

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
Form N-CSR
November 05, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-09161

Nuveen California Dividend Advantage Municipal Fund

(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: August 31, 2004

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT August 31, 2004

Nuveen Investments
Municipal Closed-End
Exchange-Traded
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: Man and woman sitting on porch.
Photo of: 2 children sitting in the grass.

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: Man and child
Photo of: Woman

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OR

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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 most recent reporting period
your Fund continued to provide you with monthly income free from both federal
and California state income taxes, as well as with an attractive total return.
For more specific information about the performance of your Fund, please see the
Portfolio Managers' Comments and Performance Overview sections of this report.

With long-term interest rates still near historic lows, many investors have
begun to wonder whether these interest rates will rise, and whether that makes
this the time to adjust their holdings of fixed-income investments. No one knows
what the future will bring, which is why we think a well-balanced portfolio that
is structured and carefully monitored with the help of an investment
professional is an important component in achieving your long-term financial
goals. A well-diversified portfolio

"OUR MISSION CONTINUES TO BE TO ASSIST YOU AND YOUR FINANCIAL ADVISOR BY
OFFERING THE INVESTMENT SERVICES AND PRODUCTS THAT CAN HELP YOU TO SECURE YOUR
FINANCIAL OBJECTIVES."

may actually help to reduce your overall investment risk, and we believe that a
municipal bond investment like your Nuveen California Fund can be an important
building block in a portfolio designed to perform well through a variety of
market conditions.

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

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering the investment services and products that can help you to secure your financial objectives. 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.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

October 15, 2004

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

Portfolio Managers'
PERSPECTIVE

Portfolio managers Dan Solender and Scott Romans discuss the market environment, key investment strategies, and the annual performance of these eight Nuveen California Funds. With twelve years of investment experience, including eight at Nuveen, Dan assumed portfolio management responsibility for NPC and NCL in May 2004. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since January 2003

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE ANNUAL REPORTING PERIOD ENDED AUGUST 31, 2004?

Over the entire 12 months, the U.S. economy demonstrated evidence of improvement in a number of key areas, although the recovery slowed somewhat in the last five months of the period. After surging at the fastest pace in almost 20 years (7.4% annualized) during the third quarter of 2003, the U.S. gross domestic product (GDP) expanded at annualized rates of 4.2% in the fourth quarter of 2003 and 4.5% in the first quarter of 2004. However, during the second quarter of 2004 rising energy prices restrained consumer spending, which in turn impacted economic momentum and GDP growth in the second quarter moderated to 3.3% annualized.

Higher energy costs also fueled increased worries about the future rate of inflation. While rises in consumer prices were relatively tame over this fiscal year, the annualized rise of 3.7% in the Consumer Price Index for the eight months ended August 2004 was running well ahead of the 1.9% increase for all of 2003. During the second quarter of 2004 in particular, inflation concerns, combined with the general pace of economic recovery and continued geopolitical uncertainty, caused heightened volatility in the longer-term fixed-income markets.

This volatility can be seen in the yield of the Bond Buyer 25 Revenue Bond

Index, a widely followed long-term municipal bond index, over the course of this fiscal year (September 1, 2003 through August 31, 2004). At the start of the period, the index yield was 5.41%, still close to its mid-August 2003 peak of 5.50%. From there, the yield dropped steadily over the next seven months to 4.73% by mid-March 2004. As investors increasingly anticipated action by the Federal Reserve in response to a series of improved employment reports, the index yield began to climb again, rising more than 80 basis points over the next 12 weeks to 5.45%, before retreating to end August 2004 at 5.13%.

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Between June and August 2004, the Fed moved twice to increase the short-term fed funds rate by a total of 50 basis points in an attempt to promote a sustainable economic recovery without increasing inflationary pressures. (On September 21, following the close of this reporting period, the Fed added another 25 basis points to its fed funds target rate, bringing it to 1.75%.) Historically, longer-term interest rates often have moved in the same direction when the Fed has adjusted short-term rates up or down.

Municipal supply nationwide continued to be relatively strong over the entire 12-month reporting period, with \$369.5 billion in new bonds coming to market. Looking just at 2004, new issue supply reached \$241 billion for the first eight months a decrease of 5% from January-August 2003's record \$254 billion.

HOW ABOUT MARKET AND ECONOMIC CONDITIONS IN CALIFORNIA?

The biggest story in California over this 12-month period was voters' approval of \$15 billion in economic recovery bonds (ERBs) in March 2004 and the state's subsequent issuance of \$11 billion of ERBs in May and June. This essentially resolved the cash flow crisis that was facing California on June 30 when the state's fiscal year ended. While many observers believe work remains to address the state's longer-term deficit problems, the ERBs improved the state's balance sheet liquidity and, combined with California's steadily recovering economy, led all three major credit rating agencies to upgrade the state's \$33 billion of outstanding general obligation debt. In May 2004, Moody's revised its rating of California GOs to A3 from Baal, followed in August 2004 by Standard & Poor's upgrade to A from BBB. S&P also removed California from its credit watch. (On September 7, following the end of this reporting period, Fitch moved its rating for California to A- from BBB.)

During the 12-month reporting period ended August 2004, issuers in California sold \$58.6 billion in new municipal bonds, down 8% from the previous 12-month period. For the first eight months of 2004, supply was slightly more plentiful, due in part to the ERBs, with issuance totaling \$42.7 billion, on par with January-August 2003 levels.

On July 31, 2004, the state enacted its \$105 billion fiscal 2005 budget, closing a \$14 billion structural gap through a combination of expenditure cuts, borrowing and fund transfers, but no new tax increases. While we believe this represents meaningful

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progress toward fiscal balance in California, the potential still exists for smaller, but significant, deficits to re-emerge in fiscal 2006 and 2007 if no further action is taken by that time. This is partially the result of budget

compromises--which offered future concessions for current spending cuts--negotiated with various constituents, including education groups, unions representing state workers, and Native Americans. These deals could limit the state's ability to address future gaps. On a positive note, in July 2004, the state controller's office reported that fiscal 2004 general fund revenues totaled \$75.5 billion, an increase of 10% from fiscal 2003, and current economic data suggest that revenue growth assumptions in the 2005 budget are reasonable.

