

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
January 06, 2006

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: October 31

Date of reporting period: October 31, 2005

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2005

Nuveen Investments
Municipal Exchange-Traded
Closed-End Funds

NUVEEN PERFORMANCE PLUS MUNICIPAL FUND, INC.
NPP

NUVEEN MUNICIPAL ADVANTAGE FUND, INC.
NMA

NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC.
NMO

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND
NAD

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NXZ

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZF

Photo of: Man, woman and child 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: Man and child

Photo of: Woman

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if you get your Nuveen Fund dividends
and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends
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 12-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 see the Portfolio Manager's Comments and Performance Overview sections of this report.

Given recent reports of a strengthening economy, some market commentators are speculating about whether longer-term interest rates will soon begin to rise substantially, mirroring the rise that has taken place in shorter-term rates. If longer-term rates do begin to rise significantly, some have suggested that this would be a signal to begin selling your holdings of fixed-income investments.

"IN FACT, A WELL-DIVERSIFIED PORTFOLIO MAY ACTUALLY HELP TO REDUCE YOUR OVERALL INVESTMENT RISK OVER THE LONG TERM."

Nobody knows what the market will do in the future or what investments will turn out to be tomorrow's best performers. But from our experience, we do know that a well-balanced portfolio, structured and carefully monitored with the help of a trusted investment professional, can be an important component in helping you achieve your long-term financial goals. In fact, a well-diversified portfolio may actually help to reduce your overall investment risk over the long term. That is one reason why we believe that a municipal bond investment like your Fund can be an important building block in a comprehensive investment program designed to perform well in a variety of market conditions.

As an added convenience for you, I urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's expenses. Sign up is quick and easy - see the inside front cover of this report for instructions.

Earlier in 2005, The St. Paul Travelers Companies, Inc., which owned 79% of

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Nuveen Investments, Inc. (the parent of your Fund's investment adviser), sold a substantial portion of its stake in Nuveen. More recently, St. Paul sold the balance of its shares to Nuveen Investments or to others. Please be assured that these transactions only affect Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

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. 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

December 15, 2005

Nuveen Investments Municipal Exchange-Traded Closed-End Funds
NPP, NMA, NMO, NAD, NXZ, NZF

Portfolio Manager's COMMENTS

Portfolio manager Tom Spalding discusses the economic and municipal market environments, key investment strategies and the annual performance of these six Funds. With 30 years of investment experience at Nuveen, Tom has managed NXZ since its inception in 2001 and NPP, NMA, NMO, NAD and NZF since 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH PERIOD ENDED OCTOBER 31, 2005?

Between November 1, 2004, and October 31, 2005, the Federal Reserve implemented eight 0.25% increases in the closely-watched fed funds rate. These increases, which were aimed at controlling the pace of inflation, raised this short-term target rate to 3.75% from 1.75%. (On November 1, 2005, and December 13, 2005, the fed funds rate was increased by 0.25% to reach 4.25%.) Over this same 12-month period, shorter-term municipal market rates also rose significantly.

Longer-term yields declined throughout much of this period before rising toward the end of the fiscal year. The yield on the benchmark 10-year U.S. Treasury note ended October 2005 at 4.56%, compared with 4.03% one year earlier. Longer-term yields in the municipal market followed a similar pattern, with the yield on the Bond Buyer 25 Revenue Bond Index, a widely followed measure of longer-term municipal market rates, ending the reporting period at 5.21%, an increase of 24 basis points from October 31, 2004. Together, the steady rise in shorter-term rates and the much more modest increase in longer rates over this period produced an overall flattening of the yield curve, which generally led to better relative performance for bonds with longer effective maturities and poorer returns for bonds with shorter maturities or short call dates.

The economy continued to improve over the 12-month period. After expanding at an annualized rate of 3.3% in the fourth quarter of 2004, the U.S. gross domestic

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product (GDP) grew by annualized rates of 3.8% in the first quarter of 2005, 3.3% in the second quarter and 3.8% in the third quarter. The overall employment picture showed some improvement, with national unemployment at 5.0% in October 2005, down from 5.5% in October 2004. However, the 4.3% year-over-year increase in the Consumer Price Index as of October 2005 raised some inflation concerns.

