax Obligation/General | |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED - 27.9% (18.9% OF TOTAL INVESTMENTS) | |
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | |
| $ 1,000 | 5.500%, 9/01/24 | 9/14 at 102 |
| 615 | 5.800%, 9/01/35 | 9/14 at 102 |
| 1,990 | Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured | 9/12 at 100 |
| | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001: | |
| 1,110 | 5.375%, 11/01/18 - FSA Insured | 11/11 at 100 |
| 1,165 | 5.375%, 11/01/19 - FSA Insured | 11/11 at 100 |
| 3,895 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 2,000 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 710 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | 9/15 at 100 |
| 2,135 | Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 3,490 | Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2, Series 1998A, 5.250%, 9/01/17 - MBIA Insured | 9/08 at 102 |
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 3,980 | Garden Grove, California, Certificates of Participation, | 3/12 at 101 |

| | | |
|---|---|---|
| | Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured | |
| 2,850 | Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 4,500 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |
| | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A: | |
| 345 | 5.000%, 9/01/26 | 9/16 at 100 |
| 795 | 5.125%, 9/01/36 | 9/16 at 100 |
| 675 | Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35 | 9/16 at 100 |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 1,985 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,360 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 1,290 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 3,555 | Los Angeles County Public Works Financing Authority, California, Revenue Bonds, Regional Park and Open Space District, Series 1997A, 5.000%, 10/01/16 | 10/07 at 101 |
| 1,000 | Los Banos Redevelopment Agency, California, Project Tax Allocation Bonds, Los Banos Redevelopment Project, Series 2006, 5.000%, 9/01/36 - RAAI Insured | 9/16 at 100 |
| 1,530 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/24 - FSA Insured | 3/14 at 100 |
| 9,200 | Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 - MBIA Insured | 3/11 at 102 |

Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| | North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D: | |
| $ 550 | 5.000%, 9/01/26 | 3/07 at 103 |
| 250 | 5.000%, 9/01/33 | 3/07 at 103 |
| 3,290 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |
| 5,600 | Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001A, 5.000%, 11/01/22 - MBIA Insured | 11/11 at 101 |
| 1,000 | Palmdale Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project Areas, Series 2004, 5.000%, 12/01/24 - AMBAC Insured | 12/14 at 100 |
| 8,100 | Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured | 12/10 at 102 |
| 620 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 1,860 | Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 - MBIA Insured | 8/13 at 100 |
| 770 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 2,500 | Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured (7) | No Opt. C |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 2,695 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 - AMBAC Insured | 6/12 at 100 |
| 1,590 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |

| | | |
|---|---|---|
| 1,350 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 95,435 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 18.7% (12.6% OF TOTAL INVESTMENTS) | |
| 1,430 | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31 | 4/16 at 100 |
| 8,150 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.750%, 1/15/40 | 1/10 at 101 |
| 8,515 | Los Angeles Harbors Department, California, Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18 - AMBAC Insured (Alternative Minimum Tax) | 8/11 at 100 |
| 120 | Palm Springs Financing Authority, California, Palm Springs International Airport Revenue Bonds, Series 2006, 5.450%, 7/01/20 (Alternative Minimum Tax) | 7/14 at 102 |
| 23,000 | Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 - FGIC Insured (Alternative Minimum Tax) (7) | 5/10 at 100 |
| 23,275 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 24A, 5.750%, 5/01/30 - FSA Insured (Alternative Minimum Tax) | 5/10 at 101 |
| 64,490 | Total Transportation | |
| | U.S. GUARANTEED - 38.4% (26.0% OF TOTAL INVESTMENTS) (4) | |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 1,500 | 5.375%, 5/01/17 (Pre-refunded 5/01/12) - XLCA Insured | 5/12 at 101 |
| 9,750 | 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED (4) (continued) | |
| $ 15,000 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 (Pre-refunded 12/01/09) | 12/09 at 101 |

| | | |
|---|---|---|
| 8,400 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 1998B, 5.250%, 10/01/14 (ETM) | 10/08 at 101 |
| 5,000 | California Statewide Community Development Authority, Certificates of Participation, Pride Industries and Pride One Inc., Series 1999, 7.250%, 11/01/29 (Pre-refunded 11/01/09) | 11/09 at 102 |
| 10,900 | Los Angeles Unified School District, California, General Obligation Bonds, Series 1999C, 5.250%, 7/01/24 (Pre-refunded 7/01/09) - MBIA Insured | 7/09 at 101 |
| 10,845 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 (Pre-refunded 7/01/12) - MBIA Insured | 7/12 at 100 |
| | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A: | |
| 2,500 | 5.250%, 6/01/31 (Pre-refunded 6/01/11) | 6/11 at 100 |
| 4,500 | 5.375%, 6/01/41 (Pre-refunded 6/01/11) | 6/11 at 100 |
| 5,840 | Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 (ETM) | 8/09 at 101 |
| 4,000 | Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 (Pre-refunded 8/15/09) | 8/09 at 101 |
| 4,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/16 (Pre-refunded 7/01/10) - MBIA Insured | 7/10 at 100 |
| 22,060 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 1998, 5.250%, 8/01/29 (Pre-refunded 8/01/08) - AMBAC Insured | 8/08 at 102 |
| 2,860 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.250%, 6/01/27 (Pre-refunded 6/01/12) | 6/12 at 100 |
| 700 | University of California, Certificates of Participation, San Diego and Sacramento Campus Projects, Series 2002A, 5.250%, 1/01/22 (Pre-refunded 1/01/10) | 1/10 at 101 |
| | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O: | |
| 10,770 | 5.000%, 9/01/20 (Pre-refunded 9/01/10) - FGIC Insured | 9/10 at 101 |
| 11,305 | 5.000%, 9/01/21 (Pre-refunded 9/01/10) - FGIC Insured | 9/10 at 101 |
| 2,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 (Pre-refunded 6/01/12) | 6/12 at 101 |
| 132,430 | Total U.S. Guaranteed | |
| | UTILITIES - 7.5% (5.1% OF TOTAL INVESTMENTS) | |
| 3,630 | Imperial Irrigation District, California, Certificates | 11/13 at 100 |

| | | |
|---|---|---|
| | of Participation, Electric System Revenue Bonds, Series 2003, 5.250%, 11/01/23 - FSA Insured | |
| 7,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
| 8,370 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-2, 5.375%, 7/01/19 - MBIA Insured | 7/11 at 100 |
| 5,500 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 - FSA Insured | 7/15 at 100 |
| 1,270 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |
| 25,770 | Total Utilities | |
| | WATER AND SEWER - 8.5% (5.7% OF TOTAL INVESTMENTS) | |
| 9,165 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 - FSA Insured | 12/11 at 100 |
| 875 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| $ 2,500 | Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 - AMBAC Insured (7) | 4/16 at 100 |
| 835 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 8,250 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 2,250 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 - FGIC Insured | 6/16 at 100 |
| 5,115 | San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured | 11/12 at 100 |

| | | |
|---|---|---|
| 28,990 | Total Water and Sewer | |
| $ 504,845 | Total Long-Term Investments (cost $506,528,739) - 146.7% | |
| | SHORT-TERM INVESTMENTS - 1.0% (0.6% OF TOTAL INVESTMENTS) | |
| 3,500 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2002C-7, 3.550%, 5/01/22 - FSA Insured (5) | |
| | Total Short-Term Investments (cost $3,500,000) | |
| | Total Investments (cost $510,028,739) - 147.7% | |
| | Floating Rate Obligations - (0.9)% | |
| | Other Assets Less Liabilities - 1.0% | |
| | Preferred Shares, at Liquidation Value - (47.8)% | |
| | Net Assets Applicable to Common Shares - 100% | |

FUTURES CONTRACTS OUTSTANDING AT FEBRUARY 28, 2007:

| TYPE | CONTRACT POSITION | NUMBER OF CONTRACTS | CONTRACT EXPIRATION | FEBRU |
|---|---|---|---|---|
| U.S. 10-Year Treasury Note | Long | 49 | 6/07 | |

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND PAY/RECEIVE FLOATING RATE | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|---|---|---|---|---|---|---|
| JPMorgan | $44,000,000 | Receive | 3-month USD-LIBOR | 5.547% | Semi-Annually | 7/ |
| JPMorgan | 14,500,000 | Pay | 3-month USD-LIBOR | 5.813 | Semi-Annually | 7/ |
| Morgan Stanley | 24,500,000 | Receive | 3-month USD-LIBOR | 5.560 | Semi-Annually | 7/ |
| Morgan Stanley | 31,200,000 | Pay | 3-month USD-LIBOR | 5.691 | Semi-Annually | 7/ |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

(6) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

(7) Portion of investments, with an aggregate market value of $93,333 has been pledged to collateralize the net payment obligations under futures contracts.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 4.0% (2.7% OF TOTAL INVESTMENTS) | |
| $ 825 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100 |
| 4,625 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 | 6/12 at 100 |
| 3,200 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, | 6/13 at 100 |

| | | |
|---|---|---|
| | 6.250%, 6/01/33 | |
| 8,650 | Total Consumer Staples | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 15.0% (10.1% OF TOTAL INVESTMENTS) | |
| 2,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 180 | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35 | 10/15 at 100 |
| | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: | |
| 125 | 5.000%, 11/01/21 | 11/15 at 100 |
| 165 | 5.000%, 11/01/25 | 11/15 at 100 |
| 6,375 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax) | 3/08 at 102 |
| | California State Public Works Board, Lease Revenue Bonds, University of California, UCLA Replacement Hospital Project, Series 2002A: | |
| 8,880 | 5.375%, 10/01/16 - FSA Insured | 10/12 at 100 |
| 10,570 | 5.375%, 10/01/18 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 3,000 | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured | 11/11 at 101 |
| 31,915 | Total Education and Civic Organizations | |
| | HEALTH CARE - 11.7% (7.9% OF TOTAL INVESTMENTS) | |
| 2,000 | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22 | 4/12 at 100 |
| 1,240 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 955 | California State Public Works Board, Revenue Bonds, University of California - Davis Medical Center, Series 2004II-A, 5.000%, 11/01/22 - MBIA Insured | 11/14 at 100 |
| 2,185 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11 | No Opt. C |

| | | |
|---|---|---|
| 2,500 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured | 6/13 at 100 |
| 5,775 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 3/01/41 | 3/16 at 100 |
| 1,925 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31 | 8/16 at 100 |



Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | HEALTH CARE (continued) | |
| $ 5,355 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 6/01/09) | No Opt. C |
| 3,000 | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30 | 2/10 at 101 |
| 25,435 | Total Health Care | |
| | HOUSING/MULTIFAMILY - 9.9% (6.7% OF TOTAL INVESTMENTS) | |
| 2,450 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 3,430 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| 5,962 | California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16) (Alternative Minimum Tax) | 6/11 at 102 |
| 4,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32 | 12/13 at 102 |
| 205 | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41 | 5/16 at 100 |

| | | |
|---|---|---|
| 1,055 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 700 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 3,045 | Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36 | 5/11 at 102 |
| 20,847 | Total Housing/Multifamily | |
| | HOUSING/SINGLE FAMILY - 0.5% (0.4% OF TOTAL INVESTMENTS) | |
| 525 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |
| 640 | California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 102 |
| 1,165 | Total Housing/Single Family | |
| | INDUSTRIALS - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 1,250 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax) | 1/16 at 102 |
| | LONG-TERM CARE - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 1,550 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| | TAX OBLIGATION/GENERAL - 14.3% (9.6% OF TOTAL INVESTMENTS) | |
| 1,000 | California, General Obligation Bonds, Series 2004, 5.125%, 2/01/27 | 2/14 at 100 |
| 5,000 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/12 | No Opt. C |
| 3,615 | Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 - FGIC Insured | 8/12 at 102 |

| | | |
|---|---|---|
| | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002: | |
| 3,005 | 5.000%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 3,300 | 5.000%, 8/01/22 - FGIC Insured | 8/12 at 100 |
| 1,325 | Golden West Schools Financing Authority, California, General Obligation Revenue Refunding Bonds, School District Program, Series 1998A, 6.650%, 8/01/13 - MBIA Insured | No Opt. C |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL (continued) | |
| $ 3,910 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 2,000 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.500%, 7/01/20 - MBIA Insured | No Opt. C |
| 355 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 2,811 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 4,050 | Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 - FGIC Insured | 5/11 at 101 |
| 30,371 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 30.6% (20.7% OF TOTAL INVESTMENTS) | |
| | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: | |
| 650 | 5.500%, 9/01/24 | 9/14 at 102 |
| 385 | 5.800%, 9/01/35 | 9/14 at 102 |
| 4,900 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 2,105 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |
| 1,200 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33 | 9/13 at 100 |
| 435 | Capistrano Unified School District, Orange County, California, | 9/15 at 100 |