California continued to benefit from the stability provided by a diverse state economy. Overall, the general economic downturn of the past several years has had a limited impact, despite severe weakness in the Silicon Valley area which skewed economic and job performance statistics for the entire state. Recent indicators suggest that the employment picture in Silicon Valley is stabilizing, while the jobless rate in California as a whole dropped to 5.8% in August 2004, compared with 6.8% in August 2003. The national average in August 2004 was 5.4%. Personal income growth in California consistently has outpaced the national average over the past two years, which benefits the state budget since personal income taxes represent approximately 50% of the state's general fund revenues. California's housing market also continued to be very strong, both in the Bay area and Southern California, with tight inventories of homes for sale and foreclosure rates at the lowest level in 10 years.

IN THIS ENVIRONMENT, WHAT KEY STRATEGIES WERE USED TO MANAGE THE NUVEEN CALIFORNIA FUNDS DURING THE 12 MONTHS ENDED AUGUST 31, 2004?

As the market continued to anticipate increased interest rates, our major focus during this reporting period remained on efforts to find bonds that we thought represented good value or that we judged would have attractive total return potential under a variety of market scenarios. With the yield curve relatively steep during this period, our purchase activity focused on finding attractive securities in the long-intermediate part of the curve (i.e., bonds that mature in 15 to 20 years). In many cases, these bonds offered yields similar to those of longer-term bonds with less inherent interest rate risk and greater

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total return prospects. We believe this yield curve positioning also may help the Funds produce more consistent returns over time as interest rates rise and fall.

Much of the municipal bond issuance in California during this fiscal year period came from the general tax obligation sector (GOs), and we increased each Fund's allocation to this sector, except NZH where we maintained our exposure at August 2003 levels. In NPC and NCL, our purchases in this sector included several insured school district GOs with premium coupons that we believed could help to mitigate the effects on the Funds' price and NAV performance if interest rates continued to rise. In NCU, NAC, NVX, NZH, NKL and NKX, we bought and occasionally sold California GOs in an attempt to take advantage of general market moves. As the credit ratings on noninsured California GOs were upgraded in recent months, their prices improved and this helped the performance of these six Funds.

We also found several opportunities in NAC, NVX and NZH to increase our weightings in nonrated land-secured securities, an area we research very carefully. This past fiscal year saw a sizable number of small, attractively priced land-secured deals come market, and we focused in particular on purchasing bonds with relatively higher coupons. In cases where our research showed the likelihood of strengthening credit situations, we were willing to buy bonds out further on the yield curve than our targeted range, as we believed

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these bonds might increase in value if their issuing entities received ratings upgrades.

Some of these purchases were financed through the sale of lower-yielding bonds and bonds with relatively short call dates. In addition, we diversified credit risk at the issuer level by reducing concentrated positions in certain lower-rated and non-rated holdings in NCU, NAC, NVX, NZH, NKL and NKX. Since lower-rated bonds generally performed well over the 12 month period, we considered it a good time to take advantage of opportunities to sell these bonds at what we thought were very attractive prices. However, we were careful to balance these efforts against the goal of building and maintaining the Funds' income streams. Even as we sold some BBB rated bonds, we continued to add other BBB and sub-investment grade securities to the portfolios.

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HOW DID THE FUNDS PERFORM?

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

TOTAL RETURNS ON NET ASSET VALUE

For periods ended 8/31/04

(Annualized)

| NONINSURED FUNDS | 1-YEAR | 5-YEAR | 10-YEAR |
|---|--------|--------|---------|
| NCU | 12.94% | 8.24% | 8.06% |
| NAC | 12.11% | 9.69% | NA |
| NVX | 12.11% | NA | NA |
| NZH | 13.36% | NA | NA |
| Lehman Brothers CA Tax-Exempt Bond Index1 | 8.04% | 6.60% | 6.67% |
| Lipper CA Municipal Debt Funds Average2 | 11.91% | 7.50% | 7.09% |
| INSURED FUNDS | 1-YEAR | 5-YEAR | 10-YEAR |
| NPC | 10.64% | 8.09% | 7.64% |
| NCL | 10.02% | 8.08% | 7.66% |
| NKL | 12.53% | NA | NA |
| NKX | 12.86% | NA | NA |
| Lehman Brothers Insured CA Tax-Exempt Bond Index3 | 7.47% | 6.87% | 6.84% |

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| | | | |
|----------------------|--------|-------|-------|
| Lipper CA | | | |
| Insured Municipal | | | |
| Debt Funds | | | |
| Average ⁴ | 10.42% | 7.43% | 7.18% |
| ----- | | | |

Past performance is not predictive of future results.

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

For the 12 months ended August 31, 2004, the annual total returns on net asset value (NAV) for all four noninsured Funds outperformed the return on the Lehman Brothers CA Tax-Exempt Bond Index. All of these Funds also surpassed the average return for their Lipper California peer group for this period. Among the insured Funds, the total returns on NAV for all four Funds outperformed the Lehman Brothers Insured CA Tax-Exempt Bond Index. NPC, NKL and NKX also performed better than their insured Lipper peer group, while NCL's return trailed this measure.

- 1 The Lehman Brothers California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Lipper California Municipal Debt Funds category average is calculated using the returns of all leveraged and unleveraged closed-end exchange-traded funds in this category for each period as follows: 1 year, 30 funds; 5 years, 19 funds; and 10 years, 17 funds. Fund and Lipper returns assume reinvestment of dividends.
- 3 The Lehman Brothers Insured California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of insured California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 4 The Lipper Insured California Municipal Debt Funds category average is calculated using the returns of all closed-end exchange-traded funds in this category for each period as follows: 1 year, 13 funds; 5 years, 7 funds; and 10 years, 6 funds. Fund and Lipper returns assume reinvestment of dividends.

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One of the primary factors benefiting the 12-month performance of each of these Funds relative to that of the unleveraged Lehman indexes was their use of financial leverage. While leveraging can add volatility to the Funds' NAVs and share prices, especially when substantial shifts in interest rates occur, this strategy also can provide opportunities for additional income and total return for common shareholders when short-term interest rates remain low and long-term rates are relatively steady or falling.

While no single factor explains all of the differences in the Funds' performances relative to each other, several Funds did benefit more than others from their duration, sector or credit quality positioning over this period. For example, the performance of NZH was helped by the fact that it is the newest of the four uninsured Funds and, consequently, had a substantially lower exposure to shorter-duration bonds than the other three uninsured Funds over the 12 months - a time when shorter-duration bonds tended to underperform longer-duration bonds. NCU did well because of its relatively large sector allocations to bonds backed by revenues from the 1998 master tobacco settlement agreement and to unenhanced state general obligation bonds. Both of these

sectors were among the strongest performers for the Fund.