Over the 12 months ended October 2005, municipal bond new issue supply nationwide remained strong, as \$363.4 billion in new securities came to market. A major factor behind this strong supply was the flattening yield curve, which made advance refundings

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more economically attractive for many issuers. (Advance refundings, also known as pre-refundings or refinancings, occur when an issuer sells new bonds and uses the proceeds to fund the principal and interest payments of older, previously issued bonds that carry a higher coupon rate. This process usually results in lower total borrowing costs for bond issuers.) Between January and October 2005, pre-refunding volume was nearly 50% higher than during the same period in 2004, as issuers sought to take advantage of the current interest rate environment.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE 12 MONTHS ENDED OCTOBER 31, 2005?

With rising short-term interest rates and the overall flattening of the yield curve, our focus during this period centered on finding attractive bonds that we believed would add value to the Funds' portfolios and that, in our judgment, also had the potential to perform well under a variety of future market scenarios, regardless of economic or interest rate trends.

In general, our purchase activity centered on buying bonds that matured in about 25 years and that had about 10 years of call protection. In our opinion, bonds with these maturity and call protection characteristics offered more attractive opportunities and the best values during this period. In particular, we looked for attractively priced premium bonds - bonds that at the time of purchase were trading above their par values because their coupons were higher than current coupon levels. Historically, premium bonds have held their value better than current coupon bonds when interest rates have risen. Premium bonds also are good candidates for advance refundings, and trading pre-refunded bonds at opportune times in the interest rate cycle has historically been a key strategy for adding value to these Funds.

Overall, the ample new issue supply during this period provided us with opportunities to find the types of bonds we were seeking. While our main focus was on the 25-year part of the yield curve, we kept an opportunistic eye toward all types of issuance that we believed could add value to the Funds' portfolios. In general, we were buying essential services revenue bonds that would also help us keep the Funds well diversified geographically. Lower-rated bonds generally were in great demand during this period, and as a result we did not find many attractive opportunities among lower-rated issues to add securities that we believed would enhance value. As a result, the majority of our purchase activity focused on higher quality bonds, especially during the second half of this 12-month period.

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In NXZ, our strategy also included the use of forward interest rate swaps, a type of derivative financial instrument. As discussed in our last shareholder report, we began using these swaps in late 2004 in an effort to reduce some of NXZ's interest rate risk. These hedges were not an attempt to profit from correctly predicting the timing and direction of interest rate movements. Instead, our sole objective was to reduce the interest rate risk of the Fund without having a negative impact on its income stream or common share dividends over the short term. We believe the hedging strategy was effective in achieving the intended goal of helping to reduce NXZ's net asset value (NAV) volatility, and in September 2005, we removed the hedge from this Fund. However, during the period that the hedge was in place, it had a slight negative impact on NXZ's performance, which affected the Fund's total return for the entire reporting period. The negative impact was caused by the decline of long-term interest rates during much of the period the hedge was in place, which resulted in a decline in the value of the hedge as the value of the Fund's portfolio rose.

HOW DID THE FUNDS PERFORM?

Individual results for these Funds, as well as for comparative indexes and averages, are presented in the accompanying table.

TOTAL RETURNS ON NET ASSET VALUE*

For periods ended 10/31/05

| | 1-YEAR | 5-YEAR | 10-YEAR |
|---|--------|--------|---------|
| NPP | 3.83% | 7.86% | 6.62% |
| NMA | 4.42% | 8.36% | 6.87% |
| NMO | 3.78% | 7.33% | 6.15% |
| NAD | 4.27% | 9.14% | NA |
| NXZ | 7.83% | NA | NA |
| NZF | 6.09% | NA | NA |
| Lehman Brothers Municipal Bond Index ¹ | 2.54% | 5.98% | 5.85% |
| Lipper General Leveraged Municipal Debt Funds Average ² | 5.08% | 7.75% | 6.52% |

*Annualized

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.

1 The Lehman Brothers Municipal Bond Index is an unleveraged, unmanaged

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national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman Brothers index do not reflect any expenses.

- 2 The Lipper General Leveraged 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, 64 funds; 5 years, 48 funds; and 10 years, 43 funds. Fund and Lipper returns assume reinvestment of dividends.