| | | |
|---|---|---|
| | Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | |
| 1,330 | Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 1,500 | Coachella Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2007, 5.000%, 9/01/36 - AMBAC Insured | 9/16 at 100 |
| 4,845 | Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 - MBIA Insured | 4/08 at 102 |
| 750 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 1,785 | Hawthorne Community Redevelopment Agency, California, Project Area 2 Tax Allocation Bonds, Series 2006, 5.250%, 9/01/36 - XLCA Insured | 9/16 at 100 |
| 4,000 | Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 - MBIA Insured | 5/07 at 101 |
| | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A: | |
| 215 | 5.000%, 9/01/26 | 9/16 at 100 |
| 495 | 5.125%, 9/01/36 | 9/16 at 100 |
| 2,000 | Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 415 | Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35 | 9/16 at 100 |
| 1,265 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 1,195 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 905 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 800 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| $ 8,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 5,000 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 - MBIA Insured | No Opt. C |
| 500 | North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D, 5.000%, 9/01/33 | 3/07 at 103 |
| 3,295 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured | 3/13 at 100 |
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |
| 2,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 | No Opt. C |
| 385 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 6,000 | Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 - AMBAC Insured | 10/11 at 102 |
| 475 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 700 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 970 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 1,530 | San Marcos Public Facilities Authority, California, Tax Allocation Bonds, Project Areas 2 and 3, Series 2005C, 5.000%, 8/01/35 - AMBAC Insured | 8/15 at 100 |
| 1,930 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 6.750%, 9/01/30 | 9/13 at 103 |
| 500 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| 850 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |

| | | |
|---|---|---|
| 65,310 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 10.1% (6.8% OF TOTAL INVESTMENTS) | |
| 1,930 | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31 | 4/16 at 100 |
| 7,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27 | 1/14 at 101 |
| 5,585 | Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 - MBIA Insured (Alternative Minimum Tax) (6) | 11/12 at 100 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: | |
| 2,430 | 5.250%, 5/01/18 - FGIC Insured (Alternative Minimum Tax) | 5/13 at 100 |
| 2,555 | 5.250%, 5/01/19 - FGIC Insured (Alternative Minimum Tax) | 5/13 at 100 |
| 1,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |
| 2,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2002, Issue 28A, 5.250%, 5/01/17 - MBIA Insured (Alternative Minimum Tax) | 5/12 at 100 |
| 22,500 | Total Transportation | |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED - 30.8% (20.7% OF TOTAL INVESTMENTS) (4) | |
| $ 9,000 | Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 (Pre-refunded 8/01/11) - MBIA Insured | 8/11 at 100 |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101 |
| 7,530 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 (Pre-refunded 7/01/10) - FGIC Insured | 7/10 at 100 |

| | | |
|---|---|---|
| 10,840 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 (Pre-refunded 7/01/12) - MBIA Insured | 7/12 at 100 |
| 1,250 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 (Pre-refunded 7/01/13) - FSA Insured | 7/13 at 100 |
| 1,375 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 (Pre-refunded 8/01/14) - FGIC Insured | 8/14 at 100 |
| 3,000 | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 (Pre-refunded 6/01/11) | 6/11 at 100 |
| 12,090 | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/25 (Pre-refunded 6/01/11) - MBIA Insured | 6/11 at 100 |
| 1,160 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 (Pre-refunded 8/01/12) - FGIC Insured | 8/12 at 100 |
| 6,200 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded 8/01/11) - AMBAC Insured | 8/11 at 101 |
| 2,710 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 (Pre-refunded 8/01/14) - FGIC Insured | 8/14 at 100 |
| 2,800 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12) | 6/12 at 100 |
| 1,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 (Pre-refunded 6/01/12) | 6/12 at 101 |
| 65,455 | Total U.S. Guaranteed | |
| | UTILITIES - 4.8% (3.2% OF TOTAL INVESTMENTS) | |
| 5,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2: | |
| 750 | 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,000 | 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100 |
| 500 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 - FSA Insured | 7/15 at 100 |
| 790 | Merced Irrigation District, California, Electric System Revenue | 9/15 at 100 |

| | | |
|---|---|---|
| | Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | |
| 2,000 | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A, 5.250%, 7/01/20 - MBIA Insured | 7/13 at 100 |
| 10,040 | Total Utilities | |
| | WATER AND SEWER - 15.3% (10.3% OF TOTAL INVESTMENTS) | |
| 4,900 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured | 6/11 at 100 |
| 2,655 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 545 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 3,365 | Hollister Joint Powers Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 6/01/37 - FSA Insured | 6/16 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| $ 1,800 | Pomona Public Finance Authority, California, Revenue Bonds, Water Facilities Project, Series 2007AY, 5.000%, 5/01/37 - AMBAC Insured | 5/17 at 100 |
| 750 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 - FGIC Insured | 6/16 at 100 |
| 1,700 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |
| 6,885 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 - MBIA Insured | 8/12 at 100 |
| 10,000 | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 - MBIA Insured | 4/13 at 100 |
| 32,600 | Total Water and Sewer | |

| | |
|---|---|
| $ 317,088 | Total Investments (cost $320,795,521) - 148.3% |
| | Floating Rate Obligations - (2.3)% |
| | Other Assets Less Liabilities - 2.2% |
| | Preferred Shares, at Liquidation Value - (48.2)% |
| | Net Assets Applicable to Common Shares - 100% |

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND PAY/RECEIVE FLOATING RATE | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|---|---|---|---|---|---|---|
| Goldman Sachs | $38,500,000 | Receive | 3-month USD-LIBOR | 5.681% | Semi-Annually | 7/ |
| JPMorgan | 12,000,000 | Receive | 3-month USD-LIBOR | 5.716 | Semi-Annually | 7/ |
| JPMorgan | 6,500,000 | Pay | 3-month USD-LIBOR | 5.869 | Semi-Annually | 7/ |
| Morgan Stanley | 13,700,000 | Pay | 3-month USD-LIBOR | 5.811 | Semi-Annually | 7/ |
| Morgan Stanley | 18,500,000 | Pay | 3-month USD-LIBOR | 5.816 | Semi-Annually | 7/ |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

(6) Portion of the investment, with an aggregate market value of $1,080,975, has been pledged to collateralize the net payment obligations under forward swap contracts.

N/R Not rated.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen California Dividend Advantage Municipal Fund 3 (NZH)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 2.2% (1.5% OF TOTAL INVESTMENTS) | |
| $ 1,340 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21 | 6/15 at 100 |
| 6,100 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 | 6/13 at 100 |
| 7,440 | Total Consumer Staples | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 5.9% (3.8% OF TOTAL INVESTMENTS) | |
| 290 | California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35 | 10/15 at 100 |
| | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: | |
| 200 | 5.000%, 11/01/21 | 11/15 at 100 |
| 270 | 5.000%, 11/01/25 | 11/15 at 100 |
| 3,825 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax) | 3/08 at 102 |
| 3,600 | California State Public Works Board, Lease Revenue Bonds, University of California, UCLA Replacement Hospital Project, Series 2002A, 5.375%, 10/01/17 - FSA Insured | 10/12 at 100 |
| 620 | California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23 | 10/13 at 100 |
| 7,595 | San Francisco State University Foundation Inc., California, Auxiliary Organization Student Housing Revenue Bonds, Series 2001, 5.000%, 9/01/26 - MBIA Insured | 9/11 at 100 |
| 4,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/23 - AMBAC Insured | 5/13 at 100 |

| | | |
|---|---|---|
| 20,400 | Total Education and Civic Organizations | |
| | HEALTH CARE - 15.7% (10.2% OF TOTAL INVESTMENTS) | |
| | California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001: | |
| 4,000 | 6.000%, 4/01/22 | 4/12 at 100 |
| 2,000 | 6.125%, 4/01/32 | 4/12 at 100 |
| 2,020 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34 | 11/15 at 100 |
| 9,000 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 6,525 | California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/12 | No Opt. C |
| 6,450 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured | 6/13 at 100 |
| 7,665 | California Statewide Community Development Authority, Insured Mortgage Hospital Revenue Bonds, Mission Community Hospital, Series 2001, 5.375%, 11/01/21 | 11/09 at 102 |
| 9,425 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 3/01/41 | 3/16 at 100 |
| 3,145 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31 | 8/16 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | HEALTH CARE (continued) | |
| | Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000: | |
| $ 1,770 | 6.000%, 2/01/20 | 2/10 at 101 |
| 1,740 | 6.000%, 2/01/30 | 2/10 at 101 |
| 53,740 | Total Health Care | |

| | | |
|---|---|---|
| | HOUSING/MULTIFAMILY - 10.0% (6.5% OF TOTAL INVESTMENTS) | |
| 4,000 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08) | No Opt. C |
| 4,750 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/The Highlands of Marin Apartments, Series 2000A, 6.400%, 8/15/30 (Mandatory put 8/15/08) (Alternative Minimum Tax) | No Opt. C |
| 5,140 | California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37 | 8/12 at 105 |
| 2,000 | Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.800%, 12/15/25 | 12/13 at 102 |
| 325 | Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41 | 5/16 at 100 |
| 1,735 | Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38 | 9/13 at 100 |
| 1,125 | Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38 | 9/13 at 100 |
| 3,610 | San Bernardino County Housing Authority, California, GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41 | 11/11 at 105 |
| 7,500 | San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds, Equity Residential Properties/Redlands Lawn and Tennis Apartments, Series 1999A, 5.200%, 6/15/29 (Mandatory put 6/15/09) | No Opt. C |
| | San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B: | |
| 1,250 | 5.350%, 2/20/26 (Alternative Minimum Tax) | 8/11 at 102 |
| 2,880 | 5.450%, 2/20/43 (Alternative Minimum Tax) | 8/11 at 102 |
| 34,315 | Total Housing/Multifamily | |
| | HOUSING/SINGLE FAMILY - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 860 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |

| | | |
|---|---|---|
| | INDUSTRIALS - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 2,000 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax) | 1/16 at 102 |
| | LONG-TERM CARE - 1.5% (1.0% OF TOTAL INVESTMENTS) | |
| 2,450 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22 | 1/13 at 100 |
| | California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly Project, Series 2002A: | |
| 1,500 | 5.125%, 3/01/22 | 3/12 at 101 |
| 1,315 | 5.250%, 3/01/32 | 3/12 at 101 |
| 5,265 | Total Long-Term Care | |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL - 24.3% (15.8% OF TOTAL INVESTMENTS) | |
| $ 6,000 | California State, General Obligation Bonds, Series 2007, 4.250%, 12/01/35 (WI/DD, Settling 3/01/07) - AMBAC Insured | 12/16 at 100 |
| 9,335 | California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured | No Opt. C |
| 1,750 | California, General Obligation Bonds, Series 2004, 5.125%, 2/01/27 | 2/14 at 100 |
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 8,450 | 5.000%, 2/01/12 | No Opt. C |
| 2,780 | 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 10 | California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax) | 6/07 at 102 |
| 14,300 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - MBIA Insured (Alternative Minimum Tax) | 6/07 at 101 |
| 3,000 | Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/23 - FGIC Insured | 8/12 at 100 |
| 2,500 | Fullerton Joint Union High School District, Orange County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |

| | | |
|---|---|---|
| 2,260 | Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/22 - FGIC Insured | 8/11 at 101 |
| 870 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured | 7/11 at 100 |
| | Riverside Community College District, California, General Obligation Bonds, Series 2005: | |
| 2,675 | 5.000%, 8/01/21 - FSA Insured | 8/15 at 100 |
| 5,000 | 5.000%, 8/01/24 - FSA Insured | 8/15 at 100 |
| 575 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 10,810 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured | 7/11 at 102 |
| 4,000 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured | 7/12 at 101 |
| 4,569 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 2,715 | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 - MBIA Insured | 9/15 at 100 |
| 1,630 | West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured | 8/11 at 101 |
| 83,229 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 41.5% (27.2% OF TOTAL INVESTMENTS) | |
| 4,000 | Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2002A, 6.750%, 9/01/25 | 9/12 at 102 |
| 7,135 | Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured | 11/11 at 100 |
| 8,210 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 3,350 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.250%, 12/01/17 - AMBAC Insured | 12/12 at 100 |
| 4,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured | 3/12 at 100 |
| 4,510 | California State Public Works Board, Lease Revenue Bonds, | 12/11 at 102 |

| | | |
|---|---|---|
| | Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured | |
| 2,815 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 | 7/14 at 100 |



Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003: | |
| $ 1,750 | 5.875%, 9/01/23 | 9/13 at 100 |
| 550 | 6.000%, 9/01/33 | 9/13 at 100 |
| 715 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | 9/15 at 100 |
| 1,810 | Cerritos Public Financing Authority, California, Tax Allocation Revenue Bonds, Los Cerritos Redevelopment Projects, Series 2002A, 5.000%, 11/01/14 - AMBAC Insured | No Opt. C |
| 2,160 | Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 1,270 | Coalinga Public Financing Authority, California, Local Obligation Senior Lien Revenue Bonds, Series 1998A, 6.000%, 9/15/18 - AMBAC Insured | No Opt. C |
| 1,125 | Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34 | 9/14 at 100 |
| 1,000 | Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Series 2002, 6.100%, 9/01/22 | 9/12 at 100 |
| | Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A: | |
| 350 | 5.000%, 9/01/26 | 9/16 at 100 |
| 805 | 5.125%, 9/01/36 | 9/16 at 100 |
| 3,000 | Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20 | 10/13 at 102 |
| 685 | Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35 | 9/16 at 100 |
| 5,250 | Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District of Mountain | 9/12 at 101 |

| | | |
|---|---|---|
| | House, Series 2002, 6.300%, 9/01/24 | |
| 2,000 | Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24 | 9/13 at 102 |
| 1,985 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 | 9/13 at 102 |
| 1,360 | Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 | 9/13 at 102 |
| 5,425 | Lodi, California, Certificates of Participation, Public Improvement Financing Project, Series 2002, 5.000%, 10/01/26 - MBIA Insured | 10/12 at 100 |
| 1,310 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 1,000 | Los Banos Redevelopment Agency, California, Project Tax Allocation Bonds, Los Banos Redevelopment Project, Series 2006, 5.000%, 9/01/36 - RAAI Insured | 9/16 at 100 |
| 1,000 | Monterey County, California, Certificates of Participation, Master Plan Financing, Series 2001, 5.250%, 8/01/15 - MBIA Insured | 8/11 at 100 |
| 1,675 | Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/26 - FSA Insured | 3/14 at 100 |
| | North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D: | |
| 550 | 5.000%, 9/01/26 | 3/07 at 103 |
| 250 | 5.000%, 9/01/33 | 3/07 at 103 |
| 3,000 | Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured | 3/13 at 100 |
| 4,520 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.000%, 8/01/24 - AMBAC Insured | 8/11 at 101 |
| 2,000 | Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33 | 8/11 at 101 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |

| | | |
|---|---|---|
| $ 11,165 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 - MBIA Insured | 4/12 at 102 |
| 3,250 | Pomona Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured | 2/11 at 100 |
| 6,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/32 (WI/DD, Settling 3/06/07) - MBIA Insured | No Opt. C |
| 625 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 780 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 1,700 | Roseville, California, Special Tax Bonds, Community Facilities District 1 - Crocker, Series 2003, 6.000%, 9/01/27 | 9/09 at 103 |
| 1,150 | Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33 | 9/14 at 100 |
| 14,505 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2001A, 5.000%, 9/01/26 - FSA Insured | 9/11 at 101 |
| 2,300 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 - AMBAC Insured | 7/11 at 100 |
| 1,590 | San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24 | 9/09 at 102 |
| 8,710 | South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, Ladera Ranch, Series 2005A, 5.000%, 8/15/32 - AMBAC Insured | 8/15 at 100 |
| 2,810 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38 | 9/13 at 103 |
| 2,000 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39 | 9/13 at 102 |
| 1,375 | West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39 | 9/13 at 103 |
| 2,500 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/26 - MBIA Insured | 10/11 at 100 |
| 141,025 | Total Tax Obligation/Limited | |

| | | |
|---|---|---|
| | TRANSPORTATION - 10.6% (6.9% OF TOTAL INVESTMENTS) | |
| 1,690 | Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31 | 4/16 at 100 |
| 11,750 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.875%, 1/15/28 | 1/14 at 101 |
| 3,000 | Port of Oakland, California, Revenue Bonds, Series 2002M, 5.250%, 11/01/20 - FGIC Insured | 11/12 at 100 |
| 1,500 | Port of Oakland, California, Revenue Refunding Bonds, Series 1997I, 5.600%, 11/01/19 - MBIA Insured | 11/07 at 102 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B: | |
| 4,110 | 5.125%, 5/01/17 - FGIC Insured | 5/13 at 100 |
| 10,625 | 5.125%, 5/01/18 - FGIC Insured | 5/13 at 100 |
| 5,140 | 5.125%, 5/01/19 - FGIC Insured | 5/13 at 100 |
| 37,815 | Total Transportation | |
| | U.S. GUARANTEED - 16.5% (10.8% OF TOTAL INVESTMENTS) (4) | |
| 11,240 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Merced County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 (Pre-refunded 6/01/12) | 6/12 at 100 |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 3,500 | 5.375%, 5/01/17 (Pre-refunded 5/01/12) - XLCA Insured | 5/12 at 101 |
| 9,000 | 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED (4) (continued) | |
| | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A: | |
| $ 3,750 | 5.250%, 7/01/20 (Pre-refunded 7/01/13) - FSA Insured | 7/13 at 100 |
| 7,200 | 5.000%, 7/01/22 (Pre-refunded 7/01/13) - FSA Insured | 7/13 at 100 |
| 1,525 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 (Pre-refunded 8/01/14) - FGIC Insured | 8/14 at 100 |
| 5,500 | Puerto Rico Highway and Transportation Authority, Highway | 7/12 at 100 |

| | | |
|---|---|---|
| | Revenue Bonds, Series 2002D, 5.375%, 7/01/36 (Pre-refunded 7/01/12) | |
| 6,425 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 (Pre-refunded 7/01/11) - AMBAC Insured | 7/11 at 100 |
| 1,000 | Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/24 (Pre-refunded 8/01/12) - FGIC Insured | 8/12 at 100 |
| 4,200 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12) | 6/12 at 100 |
| 2,500 | Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 (Pre-refunded 6/01/12) | 6/12 at 101 |
| 55,840 | Total U.S. Guaranteed | |
| | UTILITIES - 9.1% (5.9% OF TOTAL INVESTMENTS) | |
| 15,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 - MBIA Insured (Alternative Minimum Tax) | 4/11 at 102 |
| 1,200 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 1,285 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |
| 5,000 | Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36 | 9/13 at 102 |
| 2,250 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 - AMBAC Insured (Alternative Minimum Tax) | 8/12 at 100 |
| 6,085 | Southern California Public Power Authority, Revenue Bonds, Magnolia Power Project, Series 2003-1A, 5.250%, 7/01/16 - AMBAC Insured | 7/13 at 100 |
| 30,820 | Total Utilities | |
| | WATER AND SEWER - 12.9% (8.4% OF TOTAL INVESTMENTS) | |
| 1,070 | Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/22 - AMBAC Insured | 6/14 at 100 |
| 7,000 | Carmichael Water District, Sacramento County, California, | 9/09 at 102 |

| | | |
|---|---|---|
| | Water Revenue Certificates of Participation, Series 1999, 5.125%, 9/01/29 - MBIA Insured | |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 - FGIC Insured | 3/14 at 100 |
| 890 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 850 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 1,000 | Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32 | 12/11 at 102 |
| 1,685 | Pomona Public Finance Authority, California, Revenue Bonds, Water Facilities Project, Series 2007AY, 5.000%, 5/01/26 - AMBAC Insured | 5/17 at 100 |
| 1,380 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/36 - FGIC Insured | 6/16 at 100 |
| 1,000 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured | 3/14 at 100 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: | |
| $ 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| 6,260 | 5.000%, 8/01/24 - MBIA Insured | 8/12 at 100 |
| | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A: | |
| 3,315 | 5.250%, 10/01/18 - MBIA Insured | 4/13 at 100 |
| 12,000 | 5.250%, 10/01/19 - MBIA Insured | 4/13 at 100 |
| 1,955 | Westlands Water District, California, Revenue Certificates of Participation, Series 2005A, 5.000%, 9/01/23 - MBIA Insured | 3/15 at 100 |
| 1,340 | Westlands Water District, California, Revenue Certificates of Participation, Series 2007A, 5.000%, 9/01/37 - MBIA Insured | 9/16 at 100 |
| 44,245 | Total Water and Sewer | |
| $ 516,994 | Total Long-Term Investments (cost $526,361,006) - 151.1% | |
| | SHORT-TERM INVESTMENTS - 2.1% (1.4% OF TOTAL INVESTMENTS) | |

| | | |
|---|---|---|
| | 5,620 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2002C-7, 3.550%, 5/01/22 - FSA Insured (5) |
| | 2,000 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2005G-3, 3.550%, 5/01/16 - FSA Insured (5) |
| $ | 7,620 | Total Short-Term Investments (cost $7,620,000) |
| | | Total Investments (cost $533,981,006) - 153.2% |
| | | Floating Rate Obligations - (1.2)% |
| | | Other Assets Less Liabilities - (0.8)% |
| | | Preferred Shares, at Liquidation Value - (51.2)% |
| | | 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 unless otherwise noted.

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

Nuveen Insured California Dividend Advantage Municipal Fund (NKL)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 2.3% (1.4% OF TOTAL INVESTMENTS) | |
| $ 4,500 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
| | EDUCATION AND CIVIC ORGANIZATIONS - 4.7% (3.1% OF TOTAL INVESTMENTS) | |
| 1,675 | California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30 | 10/12 at 100 |
| 9,000 | California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured | 11/12 at 100 |
| 10,675 | Total Education and Civic Organizations | |
| | HEALTH CARE - 5.1% (3.3% OF TOTAL INVESTMENTS) | |
| 5,000 | ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26 | 4/12 at 100 |
| 2,815 | California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2003C, 5.000%, 8/15/20 - AMBAC Insured | 8/13 at 100 |
| 3,380 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 | 7/14 at 100 |
| 11,195 | Total Health Care | |
| | HOUSING/MULTIFAMILY - 1.3% (0.9% OF TOTAL INVESTMENTS) | |
| 1,000 | California Statewide Community Development Authority, Student Housing Revenue Bonds, EAH - Irvine East Campus Apartments, LLC Project, Series 2002A, 5.500%, 8/01/22 - ACA Insured | 8/12 at 100 |
| 1,905 | Los Angeles, California, GNMA Mortgage-Backed Securities Program Multifamily Housing Revenue Bonds, Park Plaza West Senior Apartments, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax) | 7/11 at 102 |

| | | |
|---|---|---|
| 2,905 | Total Housing/Multifamily | |
| | HOUSING/SINGLE FAMILY - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| 555 | California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax) | 2/16 at 100 |
| | INDUSTRIALS - 1.3% (1.0% OF TOTAL INVESTMENTS) | |
| 3,000 | California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Republic Services Inc., Series 2002C, 5.250%, 6/01/23 (Mandatory put 12/01/17) (Alternative Minimum Tax) | No Opt. C |
| | LONG-TERM CARE - 3.5% (2.3% OF TOTAL INVESTMENTS) | |
| 3,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22 | 11/12 at 100 |
| 5,000 | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging, Series 2003, 5.000%, 11/15/18 | 11/13 at 100 |
| 8,000 | Total Long-Term Care | |
| | TAX OBLIGATION/GENERAL - 28.3% (18.5% OF TOTAL INVESTMENTS) | |
| 5,920 | Cajon Valley Union School District, San Diego County, California, General Obligation Bonds, Series 2002B, 5.125%, 8/01/32 - MBIA Insured | 8/10 at 102 |
| 3,000 | California State, General Obligation Bonds, Series 2007, 4.250%, 12/01/35 (WI/DD, Settling 3/01/07) - AMBAC Insured | 12/16 at 100 |
| 2,900 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21 | 8/13 at 100 |
| 1,750 | California, General Obligation Bonds, Series 2004, 5.125%, 2/01/27 | 2/14 at 100 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL (continued) | |
| $ 8,250 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 - MBIA Insured | 2/12 at 100 |

| | | |
|---|---|---|
| 2,560 | Compton Community College District, Los Angeles County, California, General Obligation Bonds, Series 2004A, 5.250%, 7/01/23 - MBIA Insured | 7/14 at 100 |
| 230 | El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 - FSA Insured | 6/13 at 100 |
| 10,000 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |
| 4,115 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 1,000 | Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C, 5.000%, 8/01/25 - FSA Insured | 8/14 at 102 |
| 1,500 | Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| 2,500 | Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 - FGIC Insured | 8/12 at 100 |
| 375 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 3,250 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/22 - FSA Insured | 7/11 at 102 |
| 1,960 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 1,160 | San Gabriel Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2005, 5.000%, 8/01/22 - FSA Insured | 8/15 at 100 |
| 3,500 | San Mateo County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/26 - FGIC Insured | 9/12 at 100 |
| 10,000 | Vista Unified School District, San Diego County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured | 8/12 at 100 |
| 63,970 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 44.3% (29.0% OF TOTAL INVESTMENTS) | |
| 1,450 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment | 8/13 at 102 |

| | | |
|---|---|---|
| | Project, Series 2003, 5.250%, 8/01/21 | |
| 6,895 | Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured | 8/11 at 101 |
| 2,290 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/19 - AMBAC Insured | 12/13 at 100 |
| 2,200 | California Infrastructure Economic Development Bank, Los Angeles County, Revenue Bonds, Department of Public Social Services, Series 2003, 5.000%, 9/01/28 - AMBAC Insured | 9/13 at 101 |
| 3,100 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Richmond Lab, Series 2005B, 5.000%, 11/01/30 - XLCA Insured | 11/15 at 100 |
| 465 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | 9/15 at 100 |
| 1,400 | Chino Redevelopment Agency, California, Merged Chino Project Area Tax Allocation Bonds, 5.000%, 9/01/38 - AMBAC Insured (UB) | 9/16 at 101 |
| 7,035 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 - MBIA Insured | 9/13 at 100 |
| 3,145 | Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 - MBIA Insured | 5/11 at 101 |
| 8,720 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured | 1/11 at 100 |
| 4,000 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |



Nuveen Insured California Dividend Advantage Municipal Fund (NKL) (contin
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| $ 2,115 | Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured | No Opt. C |
| 3,500 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2001, | 9/11 at 102 |

| | | |
|---|---|---|
| | 5.100%, 9/01/31 - AMBAC Insured | |
| 3,400 | La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2002, 5.000%, 9/01/22 - AMBAC Insured | 9/12 at 102 |
| 845 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 4,690 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured | 7/08 at 101 |
| 1,460 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 7,000 | Los Angeles, California, Certificates of Participation, Series 2002, 5.200%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 8,470 | Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.200%, 8/01/29 - AMBAC Insured | 8/11 at 101 |
| 5,000 | Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 - MBIA Insured | 4/12 at 102 |
| 3,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/32 (WI/DD, Settling 3/06/07) - MBIA Insured | No Opt. C |
| 405 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 4,475 | Riverside County, California, Asset Leasing Corporate Leasehold Revenue Bonds, Riverside County Hospital Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured | 6/12 at 101 |
| 505 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| 3,175 | San Buenaventura, California, Certificates of Participation, Series 2001C, 5.250%, 2/01/31 - AMBAC Insured | 2/11 at 101 |
| 3,730 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 4,000 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 - MBIA Insured | 9/11 at 100 |
| 1,000 | Shasta Joint Powers Financing Authority, California, Lease Revenue Bonds, County Administration Building Project, Series 2003A, 5.250%, 4/01/23 - MBIA Insured | 4/13 at 100 |
| 2,160 | Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project 1, Series 2002, | 8/08 at 102 |

| | | |
|---|---|---|
| | 5.125%, 8/01/27 - MBIA Insured | |
| 99,630 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 4.9% (3.2% OF TOTAL INVESTMENTS) | |
| 7,500 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/29 | 1/14 at 101 |
| | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: | |
| 2,185 | 5.250%, 5/01/16 - FGIC Insured (Alternative Minimum Tax) | 5/13 at 100 |
| 2,300 | 5.250%, 5/01/17 - FGIC Insured (Alternative Minimum Tax) | 5/13 at 100 |
| 11,985 | Total Transportation | |
| | U.S. GUARANTEED - 19.4% (12.7% OF TOTAL INVESTMENTS) (4) | |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | U.S. GUARANTEED (4) (continued) | |
| | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A: | |
| $ 2,500 | 6.125%, 12/01/30 (Pre-refunded 12/01/09) | 12/09 at 101 |
| 1,000 | 6.250%, 12/01/34 (Pre-refunded 12/01/09) | 12/09 at 101 |
| 2,250 | California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/36 (Pre-refunded 1/01/28) - AMBAC Insured | 1/28 at 100 |
| 2,185 | El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 (Pre-refunded 6/01/13) - FSA Insured | 6/13 at 100 |
| | Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002B: | |
| 1,135 | 5.125%, 8/01/23 - FGIC Insured (ETM) | 8/10 at 102 |
| 1,190 | 5.125%, 8/01/24 - FGIC Insured (ETM) | 8/10 at 102 |
| 1,245 | 5.125%, 8/01/25 - FGIC Insured (ETM) | 8/10 at 102 |
| 1,255 | 5.125%, 8/01/26 - FGIC Insured (ETM) | 8/10 at 102 |
| 2,070 | Fresno Unified School District, Fresno County, California, | 8/10 at 102 |

| | | |
|---|---|---|
| | General Obligation Bonds, Series 2002G, 5.125%, 8/01/26 - FSA Insured (ETM) | |
| 5,000 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.125%, 1/01/27 (Pre-refunded 7/01/12) - MBIA Insured | 7/12 at 100 |
| 3,000 | Peralta Community College District, Alameda County, California, General Obligation Bonds, Election of 2000, Series 2001A, 5.000%, 8/01/31 (Pre-refunded 8/01/09) - FGIC Insured | 8/09 at 102 |
| 2,980 | Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 (Pre-refunded 8/01/11) - FGIC Insured | 8/11 at 101 |
| 9,000 | University of California, Revenue Bonds, Multiple Purpose Projects, Series 2000K, 5.300%, 9/01/30 (Pre-refunded 9/01/08) | 9/08 at 101 |
| 2,460 | Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 (Pre-refunded 8/01/11) - FSA Insured | 8/11 at 101 |
| 43,270 | Total U.S. Guaranteed | |
| | UTILITIES - 16.5% (10.8% OF TOTAL INVESTMENTS) | |
| 9,000 | Anaheim Public Finance Authority, California, Revenue Bonds, Electric System Distribution Facilities, Series 2002A, 5.000%, 10/01/27 - FSA Insured | 10/12 at 100 |
| 10,000 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 - MBIA Insured (Alternative Minimum Tax) | 4/11 at 102 |
| 3,000 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/21 - FSA Insured | 7/11 at 100 |
| 830 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |
| 6,000 | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured | 7/08 at 101 |
| 3,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured | 8/11 at 100 |
| 5,630 | Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured | 7/12 at 100 |
| 37,460 | Total Utilities | |

| | | |
|---|---|---|
| | WATER AND SEWER - 17.7% (11.6% OF TOTAL INVESTMENTS) | |
| 3,000 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, 5.150%, 12/01/23 - FGIC Insured | 12/12 at 100 |
| 6,100 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 - MBIA Insured | 6/11 at 100 |
| 9,000 | Eastern Municipal Water District, California, Water and Sewerage System Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 - FGIC Insured | 7/11 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| $ 570 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 4,500 | Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/23 - FSA Insured | 10/13 at 100 |
| 2,855 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| 500 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |
| 9,185 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| 870 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/36 - FGIC Insured | 6/16 at 100 |
| | Semitropic Water Storage District, Kern County, California, Water Banking Revenue Bonds, Series 2004A: | |
| 1,315 | 5.500%, 12/01/20 - XLCA Insured | 12/14 at 100 |
| 1,415 | 5.500%, 12/01/21 - XLCA Insured | 12/14 at 100 |
| 750 | Westlands Water District, California, Revenue Certificates of Participation, Series 2007A, 5.000%, 9/01/37 - MBIA Insured | 9/16 at 100 |
| 40,060 | Total Water and Sewer | |
| $ 337,205 | Total Long-Term Investments (cost $333,983,938) - 149.5% | |

| | | |
|---|---|---|
| | | SHORT-TERM INVESTMENTS - 3.0% (2.0% OF TOTAL INVESTMENTS) |
| | 4,500 | California Department of Water Resources, Power Supply Revenue Bonds, Variable Rate Demand Obligations, Series 2002C-7, 3.550%, 5/01/22 - FSA Insured (5) |
| | 2,565 | California Infrastructure and Economic Development Bank, Revenue Bonds, Jewish Community Center, Variable Rate Demand Obligations, Series 2007, 3.510%, 12/01/31 - FGIC Insured (5) |
| $ | 7,065 | Total Short-Term Investments (cost $7,065,000) |
| | | Total Investments (cost $341,048,938) - 152.5% |
| | | Floating Rate Obligations - (2.1)% |
| | | Other Assets Less Liabilities - (1.0)% |
| | | Preferred Shares, at Liquidation Value - (49.4)% |
| | | Net Assets Applicable to Common Shares - 100% |

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

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Investment has a maturity of more than one year, but

has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX)
Portfolio of
INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | CONSUMER STAPLES - 2.2% (1.5% OF TOTAL INVESTMENTS) | |
| $ 1,625 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 | 6/13 at 100 |
| | HEALTH CARE - 11.2% (7.3% OF TOTAL INVESTMENTS) | |
| 1,800 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 2,000 | California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/23 - FSA Insured | 6/13 at 100 |
| 4,060 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 1,260 | Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 | 7/14 at 100 |
| 9,120 | Total Health Care | |
| | HOUSING/MULTIFAMILY - 1.4% (0.9% OF TOTAL INVESTMENTS) | |

| | | |
|---|---|---|
| 1,165 | Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23 | 5/13 at 102 |
| | LONG-TERM CARE - 5.7% (3.8% OF TOTAL INVESTMENTS) | |
| 1,000 | ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22 | 11/12 at 100 |
| 2,000 | California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.250%, 1/01/26 | 1/13 at 100 |
| 1,815 | California Statewide Community Development Authority, Revenue Bonds, Jewish Home for the Aging, Series 2003, 5.000%, 11/15/18 | 11/13 at 100 |
| 4,815 | Total Long-Term Care | |
| | TAX OBLIGATION/GENERAL - 36.1% (23.7% OF TOTAL INVESTMENTS) | |
| 2,000 | Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured | 8/12 at 101 |
| 1,000 | California State, General Obligation Bonds, Series 2007, 4.250%, 12/01/35 (WI/DD, Settling 3/01/07) - AMBAC Insured | 12/16 at 100 |
| | California, General Obligation Bonds, Series 2004: | |
| 1,000 | 5.125%, 2/01/27 | 2/14 at 100 |
| 500 | 5.250%, 4/01/34 | 4/14 at 100 |
| | California, General Obligation Refunding Bonds, Series 2002: | |
| 3,750 | 5.000%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 3,000 | 5.250%, 4/01/30 - XLCA Insured | 4/12 at 100 |
| 450 | Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured | 8/12 at 101 |
| | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B: | |
| 4,500 | 5.000%, 8/01/26 - FSA Insured | 8/13 at 100 |
| 2,030 | 5.000%, 8/01/27 - FSA Insured | 8/13 at 100 |
| 1,540 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/25 - FGIC Insured (UB) | 7/16 at 100 |
| 2,000 | Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured | 9/12 at 100 |

Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (contin
Portfolio of INVESTMENTS February 28, 2007 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/GENERAL (continued) | |
| $ 1,000 | Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 - FGIC Insured | 9/13 at 100 |
| 140 | Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured | 8/15 at 100 |
| 3,000 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 2000B, 5.125%, 7/01/22 - MBIA Insured | 7/10 at 100 |
| 152 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 635 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |
| 3,855 | San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2003A, 5.000%, 8/01/28 - FSA Insured | 8/12 at 100 |
| 30,522 | Total Tax Obligation/General | |
| | TAX OBLIGATION/LIMITED - 41.1% (27.0% OF TOTAL INVESTMENTS) | |
| 550 | Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21 | 8/13 at 102 |
| 2,025 | Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 - AMBAC Insured | 12/13 at 100 |
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16 | 12/13 at 100 |
| 4,000 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured | 12/12 at 100 |
| 170 | Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured | 9/15 at 100 |
| 525 | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006G-1, 4.500%, 7/01/29 - FSA Insured (UB) | 7/16 at 101 |

| | | |
|---|---|---|
| 1,000 | Coachella Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2007, 5.000%, 9/01/36 - AMBAC Insured | 9/16 at 100 |
| 1,610 | Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured | 9/12 at 102 |
| 5,540 | Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured | 9/13 at 100 |
| 315 | Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured | 9/15 at 100 |
| 1,770 | Los Angeles Unified School District, California, Certificates of Participation, Administration Building Project II, Series 2002C, 5.000%, 10/01/27 - AMBAC Insured | 10/12 at 100 |
| 2,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 at 100 |
| 1,500 | Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 - MBIA Insured | 9/10 at 103 |
| 1,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/32 (WI/DD, Settling 3/06/07) - MBIA Insured | No Opt. C |
| 150 | Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - XLCA Insured | 9/15 at 100 |
| 190 | Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured | 8/13 at 100 |
| | San Buenaventura, California, Certificates of Participation, Golf Course Financing Project, Series 2002D: | |
| 3,000 | 5.000%, 2/01/27 - AMBAC Insured | 2/12 at 100 |
| 3,300 | 5.000%, 2/01/32 - AMBAC Insured | 2/12 at 100 |



| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | TAX OBLIGATION/LIMITED (continued) | |
| $ 1,200 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26 | 9/09 at 101 |
| 2,770 | San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, | 6/12 at 100 |