Relative to the other uninsured Funds, NAC had a higher weighting in bonds with shorter durations, and this hurt the Fund relative to the three other uninsured Funds. NAC also had a more modest exposure to tobacco settlement bonds, which also affected its relative performance. NVX had a relatively lower exposure to state general obligation bonds and a relatively higher weighting in multifamily housing bonds, which generally were weaker performers over the period. The returns of NAC, NVX and NZH were also boosted by the strong performance of their nonrated land-secured holdings.

Looking at the four insured Funds, NKX and NKL were helped by the fact that they can maintain an exposure of up to 20% in non-insured bond, because lower-rated bonds tended to significantly outperform AAA-rated insured bonds over this fiscal year period. In addition, NCL had a number of housing bond calls, which slightly impacted its performance.

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HOW ABOUT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining at or near historically low levels throughout this reporting period, the leveraged structures of these eight Funds continued to support their dividend-paying capabilities. The extent of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. (The Fund's leverage themselves by issuing MuniPreferred shares, which pay dividends based on current short-term notes and do not bear the risk of principal loss or gain.) During periods of low short-term rates, the Funds generally pay relatively lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. During this reporting period, this strategy enabled us to increase the dividends of NPC and NAC, while helping to maintain the dividends of NCL, NCU, NVX, NZH, NKL and NKX throughout the period.

All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's 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 August 31, 2004, all of the Funds in this report had positive UNII balances except NKX, which had a negative UNII balance.

As of August 31, 2004, NCL was trading at a slight premium to its net asset value, while the other seven Funds were trading at share prices below their NAVs. In each case, the Funds were trading roughly in line with their average discount across the entire 12-month period.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF AUGUST 31, 2004?

Given the current geopolitical and economic climate, we continued to believe that maintaining strong credit quality was an important requirement. As of August 31, 2004, the four uninsured Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 70% in NVX to 67% in NCU, 63% in

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NZH and 62% in NAC. NPC and NCL continued to be 100% invested in insured and/or U.S. guaranteed securities. NKL and NKX, which are allowed to invest up to 20% in uninsured investment-grade quality securities, held 80% and 82% of their portfolios, respectively, in insured bonds as of August 31, 2004.

At the end of August 2004, potential call exposure for these Funds during 2004-2005 ranged from 17% in NCU, 7% in NCL, 5% in NPC, 2% in NZH and NAC, 1% in NVX, and 0% in NKL and NKX. For all of the Funds, the number of actual bond calls depends largely on market interest rates.

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Nuveen Insured California Premium Income Municipal Fund, Inc.
NPC

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.81 |
| Common Share Net Asset Value | \$16.23 |
| Premium/(Discount) to NAV | -2.59% |
| Market Yield | 5.84% |
| Taxable-Equivalent Yield ¹ | 8.92% |
| Net Assets Applicable to Common Shares (\$000) | \$104,618 |
| Average Effective Maturity (Years) | 17.23 |
| Leverage-Adjusted Duration | 8.25 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 11.80% | 10.64% |
| 5-Year | 6.87% | 8.09% |
| 10-Year | 8.17% | 7.64% |

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SECTORS

(as a % of total investments)

| | |
|-----------------------------------|-----|
| Tax Obligation/General | 31% |
| U.S. Guaranteed | 22% |
| Water and Sewer | 17% |
| Tax Obligation/Limited | 14% |
| Education and Civic Organizations | 6% |
| Utilities | 6% |
| Other | 4% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

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

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 15.02 |
| | 15.16 |
| | 15.2 |
| | 15.04 |
| | 15.35 |
| | 15.36 |
| | 15.3 |
| | 15.32 |
| | 15.44 |
| | 15.39 |
| | 15.75 |
| | 15.79 |
| | 15.72 |
| | 15.64 |
| | 15.88 |
| | 16.07 |

| | |
|---------|-------|
| | 16.12 |
| | 16.31 |
| | 16.42 |
| | 16.09 |
| | 16.06 |
| | 16.21 |
| | 16.09 |
| | 16.27 |
| | 16.22 |
| | 16.41 |
| | 16.27 |
| | 16.34 |
| | 16.65 |
| | 16.43 |
| | 15.62 |
| | 14.79 |
| | 14.35 |
| | 14.14 |
| | 13.77 |
| | 13.8 |
| | 14.15 |
| | 14.29 |
| | 14.31 |
| | 14.21 |
| | 13.76 |
| | 13.89 |
| | 14.38 |
| | 14.66 |
| | 14.61 |
| | 14.45 |
| | 14.88 |
| | 15.27 |
| | 15.07 |
| | 15.39 |
| 8/31/04 | 15.49 |

- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.5%. For investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0615 per share.

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

Performance
OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|-------------|---------|
| Share Price | \$15.18 |
|-------------|---------|

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| | |
|---|-----------|
| Common Share Net Asset Value | \$15.12 |
| Premium/(Discount) to NAV | 0.40% |
| Market Yield | 6.01% |
| Taxable-Equivalent Yield ¹ | 9.18% |
| Net Assets Applicable to Common Shares (\$000) | \$192,035 |
| Average Effective Maturity (Years) | 18.39 |
| Leverage-Adjusted Duration | 7.91 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 12.71% | 10.02% |
| 5-Year | 7.22% | 8.08% |
| 10-Year | 8.63% | 7.66% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-----|
| Tax Obligation/Limited | 32% |
| Tax Obligation/General | 21% |
| Water and Sewer | 15% |
| Education and Civic Organizations | 9% |
| Utilities | 8% |
| U.S. Guaranteed | 5% |
| Other | 10% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

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

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 14.69 |
| | 14.62 |
| | 14.74 |
| | 14.7 |
| | 14.95 |
| | 14.84 |
| | 14.92 |
| | 14.93 |
| | 15.2 |
| | 15.26 |
| | 15.19 |
| | 15.32 |
| | 15.33 |
| | 15.3 |
| | 15.33 |
| | 15.43 |
| | 15.6 |
| | 15.59 |
| | 15.53 |
| | 15.52 |
| | 15.46 |
| | 15.44 |
| | 15.51 |
| | 15.53 |
| | 15.55 |
| | 15.73 |
| | 15.63 |
| | 15.66 |
| | 15.85 |
| | 15.7 |
| | 14.88 |
| | 14.1 |
| | 13.55 |
| | 13.37 |
| | 13.16 |
| | 13.23 |
| | 13.42 |
| | 13.97 |
| | 13.85 |
| | 13.77 |
| | 13.16 |
| | 13.21 |
| | 13.65 |
| | 13.88 |
| | 14.11 |
| | 13.86 |
| | 14.24 |
| | 14.52 |
| | 14.7 |

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8/31/04 14.9
15.08

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

13

Nuveen California Premium Income Municipal Fund
NCU

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---|----------|
| Share Price | \$13.67 |
| Common Share Net Asset Value | \$14.51 |
| Premium/(Discount) to NAV | -5.79% |
| Market Yield | 6.41% |
| Taxable-Equivalent Yield ¹ | 9.79% |
| Net Assets Applicable to Common Shares (\$000) | \$83,772 |
| Average Effective Maturity (Years) | 16.82 |
| Leverage-Adjusted Duration | 9.64 |

AVERAGE ANNUAL TOTAL RETURN

(Inception 6/18/93)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 12.04% | 12.94% |
| 5-Year | 6.82% | 8.24% |
| 10-Year | 8.44% | 8.06% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/Limited | 25% |
| Tax Obligation/General | 18% |

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| | |
|---------------------|-----|
| Healthcare | 16% |
| Water and Sewer | 10% |
| Utilities | 8% |
| Housing/Multifamily | 6% |
| Transportation | 6% |
| Other | 11% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 60% |
| AA | 7% |
| A | 14% |
| BBB | 13% |
| NR | 1% |
| BB or Lower | 5% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 13.02 |
| | 13.18 |
| | 13.19 |
| | 13.31 |
| | 13.45 |
| | 13.43 |
| | 13.28 |
| | 13.35 |
| | 13.57 |
| | 13.65 |
| | 13.65 |
| | 13.69 |
| | 13.66 |
| | 13.64 |
| | 13.6 |
| | 13.61 |
| | 13.62 |
| | 13.71 |

| | |
|---------|-------|
| | 13.8 |
| | 13.87 |
| | 13.77 |
| | 13.78 |
| | 13.77 |
| | 13.84 |
| | 13.87 |
| | 14.03 |
| | 14.1 |
| | 14.11 |
| | 14.02 |
| | 14.07 |
| | 13.6 |
| | 12.92 |
| | 12.87 |
| | 12.75 |
| | 12.37 |
| | 12.17 |
| | 12.18 |
| | 12.99 |
| | 12.65 |
| | 12.51 |
| | 12.6 |
| | 12.52 |
| | 12.8 |
| | 12.81 |
| | 12.8 |
| | 12.84 |
| | 13.14 |
| | 13.18 |
| | 13.23 |
| | 13.36 |
| 8/31/04 | 13.67 |

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

14

Nuveen California Dividend Advantage Municipal Fund

NAC

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---------------------------|---------|
| Share Price | \$15.00 |
| Common Share | |
| Net Asset Value | \$15.59 |
| Premium/(Discount) to NAV | -3.78% |
| Market Yield | 6.56% |

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| | |
|---|-----------|
| Taxable-Equivalent Yield ¹ | 10.02% |
| Net Assets Applicable to Common Shares (\$000) | \$365,066 |
| Average Effective Maturity (Years) | 19.04 |
| Leverage-Adjusted Duration | 8.82 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 12.07% | 12.11% |
| 5-Year | 6.50% | 9.69% |
| Since Inception | 6.35% | 7.90% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-----|
| Tax Obligation/Limited | 25% |
| Tax Obligation/General | 15% |
| Transportation | 14% |
| Healthcare | 10% |
| Utilities | 9% |
| Water and Sewer | 8% |
| Education and Civic Organizations | 7% |
| Housing/Multifamily | 5% |
| Other | 7% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 54% |
| AA | 8% |
| A | 16% |
| BBB | 14% |
| NR | 8% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.081 |
| Oct | 0.081 |
| Nov | 0.081 |

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| | |
|-----|-------|
| Dec | 0.082 |
| Jan | 0.082 |
| Feb | 0.082 |
| Mar | 0.082 |
| Apr | 0.082 |
| May | 0.082 |
| Jun | 0.082 |
| Jul | 0.082 |
| Aug | 0.082 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 14.48 |
| | 14.56 |
| | 14.68 |
| | 14.75 |
| | 14.74 |
| | 14.54 |
| | 14.52 |
| | 14.7 |
| | 14.88 |
| | 14.82 |
| | 14.72 |
| | 14.97 |
| | 15.13 |
| | 15.13 |
| | 15.33 |
| | 15.21 |
| | 15.29 |
| | 15.33 |
| | 15.29 |
| | 15.46 |
| | 15.13 |
| | 15.2 |
| | 15.17 |
| | 15.14 |
| | 15.25 |
| | 15.45 |
| | 15.63 |
| | 15.62 |
| | 15.42 |
| | 15.3 |
| | 14.92 |
| | 14.38 |
| | 14.23 |
| | 14.13 |
| | 13.55 |
| | 13.22 |
| | 13.53 |
| | 14.16 |
| | 14.08 |
| | 13.97 |
| | 13.93 |
| | 13.91 |
| | 14.23 |
| | 14.2 |
| | 14.25 |
| | 14.09 |
| | 14.35 |
| | 14.61 |

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| | |
|---------|-------|
| | 14.65 |
| | 14.84 |
| 8/31/04 | 14.87 |

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

15

Nuveen California Dividend Advantage Municipal Fund 2
NVX

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.08 |
| Common Share Net Asset Value | \$14.97 |
| Premium/(Discount) to NAV | -5.95% |
| Market Yield | 6.48% |
| Taxable-Equivalent Yield ¹ | 9.89% |
| Net Assets Applicable to Common Shares (\$000) | \$221,395 |
| Average Effective Maturity (Years) | 18.50 |
| Leverage-Adjusted Duration | 9.67 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 13.60% | 12.11% |
| Since Inception | 4.43% | 7.46% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/Limited | 29% |
| Tax Obligation/General | 21% |