| | | |
|---|---|---|
| | 5.000%, 6/01/32 - AMBAC Insured | |
| 34,615 | Total Tax Obligation/Limited | |
| | TRANSPORTATION - 10.2% (6.7% OF TOTAL INVESTMENTS) | |
| 5,480 | Bay Area Governments Association, California, BART SFO Extension, Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured | 8/12 at 100 |
| 2,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series1995A, 5.000%, 1/01/35 | 1/10 at 100 |
| 1,300 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 26B, 5.000%, 5/01/25 - FGIC Insured | 5/10 at 101 |
| 8,780 | Total Transportation | |
| | U.S. GUARANTEED - 24.7% (16.3% OF TOTAL INVESTMENTS) (4) | |
| 1,000 | Berryessa Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/21 (Pre-refunded 8/01/12) - FSA Insured | 8/12 at 100 |
| 1,000 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.250%, 12/01/34 (Pre-refunded 12/01/09) | 12/09 at 101 |
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, UCSF - Stanford Healthcare, Series 1998A, 5.000%, 11/15/31 (Pre-refunded 11/15/08) - FSA Insured | 11/08 at 101 |
| 1,940 | California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 (Pre-refunded 8/01/08) - AMBAC Insured | 8/08 at 102 |
| 8,500 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/22 (Pre-refunded 7/01/13) - FSA Insured | 7/13 at 100 |
| 3,135 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series Issue 16B, 5.000%, 5/01/24 (Pre-refunded 5/01/08) - FSA Insured | 5/08 at 101 |
| 1,220 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 (Pre-refunded 8/01/10) - MBIA Insured | 8/10 at 101 |
| 2,390 | Solano County, California, Certificates of Participation, Series 2002, 5.250%, 11/01/24 (Pre-refunded 11/01/12) - MBIA Insured | 11/12 at 100 |
| 20,685 | Total U.S. Guaranteed | |

| | | |
|---|---|---|
| | UTILITIES - 5.6% (3.7% OF TOTAL INVESTMENTS) | |
| 1,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| 3,055 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-1, 5.250%, 7/01/22 - FSA Insured | 7/11 at 100 |
| 275 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured | 7/13 at 100 |
| 310 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - XLCA Insured | 9/15 at 100 |
| 4,640 | Total Utilities | |
| | WATER AND SEWER - 12.8% (8.4% OF TOTAL INVESTMENTS) | |
| 215 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured | 4/16 at 100 |
| 1,055 | Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured | 12/13 at 100 |
| 170 | Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured | 6/16 at 100 |





| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|---|
| | WATER AND SEWER (continued) | |
| $ 370 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/36 - FGIC Insured | 6/16 at 100 |
| | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002: | |
| 3,000 | 5.000%, 8/01/22 - MBIA Insured | 8/12 at 100 |
| 2,500 | 5.000%, 8/01/23 - MBIA Insured | 8/12 at 100 |
| 1,180 | South Feather Water and Power Agency, California, Water Revenue Certificates of Participation, Solar Photovoltaic Project, Series 2003, 5.375%, 4/01/24 | 4/13 at 100 |
| 1,600 | Sunnyvale Financing Authority, California, Water and | 10/11 at 100 |

| | | |
|---|---|---|
| | Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured | |
| 750 | Westlands Water District, California, Revenue Certificates of Participation, Series 2007A, 5.000%, 9/01/37 - MBIA Insured | 9/16 at 100 |
| 10,840 | Total Water and Sewer | |
| $ 126,837 | Total Long-Term Investments (cost $127,636,353) - 151.0% | |
| | SHORT-TERM INVESTMENTS - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| 1,000 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 3.340%, 12/01/15 - MBIA Insured (5) | |
| | Total Short-Term Investments (cost $1,000,000) | |
| | Total Investments (cost $128,636,353) - 152.1% | |
| | Floating Rate Obligations - (2.1)% | |
| | Other Assets Less Liabilities - 0.5% | |
| | Preferred Shares, at Liquidation Value - (50.5)% | |
| | Net Assets Applicable to Common Shares - 100% | |

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

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.



Statement of
ASSETS AND LIABILITIES February 28, 2007 (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|---|---|---|
| ASSETS | | |
| Investments, at value (cost $134,933,608, $271,367,321, $120,957,385 and $510,028,739, respectively) | $145,476,257 | $286,721,757 |
| Cash | -- | 323,116 |
| Receivables: | | |
| Interest | 2,337,249 | 3,427,690 |
| Investments sold | -- | 155,000 |
| Unrealized appreciation on forward swaps | 665,721 | 809,962 |
| Other assets | 8,649 | 34,587 |
| Total assets | 148,487,876 | 291,472,112 |
| LIABILITIES | | |
| Cash overdraft | 86,582 | -- |
| Floating rate obligations | 2,346,000 | 3,997,000 |
| Payables: | | |
| Investments purchased | -- | -- |
| Variation margin on futures contracts | -- | -- |
| Unrealized depreciation on forward swaps | 152,254 | -- |
| Accrued expenses: | | |
| Management fees | 70,271 | 136,934 |
| Other | 34,300 | 67,225 |
| Preferred share dividends payable | 4,068 | 28,430 |

| | | |
|---|---|---|
| Total liabilities | 2,693,475 | 4,229,589 |
| Preferred shares, at liquidation value | 45,000,000 | 95,000,000 |
| Net assets applicable to Common shares | $100,794,401 | $192,242,523 |
| Common shares outstanding | 6,455,666 | 12,716,370 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | $ 15.61 | $ 15.12 |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | |
| Common shares, $.01 par value per share | $ 64,557 | $ 127,164 |
| Paid-in surplus | 89,361,743 | 176,228,808 |
| Undistributed (Over-distribution of) net investment income | 339,065 | 20,359 |
| Accumulated net realized gain (loss) from investments and derivative transactions | (27,080) | (298,206) |
| Net unrealized appreciation (depreciation ) of investments and derivative transactions | 11,056,116 | 16,164,398 |
| Net assets applicable to Common shares | $100,794,401 | $192,242,523 |
| Authorized shares: | | |
| Common | 200,000,000 | 200,000,000 |
| Preferred | 1,000,000 | 1,000,000 |

See accompanying notes to financial statements.



Statement of
ASSETS AND LIABILITIES February 28, 2007 (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVENDED ADVANTAGE 3 (NZH) |
|---|---|---|
| ASSETS | | |
| Investments, at value (cost $320,795,521, $533,981,006, $341,048,938 and $128,636,353, respectively) | $338,542,912 | $559,695,446 |
| Cash | -- | 2,635,019 |
| Receivables: | | |
| Interest | 4,437,017 | 7,528,884 |
| Investments sold | 5,100 | 5,100 |
| Unrealized appreciation on forward swaps | 2,375,689 | -- |
| Other assets | 21,947 | 33,720 |
| Total assets | 345,382,665 | 569,898,169 |
| LIABILITIES | | |
| Cash overdraft | 393,991 | -- |
| Floating rate obligations | 5,363,000 | 4,479,000 |

| | | |
|---|---|---|
| Payables: | | |
| Investments purchased | -- | 12,793,810 |
| Variation margin on futures contracts | -- | -- |
| Unrealized depreciation on forward swaps | 1,196,283 | -- |
| Accrued expenses: | | |
| Management fees | 96,207 | 154,370 |
| Other | 69,718 | 98,072 |
| Preferred share dividends payable | 26,369 | 73,069 |
| Total liabilities | 7,145,568 | 17,598,321 |
| Preferred shares, at liquidation value | 110,000,000 | 187,000,000 |
| Net assets applicable to Common shares | $228,237,097 | $365,299,848 |
| Common shares outstanding | 14,793,014 | 24,121,405 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | $ 15.43 | $ 15.14 |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | |
| Common shares, $.01 par value per share | $ 147,930 | $ 241,214 |
| Paid-in surplus | 210,085,543 | 342,644,893 |
| Undistributed (Over-distribution of) net investment income | (451,915) | (676,070) |
| Accumulated net realized gain (loss) from investments and derivative transactions | (471,258) | (2,624,629) |
| Net unrealized appreciation (depreciation) of investments and derivative transactions | 18,926,797 | 25,714,440 |
| Net assets applicable to Common shares | $228,237,097 | $365,299,848 |
| Authorized shares: | | |
| Common | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited |

See accompanying notes to financial statements.



Statement of
OPERATIONS Six Months Ended February 28, 2007 (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) |
|---|---|---|
| INVESTMENT INCOME | $3,513,067 | $ 6,810,084 |
| EXPENSES | | |
| Management fees | 457,571 | 888,907 |
| Preferred shares - auction fees | 55,788 | 117,773 |
| Preferred shares - dividend disbursing agent fees | 4,959 | 9,918 |
| Shareholders' servicing agent fees and expenses | 3,860 | 6,712 |

| | | |
|---|---|---|
| Floating rate obligations interest expense and fees | 25,077 | 42,682 |
| Custodian's fees and expenses | 18,571 | 40,216 |
| Directors'/Trustees' fees and expenses | 1,632 | 3,182 |
| Professional fees | 7,129 | 9,915 |
| Shareholders' reports - printing and mailing expenses | 6,254 | 14,714 |
| Stock exchange listing fees | 4,873 | 4,879 |
| Investor relations expense | 6,658 | 12,697 |
| Other expenses | 8,828 | 10,364 |
| Total expenses before custodian fee credit and expense reimbursement | 601,200 | 1,161,959 |
| Custodian fee credit | (10,367) | (17,307) |
| Expense reimbursement | -- | -- |
| Net expenses | 590,833 | 1,144,652 |
| Net investment income | 2,922,234 | 5,665,432 |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain (loss) from investments | 230,094 | 431,033 |
| Net realized gain (loss) from forward swaps | -- | 315,000 |
| Net realized gain (loss) from futures | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 487,603 | 1,062,655 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 183,977 | (28,264) |
| Change in net unrealized appreciation (depreciation) of futures | -- | -- |
| Net realized and unrealized gain (loss) | 901,674 | 1,780,424 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (624,478) | (1,501,863) |
| From accumulated net realized gains | (118,086) | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (742,564) | (1,501,863) |
| Net increase (decrease) in net assets applicable to Common shares from operations | $3,081,344 | $ 5,943,993 |

See accompanying notes to financial statements.



Statement of
OPERATIONS Six Months Ended February 28, 2007 (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVENDED ADVANTAGE 3 (NZH) |
|---|---|---|
| INVESTMENT INCOME | $8,008,401 | $13,035,609 |
| EXPENSES | | |
| Management fees | 1,044,386 | 1,684,782 |
| Preferred shares - auction fees | 136,369 | 231,828 |

| | | |
|---|---|---|
| Preferred shares - dividend disbursing agent fees | 9,918 | 9,918 |
| Shareholders' servicing agent fees and expenses | 848 | 1,488 |
| Floating rate obligations interest expense and fees | 57,337 | 47,449 |
| Custodian's fees and expenses | 42,238 | 53,655 |
| Directors'/Trustees' fees and expenses | 3,655 | 5,765 |
| Professional fees | 10,133 | 13,805 |
| Shareholders' reports - printing and mailing expenses | 14,960 | 21,133 |
| Stock exchange listing fees | 624 | 1,017 |
| Investor relations expense | 14,535 | 23,134 |
| Other expenses | 13,541 | 15,056 |
| Total expenses before custodian fee credit and expense reimbursement | 1,348,544 | 2,109,030 |
| Custodian fee credit | (24,093) | (32,677) |
| Expense reimbursement | (418,578) | (704,957) |
| Net expenses | 905,873 | 1,371,396 |
| Net investment income | 7,102,528 | 11,664,213 |
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain (loss) from investments | (65,244) | 573,394 |
| Net realized gain (loss) from forward swaps | -- | -- |
| Net realized gain (loss) from futures | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 1,179,968 | 3,081,601 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 431,197 | -- |
| Change in net unrealized appreciation (depreciation) of futures | -- | -- |
| Net realized and unrealized gain (loss) | 1,545,921 | 3,654,995 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (1,794,832) | (3,146,761) |
| From accumulated net realized gains | -- | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (1,794,832) | (3,146,761) |
| Net increase (decrease) in net assets applicable to Common shares from operations | $6,853,617 | $12,172,447 |

See accompanying notes to financial statements.



Statement of
CHANGES IN NET ASSETS (Unaudited)

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | |
|---|---|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 | YEAR ENDE 8/31/0 |
| OPERATIONS | | | | |

| | | | | |
|---|---|---|---|---|
| Net investment income | $ 2,922,234 | $ 5,915,395 | $ 5,665,432 | $ 11,430,15 |
| Net realized gain (loss) from investments | 230,094 | 338,450 | 431,033 | 306,69 |
| Net realized gain (loss) from forward swaps | -- | -- | 315,000 | - |
| Net realized gain (loss) from futures | -- | -- | -- | - |
| Change in net unrealized appreciation (depreciation) of investments | 487,603 | (3,110,907) | 1,062,655 | (4,684,75 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 183,977 | 329,490 | (28,264) | 838,22 |
| Change in net unrealized appreciation (depreciation) of futures | -- | -- | -- | - |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (624,478) | (1,180,659) | (1,501,863) | (2,543,11 |
| From accumulated net realized gains | (118,086) | (120,330) | -- | - |
| Net increase (decrease) in net assets applicable to Common shares from operations | 3,081,344 | 2,171,439 | 5,943,993 | 5,347,20 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (2,380,794) | (5,325,135) | (4,272,701) | (9,670,80 |
| From accumulated net realized gains | (486,818) | (881,569) | -- | - |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (2,867,612) | (6,206,704) | (4,272,701) | (9,670,80 |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | 106,152 | -- | - |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | -- | 106,152 | -- | - |
| Net increase (decrease) in net assets applicable to Common shares | 213,732 | (3,929,113) | 1,671,292 | (4,323,60 |
| Net assets applicable to Common shares at the beginning of period | 100,580,669 | 104,509,782 | 190,571,231 | 194,894,83 |
| Net assets applicable to Common shares at the end of period | $100,794,401 | $100,580,669 | $192,242,523 | $190,571,23 |
| Undistributed (Over-distribution of) net investment income at the end of period | $ 339,065 | $ 422,103 | $ 20,359 | $ 129,49 |

See accompanying notes to financial statements.