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| | |
|--------------------------------------|-------|
| Education and Civic Organizations | 11% |
| ----- | ----- |
| Water and Sewer | 9% |
| ----- | ----- |
| Utilities | 6% |
| ----- | ----- |
| Transportation | 6% |
| ----- | ----- |
| Healthcare | 6% |
| ----- | ----- |
| Housing/Multifamily | 6% |
| ----- | ----- |
| Other | 6% |
| ----- | ----- |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 68% |
| AA | 2% |
| A | 12% |
| BBB | 12% |
| NR | 6% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 13.52 |
| | 13.5 |
| | 13.55 |
| | 13.72 |
| | 13.8 |
| | 13.59 |
| | 13.65 |
| | 13.74 |
| | 13.97 |
| | 14 |
| | 13.82 |
| | 14.1 |
| | 14.18 |
| | 14.01 |
| | 14.05 |
| | 14.02 |
| | 14.02 |
| | 14.2 |

| | |
|---------|-------|
| | 14.26 |
| | 14.28 |
| | 14.11 |
| | 14.31 |
| | 14.3 |
| | 14.2 |
| | 14.32 |
| | 14.35 |
| | 14.52 |
| | 14.53 |
| | 14.49 |
| | 14.19 |
| | 13.95 |
| | 13.35 |
| | 13.06 |
| | 12.92 |
| | 12.61 |
| | 12.41 |
| | 12.75 |
| | 13.05 |
| | 13.09 |
| | 12.99 |
| | 12.96 |
| | 13.14 |
| | 13.42 |
| | 13.35 |
| | 13.37 |
| | 13.3 |
| | 13.4 |
| | 13.68 |
| | 13.65 |
| | 13.88 |
| 8/31/04 | 13.93 |

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

16

Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---------------------------------|---------|
| Share Price | \$13.33 |
| Common Share Net Asset Value | \$14.65 |
| Premium/(Discount) to NAV | -9.01% |
| Market Yield | 6.48% |

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| | |
|---|-----------|
| Taxable-Equivalent Yield ¹ | 9.89% |
| Net Assets Applicable to Common Shares (\$000) | \$353,360 |
| Average Effective Maturity (Years) | 18.18 |
| Leverage-Adjusted Duration | 10.11 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 11.97% | 13.36% |
| Since Inception | 2.19% | 6.83% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-----|
| Tax Obligation/Limited | 31% |
| Tax Obligation/General | 21% |
| Utilities | 9% |
| Water and Sewer | 9% |
| Healthcare | 8% |
| Transportation | 6% |
| Housing/Multifamily | 6% |
| Education and Civic Organizations | 5% |
| Other | 5% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 61% |
| AA | 2% |
| A | 16% |
| BBB | 13% |
| NR | 8% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Sep | 0.072 |
| Oct | 0.072 |
| Nov | 0.072 |
| Dec | 0.072 |
| Jan | 0.072 |

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| | |
|-----|-------|
| Feb | 0.072 |
| Mar | 0.072 |
| Apr | 0.072 |
| May | 0.072 |
| Jun | 0.072 |
| Jul | 0.072 |
| Aug | 0.072 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 12.87 |
| | 12.85 |
| | 13.11 |
| | 13.2 |
| | 13.17 |
| | 13.1 |
| | 13.12 |
| | 13.13 |
| | 13.29 |
| | 13.41 |
| | 13.54 |
| | 13.4 |
| | 13.62 |
| | 13.55 |
| | 13.43 |
| | 13.32 |
| | 13.31 |
| | 13.5 |
| | 13.74 |
| | 13.71 |
| | 13.51 |
| | 13.69 |
| | 13.81 |
| | 13.61 |
| | 13.7 |
| | 13.77 |
| | 13.9 |
| | 13.87 |
| | 13.93 |
| | 13.58 |
| | 13.26 |
| | 12.86 |
| | 12.51 |
| | 12.53 |
| | 12.09 |
| | 12.04 |
| | 12.25 |
| | 12.44 |
| | 12.33 |
| | 12.3 |
| | 12.26 |
| | 12.46 |
| | 12.65 |
| | 12.65 |
| | 12.66 |
| | 12.69 |
| | 12.77 |
| | 13.07 |
| | 13.01 |

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND - Form N-CSR

8/31/04 13.16
13.27

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

17

Nuveen Insured California Dividend Advantage Municipal Fund

NKL

Performance

OVERVIEW As of August 31, 2004

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.67 |
| Common Share Net Asset Value | \$15.35 |
| Premium/(Discount) to NAV | -4.43% |
| Market Yield | 6.22% |
| Taxable-Equivalent Yield ¹ | 9.50% |
| Net Assets Applicable to Common Shares (\$000) | \$234,186 |
| Average Effective Maturity (Years) | 20.68 |
| Leverage-Adjusted Duration | 7.29 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 12.54% | 12.53% |
| Since Inception | 5.69% | 9.45% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/Limited | 29% |
| Tax Obligation/General | 26% |
| Utilities | 13% |

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| | |
|--------------------------------------|-----|
| Water and Sewer | 11% |
| Education and Civic Organizations | 6% |
| Healthcare | 5% |
| Other | 10% |

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

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

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 14.55 |
| | 14.26 |
| | 14.35 |
| | 14.42 |
| | 14.47 |
| | 14.32 |
| | 14.36 |
| | 14.51 |
| | 14.84 |
| | 14.75 |
| | 14.65 |
| | 14.8 |
| | 14.6 |
| | 14.74 |
| | 14.74 |
| | 14.6 |
| | 14.75 |
| | 14.83 |
| | 14.97 |
| | 14.96 |
| | 14.76 |
| | 14.9 |

| | |
|---------|-------|
| | 14.97 |
| | 15 |
| | 15.16 |
| | 15.25 |
| | 15.1 |
| | 15.11 |
| | 15.25 |
| | 15 |
| | 14.42 |
| | 13.85 |
| | 13.48 |
| | 13.38 |
| | 13.29 |
| | 13.23 |
| | 13.21 |
| | 13.59 |
| | 13.4 |
| | 13.4 |
| | 13.17 |
| | 13.25 |
| | 13.5 |
| | 13.8 |
| | 13.93 |
| | 13.85 |
| | 13.95 |
| | 14.2 |
| | 14.21 |
| | 14.2 |
| 8/31/04 | 14.62 |

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

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

18

Nuveen Insured California Tax-Free Advantage Municipal Fund

NKX

Performance

OVERVIEW As of August 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------|-----|
| Insured | 82% |
| A (Uninsured) | 12% |
| BBB (Uninsured) | 6% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Sep | 0.0755 |
|-----|--------|

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 9/1/03 | 13.64 |
| | 14.2 |
| | 14.15 |
| | 14.02 |
| | 14.64 |
| | 14.35 |
| | 14.37 |
| | 14.26 |
| | 14.55 |
| | 14.66 |
| | 14.42 |
| | 14.56 |
| | 14.48 |
| | 14.1 |
| | 14.07 |
| | 14 |
| | 14.07 |
| | 14.55 |
| | 14.74 |
| | 15 |
| | 14.89 |
| | 14.97 |
| | 14.8 |
| | 14.94 |
| | 15.04 |
| | 15.08 |
| | 15 |
| | 14.78 |
| | 14.96 |
| | 14.94 |
| | 14.52 |
| | 13.55 |
| | 13.43 |
| | 13.42 |
| | 13.49 |
| | 13.01 |
| | 13.01 |
| | 13.4 |
| | 13.42 |
| | 13.15 |
| | 12.99 |
| | 12.94 |
| | 13.25 |
| | 13.49 |
| | 13.5 |

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND - Form N-CSR

| | |
|---------|-------|
| | 13.62 |
| | 13.6 |
| | 13.88 |
| | 13.81 |
| | 13.89 |
| 8/31/04 | 14.15 |

FUND SNAPSHOT

| | |
|---|----------|
| Share Price | \$14.19 |
| Common Share | |
| Net Asset Value | \$14.62 |
| Premium/(Discount) to NAV | -2.94% |
| Market Yield | 6.38% |
| Taxable-Equivalent Yield ¹ | 9.74% |
| Net Assets Applicable to Common Shares (\$000) | \$86,008 |
| Average Effective Maturity (Years) | 21.08 |
| Leverage-Adjusted Duration | 8.50 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 11.54% | 12.86% |
| Since Inception | 2.83% | 7.24% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/General | 32% |
| Tax Obligation/Limited | 29% |
| Healthcare | 12% |
| Transportation | 9% |
| Water and Sewer | 8% |
| Other | 10% |

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

Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund as of August 31, 2004, and the related statements of operations, changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of August 31, 2004, by correspondence with the custodian and brokers or other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund at August 31, 2004, the results of their operations, changes in their net assets and financial highlights for the periods indicated therein in conformity with U.S. generally accepted accounting principles.

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/s/ Ernst & Young LLP

Chicago, Illinois
October 15, 2004

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)
Portfolio of
INVESTMENTS August 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 8.8% | |
| \$ 2,000 | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996, 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| 2,500 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/18 - FSA Insured | 5/14 at 100 |
| 2,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.125%, 9/01/31 - FGIC Insured | 9/10 at 101 |
| ----- | | |
| | HEALTHCARE - 4.6% | |
| 3,000 | California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 - MBIA Insured | 8/08 at 101 |
| 1,500 | California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured | 8/09 at 101 |
| ----- | | |
| | HOUSING/MULTIFAMILY - 1.9% | |
| 1,000 | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments, Series 1999A, 5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured | 9/09 at 100 |
| 970 | Los Angeles, California, FHA-Insured Section 8 Mortgage Loan Revenue Refunding Bonds, Series 1993A, 6.300%, 1/01/25 - MBIA Insured | 1/05 at 100 |
| ----- | | |
| | HOUSING/SINGLE FAMILY - 0.5% | |
| 460 | California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 (Alternative | 2/07 at 102 |

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Minimum Tax) - MBIA Insured

TAX OBLIGATION/GENERAL - 41.3%

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 |

California, Various Purpose General Obligation Bonds,
Series 2000:

| | | |
|-------|--------------------------------|-------------|
| 7,995 | 5.750%, 3/01/22 - MBIA Insured | 3/10 at 101 |
| 2,000 | 5.750%, 3/01/27 - MBIA Insured | 3/10 at 101 |

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

750 California, General Obligation Bonds, Series 2004,
5.000%, 4/01/31 - AMBAC Insured 4/14 at 100

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

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

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

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

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Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) ()
Portfolio of INVESTMENTS August 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| <hr/> | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 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 |
| | San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C: | |

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

TAX OBLIGATION/LIMITED - 19.4%

| | | |
|-------|---|--------------|
| 1,000 | Brea and Olinda Unified School District, Orange County, California, Refunding Certificates of Participation, 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 |
| 2,000 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 1,900 | Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured | 9/12 at 100 |
| 5,000 | El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured | 1/11 at 100 |
| 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 |
| 3,000 | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1994A, 5.000%, 11/15/22 - AMBAC Insured | 11/07 at 102 |
| 2,805 | Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured | 10/11 at 100 |

U.S. GUARANTEED*** - 31.1%

| | | |
|-------|--|-------------|
| 6,000 | Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 | No Opt. C |
| 5,135 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 6,220 | Riverside County, California, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) | No Opt. C |
| 1,485 | San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 | No Opt. C |
| 4,800 | University of California, Hospital Revenue Bonds, Davis | 7/06 at 101 |

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Medical Center, Series 1996, 5.750%, 7/01/24 (Pre-refunded to 7/01/06) - AMBAC Insured

| | | |
|------------------|--|--------------|
| UTILITIES - 7.7% | | |
| 4,000 | California Pollution Control Financing Authority, Revenue Bonds, Southern California Edison Company, Series 1992B, 6.400%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 12/04 at 100 |
| 3,600 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2003S, 5.000%, 11/15/13 - MBIA Insured | No Opt. C |

| | | |
|-------------------------|---|--------------|
| WATER AND SEWER - 23.9% | | |
| 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 (WI, settling 9/15/04) - FGIC Insured | 3/14 at 100 |
| 3,000 | Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19 - FGIC Insured | 11/04 at 101 |
| 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 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|-----------------------------|--|------------------------|
| <hr/> | | |
| WATER AND SEWER (continued) | | |
| \$ 2,150 | Santa Clara Valley Water District, California, Water Utility System Revenue Bonds, Series 2000A, 5.125%, 6/01/31 - FGIC Insured | 6/10 at 100 |
| 2,310 | 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 |
| 5,000 | Wheeler Ridge-Maricopa Water District, Kern County, California, Water Revenue Refunding Bonds, Series 1996, 5.700%, 11/01/15 - AMBAC Insured | 11/06 at 102 |
| <hr/> | | |
| \$ 129,790 | Total Long-Term Investments (cost \$132,901,995) - 139.2% | |
| <hr/> | | |

SHORT-TERM INVESTMENTS - 1.0%

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| | | |
|-------|-------|---|
| | 1,000 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 1.250%, 12/01/15 - MBIA Insured+ |
| ----- | | |
| \$ | 1,000 | Total Short-Term Investments (cost \$1,000,000) |
| ===== | | |
| | | Total Investments (cost \$133,901,995) - 140.2% |
| ----- | | |
| | | Other Assets Less Liabilities - 2.8% |
| ----- | | |
| | | Preferred Shares, at Liquidation Value - (43.0)% |
| ----- | | |
| | | Net Assets Applicable to Common Shares - 100% |
| ===== | | |

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

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

* Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

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

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

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

See accompanying notes to financial statements.