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

| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | |
|---|---|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 | YEAR ENDE 8/31/0 |
| OPERATIONS | | | | |
| Net investment income | $ 11,726,372 | $ 23,690,415 | $ 7,102,528 | $ 14,317,85 |
| Net realized gain (loss) from investments | 549,609 | 1,496,422 | (65,244) | 686,75 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | - |
| Net realized gain (loss) from futures | 40,713 | 102,063 | -- | - |
| Change in net unrealized appreciation (depreciation) of investments | 1,436,788 | (8,347,244) | 1,179,968 | (4,193,08 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 685,462 | 838,429 | 431,197 | 748,20 |
| Change in net unrealized appreciation (depreciation) of futures | 16,154 | 27,339 | -- | - |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (2,652,721) | (4,964,723) | (1,794,832) | (3,160,48 |
| From accumulated net realized gains | (310,662) | (111,335) | -- | - |
| Net increase (decrease) in net assets applicable to Common shares from operations | 11,491,715 | 12,731,366 | 6,853,617 | 8,399,24 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (9,501,072) | (21,230,311) | (5,812,884) | (12,379,78 |
| From accumulated net realized gains | (1,250,132) | (782,285) | -- | - |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (10,751,204) | (22,012,596) | (5,812,884) | (12,379,78 |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 214,765 | 532,651 | 36,491 | - |
| Net increase (decrease) in net assets | | | | |

| | | | | |
|---|---|---|---|---|
| applicable to Common shares from capital share transactions | 214,765 | 532,651 | 36,491 | - |
| Net increase (decrease) in net assets applicable to Common shares | 955,276 | (8,748,579) | 1,077,224 | (3,980,53 |
| Net assets applicable to Common shares at the beginning of period | 365,516,164 | 374,264,743 | 227,159,873 | 231,140,41 |
| Net assets applicable to Common shares at the end of period | $366,471,440 | $365,516,164 | $228,237,097 | $227,159,87 |
| Undistributed (Over-distribution of) net investment income at the end of period | $ (290,686) | $ 136,735 | $ (451,915) | $ 53,27 |

See accompanying notes to financial statements.



| | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | |
|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDE 8/31/0 |
| OPERATIONS | | |
| Net investment income | $ 7,729,673 | $ 15,416,77 |
| Net realized gain (loss) from investments | 594,755 | 106,12 |
| Net realized gain (loss) from forward swaps | -- | 772,78 |
| Net realized gain (loss) from futures | -- | - |
| Change in net unrealized appreciation (depreciation) of investments | 1,625,166 | (4,883,41 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | 191,67 |
| Change in net unrealized appreciation (depreciation) of futures | -- | - |
| Distributions to Preferred shareholders: | | |
| From net investment income | (1,950,024) | (3,404,61 |
| From accumulated net realized gains | (10,666) | - |
| Net increase (decrease) in net assets applicable to Common shares from operations | 7,988,904 | 8,199,32 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (5,955,863) | (13,002,46 |
| From accumulated net realized gains | (39,709) | - |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (5,995,572) | (13,002,46 |

| | | |
|---|---|---|
| CAPITAL SHARE TRANSACTIONS | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 179,701 | 73,64 |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 179,701 | 73,64 |
| Net increase (decrease) in net assets applicable to Common shares | 2,173,033 | (4,729,50 |
| Net assets applicable to Common shares at the beginning of period | 236,524,589 | 241,254,09 |
| Net assets applicable to Common shares at the end of period | $238,697,622 | $236,524,58 |
| Undistributed (Over-distribution of) net investment income at the end of period | $ (271,698) | $ (95,48 |

See accompanying notes to financial statements.



Notes to
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The California funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL), Nuveen California Premium Income Municipal Fund (NCU), Nuveen California Dividend Advantage Municipal Fund (NAC), Nuveen California Dividend Advantage Municipal Fund 2 (NVX), Nuveen California Dividend Advantage Municipal Fund 3 (NZH), Nuveen Insured California Dividend Advantage Municipal Fund (NKL) and Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX). Common shares of Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL) and California Dividend Advantage (NAC) are traded on the New York Stock Exchange while Common shares of California Premium Income (NCU), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

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

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S.

generally accepted accounting principles.

Investment 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 market price quotes are not readily available (which is usually the case for municipal securities), the pricing service may establish fair 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. Prices of forward swap contacts are also provided by an independent pricing service approved by each Fund's Board of Directors/Trustees. Futures contracts are valued using the closing settlement price, or, in the absence or such a price, at the mean of the bid and asked prices. If the pricing service is unable to supply a price for a municipal bond, forward swap contract or futures contact, each Fund may use a market price or fair market value quote provided by a major broker/dealer in such investments. If it is determined that the market price or fair market value for an investment is unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the investment. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates market value.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments 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/delayed delivery purchase commitments. At February 28, 2007, California Dividend Advantage (NAC), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) had outstanding when-issued/delayed delivery purchase commitments of $9,696,417, $12,793,810, $6,396,905 and $2,132,302, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also includes paydown gains and losses, if any.

Income Taxes

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

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 U.S. generally accepted accounting principles.

Preferred Shares

The Funds have issued and outstanding Preferred shares, $25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in one or more Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

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

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | CA A |
|---|---|---|---|---|
| Number of shares: | | | | |
| Series M | 2,200 | 3,740 | -- | |
| Series T | -- | -- | 2,360 | |
| Series TH | -- | 3,740 | -- | |
| Series F | 2,200 | -- | 2,360 | |
| Total | 4,400 | 7,480 | 4,720 | |

Insurance

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

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

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

Inverse Floating Rate Securities

Each Fund may invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term





tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is

dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as an "Inverse floating rate investment". An investment in a self-deposited inverse floater is accounted for as a financing transaction in accordance with Statement of Financial Accounting Standards (SFAS) No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as an "Underlying bond of an inverse floating rate trust", with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and accounts for the related interest paid to the holders of the short-term floating rate certificates as "Floating rate obligations interest expense and fees" in the Statement of Operations.

During the six months ended February 28, 2007, each Fund invested in externally deposited inverse floaters and/or self-deposited inverse floaters.

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the six months ended February 28, 2007, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Average floating rate obligations | $1,321,923 | $2,250,006 | $1,006,376 | $1 |
| Average annual interest rate and fees | 3.83% | 3.83% | 3.83% | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Average floating rate obligations | $3,022,536 | $2,501,088 | $2,805,773 | $ |
| Average annual interest rate and fees | 3.83% | 3.83% | 3.83% | |

Forward Swap Transactions

The Funds are authorized to invest in certain derivative financial instruments. Each Fund's use of forward interest rate swap transactions is intended to help the Fund manage its overall interest rate sensitivity, either shorter or longer, generally to more closely align the Fund's interest rate sensitivity with that of the broader municipal market. Forward interest rate swap transactions involve

each Fund's agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The amount of the payment obligation is based on the notional amount of the forward swap contract and the termination date of the swap (which is akin to a bond's maturity). The value of the Fund's swap commitment would increase or decrease based primarily on the extent to which long-term interest rates for bonds having a maturity of the swap's termination date increases or decreases. The



Funds may terminate a swap contract prior to the effective date, at which point a realized gain or loss is recognized. When a forward swap is terminated, it ordinarily does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash on a net basis. Each Fund intends, but is not obligated, to terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To reduce such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate, either up or down, by at least the predetermined threshold amount.

Futures Contracts

The Funds are authorized to invest in futures contracts. Upon entering into a futures contract, a Fund is required to deposit with the broker an amount of cash or liquid securities equal to a specified percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by a Fund each day, depending on the daily fluctuation of the value of the contract.

During the period the futures contract is open, changes in the value of the contract are recognized as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract. When the contract is closed or expired, a Fund records a realized gain or loss equal to the difference between the value of the contract on the closing date and value of the contract when originally entered into. Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is noted in the Statement of Assets and Liabilities. Additionally, the Statement of Assets and Liabilities reflects a receivable or payable for the variation margin when applicable.

Risks of investments in futures contracts include the possible adverse movement of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices.

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.

Indemnifications

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 shares were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | CALIFORN PREMIUM INCOM |
|---|---|---|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | 6,731 | -- | -- | -- |

| | CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | CALIFORNIA DI ADVANTAGE 3 |
|---|---|---|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 |
| Common shares issued to shareholders due to reinvestment of distributions | 13,392 | 33,399 | 2,354 | -- | 8,572 |

| | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | INSURED CALIFORNIA TA ADVANTAGE ( |
|---|---|---|---|
| | SIX MONTHS ENDED 2/28/07 | YEAR ENDED 8/31/06 | SIX MONTHS ENDED 2/28/07 |
| Common shares issued to shareholders due to reinvestment of distributions | 11,484 | 4,796 | 1,093 |

3. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the six months ended February 28, 2007, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Purchases | $9,112,666 | $23,662,577 | $4,591,564 | $2 |
| Sales and maturities | 7,846,430 | 20,162,224 | 2,530,866 | 1 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Purchases | $16,486,011 | $25,673,919 | $15,499,515 | $ |
| Sales and maturities | 10,933,608 | 20,655,507 | 11,732,247 | |

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No.140. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

At February 28, 2007, the cost of investments was as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Cost of investments | $132,548,448 | $267,215,132 | $119,107,205 | $50 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Cost of investments | $315,420,102 | $529,523,654 | $337,497,082 | $12 |



Gross unrealized appreciation and gross unrealized depreciation of investments at February 28, 2007, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Gross unrealized: | | | | |
| Appreciation | $10,582,046 | $15,528,684 | $6,943,206 | $3 |
| Depreciation | -- | (19,142) | (7,961) | |
| Net unrealized appreciation (depreciation) of investments | $10,582,046 | $15,509,542 | $6,935,245 | $3 |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Gross unrealized: | | | | |
| Appreciation | $17,823,955 | $26,195,129 | $23,204,400 | $ |
| Depreciation | (63,649) | (501,923) | (1,645,440) | |

| | | | | |
|---|---|---|---|---|
| Net unrealized appreciation (depreciation) of investments | $17,760,306 | $25,693,206 | $21,558,960 | $ |

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at August 31, 2006, the Funds' last tax year end, were as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Undistributed net tax-exempt income * | $757,514 | $744,833 | $324,441 | $ |
| Undistributed net ordinary income ** | 46,081 | 3,783 | -- | |
| Undistributed net long-term capital gains | 347,730 | -- | 213,601 | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Undistributed net tax-exempt income * | $1,042,127 | $1,925,249 | $782,973 | |
| Undistributed net ordinary income ** | -- | -- | -- | |
| Undistributed net long-term capital gains | -- | -- | 49,448 | |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on August 1, 2006, paid on September 1, 2006.

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

The tax character of distributions paid during the Funds' last tax year ended August 31, 2006, was designated for purposes of the dividends paid deduction as follows:

| | INSURED CALIFORNIA PREMIUM INCOME (NPC) | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA PREMIUM INCOME (NCU) | C |
|---|---|---|---|---|
| Distributions from net tax-exempt income | $6,489,050 | $12,330,721 | $5,697,561 | $2 |
| Distributions from net ordinary income ** | 79,771 | -- | -- | |
| Distributions from net long-term capital gains | 1,001,943 | -- | 81,625 | |

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Distributions from net tax-exempt income | $15,681,327 | $25,609,086 | $16,451,218 | $ |
| Distributions from net ordinary income ** | -- | -- | -- | |
| Distributions from net long-term capital gains | -- | -- | -- | |

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

At August 31, 2006, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | C |
|---|---|---|---|---|
| Expiration year: | | | | |
| 2009 | $ 585,620 | $ -- | $ -- | $ |
| 2010 | 440,510 | -- | -- | |
| 2011 | -- | -- | 2,849,060 | |
| 2012 | -- | 406,014 | 323,840 | |
| 2013 | -- | -- | -- | |
| 2014 | -- | -- | -- | |
| Total | $1,026,130 | $406,014 | $3,172,900 | |

Insured California Premium Income 2 (NCL) elected to defer net realized losses from investments incurred from November 1, 2005 through August 31, 2006 ("post-October losses") in accordance with Federal income tax regulations. Post-October losses of $18,677 were treated as having arisen on the first day of the current fiscal year.

5. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Each Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all fund assets managed by Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee, payable monthly, for each Fund is 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) | INSURED CALIFORNIA PREMIUM INCOME (NPC) INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) CALIFORNIA PREMIUM INCOME (NCU) FUND-LEVEL FEE RATE |
|---|---|
| For the first $125 million | .4500% |
| For the next $125 million | .4375 |
| For the next $250 million | .4250 |
| For the next $500 million | .4125 |
| For the next $1 billion | .4000 |
| For the next $3 billion | .3875 |
| For net assets over $5 billion | .3750 |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | CALIFORNIA DIVIDEND ADVANTAGE (NAC) CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) FUND-LEVEL FEE RATE |
|---|---|
| For the first $125 million | .4500% |
| For the next $125 million | .4375 |
| For the next $250 million | .4250 |
| For the next $500 million | .4125 |
| For the next $1 billion | .4000 |
| For net assets over $2 billion | .3750 |

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the table below. As of February 28, 2007, the complex-level fee rate was .1837%.

| COMPLEX-LEVEL ASSETS(1) | COMPLEX-LEVEL FEE RATE |
|---|---|
| For the first $55 billion | .2000% |
| For the next $1 billion | .1800 |
| For the next $1 billion | .1600 |
| For the next $3 billion | .1425 |
| For the next $3 billion | .1325 |
| For the next $3 billion | .1250 |
| For the next $5 billion | .1200 |
| For the next $5 billion | .1175 |
| For the next $15 billion | .1150 |
| For Managed Assets over $91 billion (2) | .1400 |

(1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to preferred stock issued by or borrowings by the Nuveen funds) of

Nuveen-sponsored funds in the U.S.

(2) With respect to the complex-wide Managed Assets over $91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach $91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of $91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.





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 its Officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

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

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

* From the commencement of operations.

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

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

| YEAR ENDING MARCH 31, | | YEAR ENDING MARCH 31, | |
|---|---|---|---|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |

| | | | |
|---|---|---|---|
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

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

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

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

* From the commencement of operations.



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

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

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

* From the commencement of operations.

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

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

| YEAR ENDING NOVEMBER 30, | YEAR ENDING NOVEMBER 30, |
|---|---|

| | | | |
|---|---|---|---|
| 2002* | .32% | 2007 | .32% |
| 2003 | .32 | 2008 | .24 |
| 2004 | .32 | 2009 | .16 |
| 2005 | .32 | 2010 | .08 |
| 2006 | .32 | | |

* From the commencement of operations.

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

6. NEW ACCOUNTING PRONOUNCEMENTS

Financial Accounting Standards Board Interpretation No. 48

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows funds to delay implementing FIN 48 into NAV calculations until the fund's last NAV calculation in the first required financial statement reporting period. As a result, the Funds must begin to incorporate FIN 48 into their NAV calculations by August 31, 2007. At this time, management is continuing to evaluate the implications of FIN 48 and does not expect the adoption of FIN 48 will have a significant impact on the net assets or results of operations of the Funds.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this standard relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of February 28, 2007, the Funds do not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements included within the Statement of Operations for the period.

7. SUBSEQUENT EVENTS

Distributions to Common Shareholders

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on April 2, 2007, to shareholders of record on March 15, 2007, as follows:

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Dividend per share | $.0605 | $.0560 | $.0565 | |

| | CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | C |
|---|---|---|---|---|
| Dividend per share | $.0630 | $.0630 | $.0650 | |



Financial
HIGHLIGHTS (Unaudited)



Financial
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

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

| | | | | | | |
|---|---|---|---|---|---|---|
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(b) | $15.58 | $ .45 | $ .15 | $(.10) | $(.02) | $ .48 |
| 2006 | 16.21 | .92 | (.38) | (.18) | (.02) | .34 |
| 2005 | 16.23 | .95 | .22 | (.10) | (.01) | 1.06 |
| 2004 | 15.59 | .99 | .68 | (.05) | -- | 1.62 |
| 2003 | 16.17 | .99 | (.45) | (.06) | (.01) | .47 |
| 2002 | 16.04 | 1.05 | .03 | (.09) | -- | .99 |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(b) | 14.99 | .45 | .14 | (.12) | -- | .47 |
| 2006 | 15.33 | .90 | (.28) | (.20) | -- | .42 |
| 2005 | 15.12 | .91 | .29 | (.11) | -- | 1.09 |
| 2004 | 14.60 | .96 | .53 | (.06) | -- | 1.43 |
| 2003 | 15.08 | .99 | (.51) | (.07) | -- | .41 |
| 2002 | 15.01 | 1.02 | (.02) | (.10) | -- | .90 |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(b) | 14.63 | .45 | .17 | (.11) | (.01) | .50 |
| 2006 | 15.03 | .89 | (.30) | (.21) | -- | .38 |
| 2005 | 14.51 | .90 | .60 | (.12) | -- | 1.38 |
| 2004 | 13.66 | .94 | .85 | (.06) | -- | 1.73 |
| 2003 | 14.42 | .96 | (.78) | (.07) | -- | .11 |
| 2002 | 14.22 | .99 | .13 | (.10) | -- | 1.02 |

| | | | | Total Returns | |
|---|---|---|---|---|---|
| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(b) | $ -- | $15.61 | $15.12 | 3.24% | 3.07% |
| 2006 | -- | 15.58 | 15.08 | 1.00 | 2.23 |
| 2005 | -- | 16.21 | 15.90 | 7.58 | 6.74 |
| 2004 | -- | 16.23 | 15.81 | 11.80 | 10.64 |
| 2003 | -- | 15.59 | 15.07 | 1.55 | 2.82 |
| 2002 | -- | 16.17 | 15.85 | 6.73 | 6.47 |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | | | | |
| Year Ended 8/31: | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 2007(b) | -- | 15.12 | 14.35 | 3.53 | 3.13 |
| 2006 | -- | 14.99 | 14.19 | (.63) | 2.91 |
| 2005 | -- | 15.33 | 15.05 | 5.10 | 7.42 |
| 2004 | -- | 15.12 | 15.18 | 12.71 | 10.02 |
| 2003 | -- | 14.60 | 14.32 | 2.69 | 2.71 |
| 2002 | -- | 15.08 | 14.80 | 5.57 | 6.29 |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(b) | -- | 14.76 | 14.18 | 3.91 | 3.45 |
| 2006 | -- | 14.63 | 14.01 | 3.14 | 2.72 |
| 2005 | -- | 15.03 | 14.37 | 11.76 | 9.75 |
| 2004 | -- | 14.51 | 13.67 | 12.04 | 12.94 |
| 2003 | -- | 13.66 | 13.02 | (.91) | .69 |
| 2002 | -- | 14.42 | 14.00 | 4.84 | 7.48 |

| | Ratios/Supplemental Data | | | | |
|---|---|---|---|---|---|
| | | Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement | | | Ratios to Ave Applicable to After Credit/R |
| | Ending Net Assets Applicable to Common Shares (000) | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) | Net Investment Income++ | Expenses Including Interest++(a) | Exp Excl Int |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(b) | $100,794 | 1.20%* | 1.15%* | 5.83%* | 1.18%* | |
| 2006 | 100,581 | 1.16 | 1.16 | 5.89 | 1.15 | |
| 2005 | 104,510 | 1.14 | 1.14 | 5.85 | 1.13 | |
| 2004 | 104,618 | 1.17 | 1.17 | 6.17 | 1.16 | |
| 2003 | 100,427 | 1.17 | 1.17 | 6.13 | 1.16 | |
| 2002 | 104,137 | 1.21 | 1.21 | 6.65 | 1.19 | |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(b) | 192,243 | 1.23* | 1.18* | 5.96* | 1.21* | |
| 2006 | 190,571 | 1.20 | 1.20 | 6.05 | 1.19 | |
| 2005 | 194,895 | 1.17 | 1.17 | 6.03 | 1.17 | |
| 2004 | 192,035 | 1.19 | 1.19 | 6.38 | 1.19 | |
| 2003 | 185,181 | 1.20 | 1.20 | 6.53 | 1.19 | |
| 2002 | 190,870 | 1.23 | 1.23 | 6.83 | 1.22 | |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Year Ended 8/31: | | | | | |
| 2007(b) | 85,223 | 1.26* | 1.21* | 6.11* | 1.23* |
| 2006 | 84,467 | 1.23 | 1.23 | 6.09 | 1.21 |
| 2005 | 86,785 | 1.21 | 1.21 | 6.08 | 1.20 |
| 2004 | 83,772 | 1.23 | 1.23 | 6.62 | 1.22 |
| 2003 | 78,859 | 1.24 | 1.24 | 6.72 | 1.24 |
| 2002 | 83,249 | 1.27 | 1.27 | 7.07 | 1.26 |

| | Preferred Shares at End of Period | | | Floating Rate Obligations at End of Period | |
|---|---|---|---|---|---|
| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share | Aggregate Amount Outstanding (000) | Asset Coverage Per $1,000 |
| INSURED CALIFORNIA PREMIUM INCOME (NPC) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(b) | $45,000 | $25,000 | $80,997 | $2,346 | $63,146 |
| 2006 | 45,000 | 25,000 | 80,878 | -- | -- |
| 2005 | 45,000 | 25,000 | 83,061 | -- | -- |
| 2004 | 45,000 | 25,000 | 83,121 | -- | -- |
| 2003 | 45,000 | 25,000 | 80,793 | -- | -- |
| 2002 | 45,000 | 25,000 | 82,854 | -- | -- |
| INSURED CALIFORNIA PREMIUM INCOME 2 (NCL) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(b) | 95,000 | 25,000 | 75,590 | 3,997 | 72,865 |
| 2006 | 95,000 | 25,000 | 75,150 | -- | -- |
| 2005 | 95,000 | 25,000 | 76,288 | -- | -- |
| 2004 | 95,000 | 25,000 | 75,535 | -- | -- |
| 2003 | 95,000 | 25,000 | 73,732 | -- | -- |
| 2002 | 95,000 | 25,000 | 75,229 | -- | -- |
| CALIFORNIA PREMIUM INCOME (NCU) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(b) | 43,000 | 25,000 | 74,548 | 1,788 | 72,713 |
| 2006 | 43,000 | 25,000 | 74,109 | -- | -- |
| 2005 | 43,000 | 25,000 | 75,456 | -- | -- |
| 2004 | 43,000 | 25,000 | 73,704 | -- | -- |
| 2003 | 43,000 | 25,000 | 70,848 | -- | -- |
| 2002 | 43,000 | 25,000 | 73,400 | -- | -- |

* Annualized.

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

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

\+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.
(b) For the six months ended February 28, 2007.

See accompanying notes to financial statements.

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FINANCIAL HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

| | | Investment Operations | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share-holders+ | Distributions from Capital Gains to Preferred Share-holders+ | Total |
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(c) | $15.59 | $ .50 | $ .11 | $(.11) | $(.01) | $ .49 |
| 2006 | 15.98 | 1.01 | (.25) | (.21) | -- | .55 |
| 2005 | 15.59 | 1.04 | .50 | (.12) | -- | 1.42 |
| 2004 | 14.82 | 1.05 | .76 | (.06) | -- | 1.75 |
| 2003 | 15.24 | 1.06 | (.47) | (.07) | -- | .52 |
| 2002 | 15.13 | 1.07 | -- | (.10) | -- | .97 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(c) | 15.36 | .48 | .10 | (.12) | -- | .46 |
| 2006 | 15.63 | .97 | (.19) | (.21) | -- | .57 |
| 2005 | 14.97 | .98 | .71 | (.12) | -- | 1.57 |
| 2004 | 14.18 | .99 | .77 | (.06) | -- | 1.70 |
| 2003 | 14.79 | 1.00 | (.62) | (.07) | -- | .31 |
| 2002 | 15.11 | 1.06 | (.40) | (.11) | -- | .55 |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(c) | 15.03 | .48 | .15 | (.13) | -- | .50 |
| 2006 | 15.31 | .97 | (.20) | (.22) | -- | .55 |
| 2005 | 14.65 | .97 | .68 | (.13) | -- | 1.52 |
| 2004 | 13.72 | .98 | .88 | (.07) | -- | 1.79 |
| 2003 | 14.33 | .98 | (.66) | (.08) | -- | .24 |
| 2002(b) | 14.33 | .83 | .09 | (.08) | -- | .84 |