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 13.0% | |
| | California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Series 1996: | |
| \$ 2,400 | 5.750%, 9/01/21 - MBIA Insured | 9/06 at 102 |
| 3,000 | 5.750%, 9/01/26 - MBIA Insured | 9/06 at 102 |
| 2,000 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 - MBIA Insured | 11/10 at 100 |
| 2,125 | California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax) - MBIA Insured | 3/08 at 102 |
| | California Infrastructure Economic Development Bank, Revenue Bonds, Asian Art Museum of San Francisco, Series 2000: | |
| 1,295 | 5.500%, 6/01/19 - MBIA Insured | 6/10 at 101 |
| 1,000 | 5.500%, 6/01/20 - MBIA Insured | 6/10 at 101 |
| 5,380 | California State University, Systemwide Revenue Bonds, Series 2004A, 5.000%, 11/01/16 - FSA Insured | 5/14 at 100 |
| 6,000 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| | HEALTHCARE - 4.7% | |
| 1,450 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Mark Twain- St. Joseph's Healthcare Corporation, Series 1996A, 6.000%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 5,000 | California Health Facilities Financing Authority, Insured Health Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 1996A, 6.000%, 7/01/25 - MBIA Insured | 7/06 at 102 |
| 1,755 | University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured | 5/12 at 101 |
| ----- | | |
| | HOUSING/MULTIFAMILY - 4.7% | |
| | ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Bonds, Civic Center Drive Apartments, Series 1999A: | |
| 4,000 | 5.800%, 9/01/20 (Alternative Minimum Tax) - FSA Insured | 9/09 at 100 |
| 1,370 | 5.875%, 3/01/32 (Alternative Minimum Tax) - FSA Insured | 9/09 at 100 |
| 3,110 | Los Angeles Community Redevelopment Agency, California, FNMA-Collateralized Section 8 Multifamily Housing Revenue Refunding Bonds, Angelus Plaza, Series 1995A, 7.400%, 6/15/10 | 6/05 at 105 |
| ----- | | |

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HOUSING/SINGLE FAMILY - 0.6%

| | | |
|-------|--|-------------|
| 1,150 | California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 (Alternative Minimum Tax) - MBIA Insured | 8/07 at 101 |
|-------|--|-------------|

TAX OBLIGATION/GENERAL - 28.3%

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

| | | |
|-----|--|--------------|
| 485 | California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative Minimum Tax) - FSA Insured | 12/04 at 101 |
|-----|--|--------------|

| | | |
|-------|--|-------------|
| 2,500 | California, Various Purpose General Obligation Bonds, Series 1999, 5.500%, 9/01/24 - FSA Insured | 9/09 at 101 |
|-------|--|-------------|

California, Various Purpose General Obligation Bonds, Series 2000:

| | | |
|-------|--------------------------------|-------------|
| 7,995 | 5.750%, 3/01/22 - MBIA Insured | 3/10 at 101 |
|-------|--------------------------------|-------------|

| | | |
|-------|--------------------------------|-------------|
| 2,000 | 5.750%, 3/01/27 - MBIA Insured | 3/10 at 101 |
|-------|--------------------------------|-------------|

| | | |
|-------|---|-------------|
| 4,900 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured | 2/13 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 3,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
|-------|---|-------------|

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

TAX OBLIGATION/GENERAL (continued)

| | | |
|----|--|--|
| \$ | California, General Obligation Bonds, Series 2004: | |
|----|--|--|

| | | |
|-------|---------------------------------|-------------|
| 2,500 | 5.000%, 2/01/18 - AMBAC Insured | 2/14 at 100 |
|-------|---------------------------------|-------------|

| | | |
|-------|---------------------------------|-------------|
| 2,250 | 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
|-------|---------------------------------|-------------|

| | | |
|-------|--|-------------|
| 2,575 | Calipatria Unified School District, Imperial County, California, General Obligation Bonds, Series 1996A, 5.625%, 8/01/13 - AMBAC Insured | 8/06 at 102 |
|-------|--|-------------|

Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001F:

| | | |
|-------|-------------------------------|-------------|
| 1,065 | 5.125%, 8/01/21 - FSA Insured | 8/09 at 102 |
|-------|-------------------------------|-------------|

| | | |
|-------|-------------------------------|-------------|
| 1,160 | 5.125%, 8/01/22 - FSA Insured | 8/09 at 102 |
|-------|-------------------------------|-------------|

| | | |
|-------|-------------------------------|-------------|
| 1,220 | 5.125%, 8/01/23 - FSA Insured | 8/09 at 102 |
|-------|-------------------------------|-------------|

| | | |
|-------|--|-------------|
| 1,500 | Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 2000, Series 2000A, 5.250%, 8/01/25 - MBIA Insured | 8/10 at 101 |
|-------|--|-------------|

Kern Community College District, California, General

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| | | |
|-------|--|--------------|
| | Obligation Bonds, Series 2003A: | |
| 3,655 | 5.000%, 11/01/20 - FGIC Insured | 11/13 at 100 |
| 2,665 | 5.000%, 11/01/21 - FGIC Insured | 11/13 at 100 |
| 1,750 | Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds, Series 1999A, 5.250%, 8/01/24 - FGIC Insured | 8/09 at 100 |
| | Manteca Unified School District, San Joaquin County, California, General Obligation Bonds, Series 2004: | |
| 1,000 | 5.250%, 8/01/21 - FSA Insured | 8/14 at 100 |
| 1,000 | 5.250%, 8/01/22 - FSA Insured | 8/14 at 100 |
| 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 |
| 1,125 | San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured | No Opt. C |
| 2,000 | San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured | 6/10 at 102 |
| 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 |

TAX OBLIGATION/LIMITED - 44.9%

| | | |
|-------|--|--------------|
| | 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 |
| 1,535 | California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004, 5.000%, 12/01/20 - AMBAC Insured | 12/13 at 100 |
| 3,500 | California Department of Transportation, Federal Highway Grant Anticipation Bonds, Series 2004A, 5.000%, 2/01/15 - FGIC Insured | No Opt. C |
| 3,450 | California State Public Works Board, Lease Revenue Bonds, Department of Health Services, Series 1999A, 5.750%, 11/01/24 - MBIA Insured | 11/09 at 101 |
| 5,000 | Compton Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Projects, Series 1995A, 6.500%, 8/01/13 - FSA Insured | 8/05 at 102 |
| 4,000 | Contra Costa County, California, Refunding Certificates of Participation, Merrithew Memorial Hospital Replacement Project, Series 1997, 5.500%, 11/01/22 - MBIA Insured | 11/07 at 102 |
| 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 |

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| | | |
|-------|--|--------------|
| 3,000 | Galt Schools Joint Powers Authority, Sacramento County, California, Revenue Refunding Bonds, High School and Elementary School Facilities, Series 1997A, 5.875%, 11/01/24 - MBIA Insured | 11/07 at 102 |
| 5,000 | Kern County Board of Education, California, Refunding Certificates of Participation, Series 1998A, 5.200%, 5/01/28 - MBIA Insured | 5/08 at 102 |
| 5,000 | La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured | 9/07 at 102 |

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Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
Portfolio of INVESTMENTS August 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------------------|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 4,000 | Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured | 6/13 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 |
| 3,865 | Los Angeles County Metropolitan Transportation Authority, California, Second Senior Lien Proposition C Sales Tax Revenue Bonds, Series 2000A, 5.250%, 7/01/30 - FGIC Insured | 7/10 at 101 |
| 1,890 | Menifee Union School District, Riverside County, California, Certificates of Participation, School Projects, Series 1996, 6.125%, 9/01/24 - FSA Insured | 9/06 at 102 |
| 2,690 | Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Revenue Refunding Bonds, Series 1995A, 6.000%, 9/01/15 - FSA Insured | 9/05 at 102 |
| 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 |
| 1,000 | Rocklin Unified School District, Placer County, California, | 9/13 at 100 |

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| | | |
|-------|---|--------------|
| | Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured | |
| 5,000 | San Bernardino Joint Powers Financing Authority, California, Refunding Certificates of Participation, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured | 9/09 at 102 |
| 3,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34 - FGIC Insured | 7/09 at 101 |
| 1,930 | Santa Margarita/Dana Point Authority, Orange County, California, Refinancing Revenue Bonds, Improvement Districts 1, 2, 2A and 8, Series 1994A, 7.250%, 8/01/05 - MBIA Insured | No Opt. C |
| 5,450 | Visalia, California, Refunding Certificates of Participation, Motor Vehicle License Fee Enhancement, Series 1996A, 5.375%, 12/01/26 - MBIA Insured | 12/06 at 102 |
| ----- | | |
| | TRANSPORTATION - 6.6% | |
| 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 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |
| ----- | | |
| | U.S. GUARANTEED*** - 7.9% | |
| 2,865 | Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 - AMBAC Insured | 9/04 at 101 |
| 3,000 | Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 - MBIA Insured | 11/06 at 102 |
| 2,500 | Oakland, California, Insured Revenue Bonds, 1800 Harrison Foundation - Kaiser Permanente, Series 1999A, 6.000%, 1/01/29 (Pre-refunded to 1/01/10) - AMBAC Insured | 1/10 at 100 |
| 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) | No Opt. C |
| ----- | | |
| | UTILITIES - 12.1% | |
| 3,740 | California Pollution Control Financing Authority, Revenue | 9/09 at 101 |

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Refunding Bonds, Southern California Edison Company,
Series 1999B, 5.450%, 9/01/29 - MBIA Insured

| | | |
|-------|---|--------------|
| 3,215 | Modesto Irrigation District, California, Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/15 - MBIA Insured | 10/06 at 102 |
| 3,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.125%, 7/01/26 - FSA Insured | 7/12 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | UTILITIES (continued) | |
| \$ 1,790 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 1,950 | Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 (Alternative Minimum Tax) - AMBAC Insured | 8/12 at 100 |
| | 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 |
| ----- | | |
| | WATER AND SEWER - 22.7% | |
| 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 | 2/05 at 102 |
| 2,000 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 (WI, settling 9/15/04) - FGIC Insured | 3/14 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 |
| 12,000 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured | 8/13 at 100 |
| 2,775 | Pomona Public Financing Authority, California, Revenue Bonds, Water Facilities Project, Series 1999AC, 5.500%, 5/01/29 - FGIC Insured | 5/09 at 101 |
| 1,000 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 - AMBAC Insured | 12/10 at 101 |

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| | | |
|------------|--|--------------|
| 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 |
| 2,130 | Santa Rosa, Sonoma County, California, Wastewater Revenue Bonds, Series 2004B, 5.000%, 9/01/18 - FGIC Insured | 9/14 at 100 |
| 2,000 | South San Joaquin Irrigation District, San Joaquin County, California, Revenue Refunding Certificates of Participation, Series 1993, 5.500%, 1/01/15 - AMBAC Insured | 1/05 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 |
| | 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 |
| ----- | | |
| \$ 273,720 | Total Long-Term Investments (cost \$263,591,647) - 145.5% | |
| ===== | | |

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)
Portfolio of INVESTMENTS August 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|------------------------|--|
| | SHORT-TERM INVESTMENTS - 1.5% |
| \$ 800 | Irvine, California, Assessment District 93-14 Variable Rate Limited Obligation Improvement Bonds, Series 2000, 1.320%, 9/02/25+ |
| 2,000 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 1.250%, 12/01/15 - MBIA Insured+ |
| ----- | |
| \$ 2,800 | Total Short-Term Investments (cost \$2,800,000) |
| ===== | |
| | Total Investments (cost \$266,391,647) - 147.0% |
| ----- | |
| | Other Assets Less Liabilities - 2.5% |
| ----- | |
| | Preferred Shares, at Liquidation Value - (49.5)% |

 Net Assets Applicable to Common Shares - 100%
 =====

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen California Premium Income Municipal Fund (NCU)
 Portfolio of
 INVESTMENTS August 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 5.4% | |
| \$ 1,500 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29 | 6/12 at 100 |
| 3,720 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29 | 5/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 2.0% | |

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| | | |
|--------------------|--|--------------|
| 1,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured | 5/13 at 100 |
| ----- | | |
| HEALTHCARE - 22.3% | | |
| 1,500 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 | 12/09 at 101 |
| 5,150 | California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15 | 11/04 at 101 |
| 1,500 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 8,100 | California Statewide Community Development Authority, Revenue Refunding Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured | No Opt. C |
| 2,000 | Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 1993A, 6.000%, 12/01/06 | 12/04 at 101 |
| ----- | | |