Total Returns

| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Total Returns Based on Market Value** | Total Returns Based on Common Share Net Asset Value** |
|---|---|---|---|---|---|
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | $ -- | $15.62 | $15.92 | 2.59% | 3.16% |
| 2006 | -- | 15.59 | 15.97 | 5.47 | 3.63 |
| 2005 | -- | 15.98 | 16.07 | 14.62 | 9.41 |
| 2004 | -- | 15.59 | 15.00 | 12.07 | 12.11 |
| 2003 | -- | 14.82 | 14.30 | 4.79 | 3.37 |
| 2002 | -- | 15.24 | 14.55 | 3.67 | 6.75 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | -- | 15.43 | 15.24 | 4.57 | 3.04 |
| 2006 | -- | 15.36 | 14.95 | 4.19 | 3.82 |
| 2005 | -- | 15.63 | 15.19 | 14.98 | 10.80 |
| 2004 | -- | 14.97 | 14.08 | 13.60 | 12.11 |
| 2003 | -- | 14.18 | 13.24 | (.95) | 2.16 |
| 2002 | -- | 14.79 | 14.28 | (.27) | 3.90 |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | -- | 15.14 | 15.12 | 4.56 | 3.38 |
| 2006 | -- | 15.03 | 14.84 | 8.50 | 3.81 |
| 2005 | -- | 15.31 | 14.49 | 15.75 | 10.69 |
| 2004 | -- | 14.65 | 13.33 | 11.97 | 13.36 |
| 2003 | .01 | 13.72 | 12.71 | (3.20) | 1.68 |
| 2002(b) | (.12) | 14.33 | 14.00 | (1.68) | 5.32 |

| | Ratios/Supplemental Data | | | | | |
|---|---|---|---|---|---|---|
| | Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement | | | | Ratios to Ave Applicable to After Credit/R | |
| | Ending Net Assets Applicable to Common Shares (000) | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) | Net Investment Income++ | Expenses Including Interest++(a) | Exp Excl Int |
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Year Ended 8/31: | | | | | |
| 2007(c) | $366,471 | 1.13%* | 1.11%* | 6.22%* | .90%* |
| 2006 | 365,516 | 1.13 | 1.13 | 6.22 | .83 |
| 2005 | 374,265 | 1.12 | 1.12 | 6.22 | .75 |
| 2004 | 365,066 | 1.14 | 1.14 | 6.38 | .70 |
| 2003 | 346,918 | 1.15 | 1.15 | 6.44 | .70 |
| 2002 | 356,821 | 1.18 | 1.18 | 6.76 | .72 |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | 228,237 | 1.19* | 1.14* | 5.90* | .80* |
| 2006 | 227,160 | 1.16 | 1.16 | 5.94 | .73 |
| 2005 | 231,140 | 1.16 | 1.16 | 5.94 | .70 |
| 2004 | 221,395 | 1.18 | 1.18 | 6.24 | .72 |
| 2003 | 209,722 | 1.18 | 1.18 | 6.30 | .73 |
| 2002 | 218,814 | 1.19 | 1.19 | 6.82 | .73 |
| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | 365,300 | 1.17* | 1.14* | 6.06* | .76* |
| 2006 | 362,473 | 1.16 | 1.16 | 6.08 | .70 |
| 2005 | 369,262 | 1.17 | 1.17 | 6.05 | .70 |
| 2004 | 353,360 | 1.20 | 1.20 | 6.32 | .73 |
| 2003 | 330,829 | 1.20 | 1.20 | 6.33 | .73 |
| 2002(b) | 345,470 | 1.15* | 1.15* | 6.01* | .69* |

| | Preferred Shares at End of Period | | | Floating Rate Obligations at End of Period | |
|---|---|---|---|---|---|
| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share | Aggregate Amount Outstanding (000) | Asset Coverage Per $1,000 |
| CALIFORNIA DIVIDEND ADVANTAGE (NAC) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | $175,000 | $25,000 | $77,353 | $3,403 | $160,116 |
| 2006 | 175,000 | 25,000 | 77,217 | -- | -- |
| 2005 | 175,000 | 25,000 | 78,466 | -- | -- |
| 2004 | 175,000 | 25,000 | 77,152 | -- | -- |
| 2003 | 175,000 | 25,000 | 74,560 | -- | -- |
| 2002 | 175,000 | 25,000 | 75,974 | -- | -- |
| CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(c) | 110,000 | 25,000 | 76,872 | 5,363 | 64,069 |
| 2006 | 110,000 | 25,000 | 76,627 | -- | -- |
| 2005 | 110,000 | 25,000 | 77,532 | -- | -- |
| 2004 | 110,000 | 25,000 | 75,317 | -- | -- |
| 2003 | 110,000 | 25,000 | 72,664 | -- | -- |
| 2002 | 110,000 | 25,000 | 74,731 | -- | -- |

| CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH) | | | | | |
|---|---|---|---|---|---|
| Year Ended 8/31: | | | | | |
| 2007(c) | 187,000 | 25,000 | 73,837 | 4,479 | 124,309 |
| 2006 | 187,000 | 25,000 | 73,459 | -- | -- |
| 2005 | 187,000 | 25,000 | 74,367 | -- | -- |
| 2004 | 187,000 | 25,000 | 72,241 | -- | -- |
| 2003 | 187,000 | 25,000 | 69,229 | -- | -- |
| 2002(b) | 187,000 | 25,000 | 71,186 | -- | -- |

* Annualized.

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

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

\+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.

(b) For the period September 25, 2001 (commencement of operations) through August 31, 2002.

(c) For the six months ended February 28, 2007.

See accompanying notes to financial statements.



FINANCIAL HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

| | | Investment Operations | | | | |
|---|---|---|---|---|---|---|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share-holders+ | Distributions from Capital Gains to Preferred Share-holders+ | Total |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(d) | $15.50 | $ .51 | $ .14 | $(.13) | $ -- | $ .52 |
| 2006 | 15.81 | 1.01 | (.25) | (.22) | -- | .54 |
| 2005 | 15.35 | 1.01 | .52 | (.12) | -- | 1.41 |
| 2004 | 14.60 | 1.02 | .84 | (.06) | (.01) | 1.79 |
| 2003 | 15.14 | .99 | (.49) | (.07) | (.01) | .42 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2002(b) | 14.33 | .34 | .92 | (.03) | -- | 1.23 |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | | |
| Year Ended 8/31: | | | | | | |
| 2007(d) | 14.92 | .48 | .20 | (.12) | -- | .56 |
| 2006 | 15.17 | .95 | (.25) | (.21) | -- | .49 |
| 2005 | 14.62 | .96 | .57 | (.13) | -- | 1.40 |
| 2004 | 13.79 | .96 | .84 | (.06) | -- | 1.74 |
| 2003(c) | 14.33 | .64 | (.33) | (.04) | -- | .27 |

| | | | | Total Returns | |
|---|---|---|---|---|---|
| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | $ -- | $15.63 | $15.45 | .91% | 3.40% |
| 2006 | -- | 15.50 | 15.70 | 10.72 | 3.62 |
| 2005 | -- | 15.81 | 15.00 | 9.00 | 9.46 |
| 2004 | -- | 15.35 | 14.67 | 12.54 | 12.53 |
| 2003 | -- | 14.60 | 14.00 | (.35) | 2.70 |
| 2002(b) | (.12) | 15.14 | 15.00 | 2.05 | 7.84 |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | -- | 15.13 | 14.73 | 5.72 | 3.81 |
| 2006 | -- | 14.92 | 14.27 | 4.56 | 3.43 |
| 2005 | -- | 15.17 | 14.38 | 7.46 | 9.84 |
| 2004 | -- | 14.62 | 14.19 | 11.54 | 12.86 |
| 2003(c) | (.21) | 13.79 | 13.56 | (5.79) | .34 |

| | Ratios/Supplemental Data | | | | | |
|---|---|---|---|---|---|---|
| | Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement | | | | Ratios to Av Applicable t After Credit/ | |
| | Ending Net Assets Applicable to Common Shares (000) | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) | Net Investment Income++ | Expenses Including Interest++(a) | Ex Exc In |
| INSURED CALIFORNIA | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| DIVIDEND ADVANTAGE (NKL) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | $238,698 | 1.19%* | 1.14%* | 6.10%* | .73%* |
| 2006 | 236,525 | 1.17 | 1.17 | 6.12 | .71 |
| 2005 | 241,254 | 1.16 | 1.16 | 6.06 | .71 |
| 2004 | 234,186 | 1.18 | 1.18 | 6.28 | .72 |
| 2003 | 222,751 | 1.18 | 1.18 | 6.00 | .72 |
| 2002(b) | 231,062 | 1.10* | 1.10* | 4.98* | .60* |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | 89,029 | 1.25* | 1.20* | 5.94* | .75* |
| 2006 | 87,775 | 1.22 | 1.22 | 5.97 | .73 |
| 2005 | 89,272 | 1.21 | 1.21 | 5.95 | .73 |
| 2004 | 86,008 | 1.23 | 1.23 | 6.17 | .73 |
| 2003(c) | 81,141 | 1.14* | 1.14* | 5.25* | .67* |

| | Preferred Shares at End of Period | | | Floating Rate Obligations at End of Period | |
|---|---|---|---|---|---|
| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share | Aggregate Amount Outstanding (000) | Asset Coverage Per $1,000 |
| INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | $118,000 | $25,000 | $75,572 | $4,985 | $72,554 |
| 2006 | 118,000 | 25,000 | 75,111 | -- | -- |
| 2005 | 118,000 | 25,000 | 76,113 | -- | -- |
| 2004 | 118,000 | 25,000 | 74,616 | -- | -- |
| 2003 | 118,000 | 25,000 | 72,193 | -- | -- |
| 2002(b) | 118,000 | 25,000 | 73,954 | -- | -- |
| INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX) | | | | | |
| Year Ended 8/31: | | | | | |
| 2007(d) | 45,000 | 25,000 | 74,460 | 1,902 | 71,467 |
| 2006 | 45,000 | 25,000 | 73,764 | -- | -- |
| 2005 | 45,000 | 25,000 | 74,595 | -- | -- |
| 2004 | 45,000 | 25,000 | 72,782 | -- | -- |
| 2003(c) | 45,000 | 25,000 | 70,078 | -- | -- |

* Annualized.

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

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

\+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.
(b) For the period March 25, 2002 (commencement of operations) through August 31, 2002.
(c) For the period November 21, 2002 (commencement of operations) through August 31, 2003.
(d) For the six months ended February 28, 2007.

See accompanying notes to financial statements.

86-87 spread

Reinvest Automatically
EASILY AND CONVENIENTLY

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

NUVEEN CLOSED-END FUNDS
DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the 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.

FLEXIBLE

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.

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

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.



Automatic Dividend
REINVESTMENT PLAN

NOTICE OF AMENDMENT TO THE TERMS AND CONDITIONS

These Funds are amending the terms and conditions of their Automatic Dividend Reinvestment Plan (the ''Plan'') as further described below effective with the close of business on June 1, 2007. THESE CHANGES ARE INTENDED TO ENABLE PLAN PARTICIPANTS UNDER CERTAIN CIRCUMSTANCES TO REINVEST FUND DISTRIBUTIONS AT A LOWER AGGREGATE COST THAN IS POSSIBLE UNDER THE EXISTING PLAN. Shareholders who do not wish to continue as participants under the amended Plan may withdraw from the Plan by notifying the Plan Agent prior to the effective date of the amendments. Participants should refer to their Plan document for notification instructions, or may simply call Nuveen at (800) 257-8787.

Fund shareholders who elect to participate in the Plan are able to have Fund distributions consisting of income dividends, realized capital gains and returns of capital automatically reinvested in additional Fund shares. Under the Plan's existing terms, the Plan Agent purchases Fund shares in the open market if the Fund's shares are trading at a discount to their net asset value on the payable date for the distribution. If the Fund's shares are trading at or above their net asset value on the payable date for the distribution, the Plan Agent purchases newly-issued Fund shares directly from the Fund at a price equal to the greater of the shares' net asset value or 95% of the shares' market value.

Under the Plan's amended terms, if the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the

Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value. This change will permit Plan participants under these circumstances to reinvest Fund distributions at a lower aggregate cost than is possible under the existing Plan.



## 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 that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (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 unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.

INVERSE FLOATERS: Inverse floating rate securities are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

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 common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage 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.



Other Useful
INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2006, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at http://www.sec.gov or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

For Funds listed on the New York Stock Exchange, each Fund's Chief Executive Officer has submitted to the Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

BOARD OF DIRECTORS/TRUSTEES
Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Carol E. Stone
Eugene S. Sunshine

FUND MANAGER
Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN
State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND
SHAREHOLDER SERVICES
State Street Bank & Trust Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
Chicago, IL

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



Nuveen Investments:
SERVING Investors
For GENERATIONS

Photo of: 2 women looking at a photo album.

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.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing approximately $162 billion in assets as of December 31, 2006, 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 six distinct brands: NWQ, specializing in value-style equities; Nuveen, managing fixed-income investments; Santa Barbara, committed to growth equities; Tradewinds, specializing in global value equities; Rittenhouse, focused on "blue-chip" growth equities; and Symphony, with expertise in alternative investments as well as equity and income portfolios.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

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

Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at WWW.NUVEEN.COM/CEF

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

ESA-B-0207D

Logo: NUVEEN Investments

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

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

Not applicable to this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")(17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

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

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

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

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

SIGNATURES

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

(Registrant) Nuveen Insured California Premium Income Municipal Fund 2, Inc.

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

Date: May 4, 2007

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: May 4, 2007

By (Signature and Title)* /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: May 4, 2007

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