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For the 12 months ended October 31, 2005, the total returns on NAV for all six of the Funds in this report exceeded the return on the Lehman Brothers Municipal Bond Index. NXZ and NZF also outperformed the average return for their Lipper peer group for this period, while NPP, NMA, NMO and NAD underperformed this peer average.

One of the factors that, on balance, benefited the 12-month performance of these Funds relative to that of the unleveraged Lehman Brothers index was the Funds' use of financial leverage, even though increases in longer-term municipal bond rates caused the value of the Funds' holdings to fall, and the Funds' financial leverage exacerbated this decline in value. Leveraging can provide opportunities for enhanced income for common shareholders when short-term interest rates remain below the yields of the bonds purchased for the Funds' portfolios. This continued to be the case during these 12 months. At the same time, leveraging can add volatility to a Fund's NAV and share price, and can act to constrain overall Fund performance during periods when interest rates rise. This was evident during this reporting period.

As noted earlier, longer maturity bonds generally performed better than securities with shorter maturities over the course of this 12-month period. Yield curve positioning or, more specifically, heavier exposure to the longer end of the yield curve helped the performances of NXZ and NZF, which were established in 2001. The other four Funds, which were introduced between 1989 and 1999, had relatively greater exposures to the shorter end of the yield curve. One of our ongoing tasks is to more closely align the yield curve positioning of all of these Funds.

Each of these Funds benefited during this period from their allocations of lower-rated bonds, as these bonds generally outperformed higher-rated credits. As of October 31, 2005, allocations of bonds rated BBB or lower and non-rated bonds accounted for 10% of NMO's portfolio, 12% of NPP, 15% of NAD, 18% of NZF, 19% of NMA and 20% of NXZ.

Among the specific securities making contributions to the Funds' total returns for this period were bonds backed by the 1998 master tobacco settlement agreement as the litigation environment improved and supply/demand dynamics drove tobacco bond prices higher. Each Fund had about 5% to 6% of their portfolio in uninsured tobacco bonds as of October 31, 2005. Lower-rated hospital holdings also contributed positively to the Funds' total returns, as the healthcare sector ranked second in performance among the Lehman municipal revenue sectors for the period.

An additional factor in the performance differential among these Funds was their relative weightings of zero coupon bonds. These bonds do not make periodic interest payments

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and therefore typically have very long initial maturities. The prices of these bonds tend to be very sensitive to changes in interest rates. Zero coupon bonds in the Lehman Municipal Bond Index outperformed the general market by 130 basis points.

In addition to yield curve positioning, credit exposure, and specific holdings, another factor in the Funds' performances during this period was advance refundings. Refinancings rose sharply during this period, and the Funds' performances benefited from the amount of their portfolios that became advance refunded and the timing of these events. Generally, newly refunded bonds receive a higher credit rating, which usually translates to a higher price.

While newly pre-refunded bonds tended to enhance the Funds' returns, the Funds' holdings of older, previously pre-refunded bonds tended to underperform the general municipal market during this period, primarily because of the shorter effective maturities of these bonds. This was especially true in NPP and NMO.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2005?

We continued to believe that maintaining strong credit quality was an important requirement. As of October 31, 2005, all six of these Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 68% in NXZ to 77% in NMA, 80% in NZF, 83% in NAD and 84% in NPP and NMO.

As of October 31, 2005, potential call exposure for the period from November 2005 through the end of 2006 ranged from 3% in NZF to 4% in NXZ, 6% in NMO, 9% in NAD, and 10% in NMA and NPP. The number of actual bond calls in all of these Funds depends largely on future market interest rates.

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Dividend and Share Price INFORMATION

All of the Funds in this report use leverage to enhance opportunities for additional income for common shareholders. The extent of this benefit is tied in part to the short-term rates these Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay lower dividends to their MuniPreferred(R) shareholders, which can leave more earnings to support common share dividends. However, when short-term interest rates rise, as they did during this reporting period, the Funds' borrowing costs also rise. While leveraging still provided benefits for common shareholders, the extent of these benefits was reduced. This resulted in one monthly dividend reduction in NZF and two in NPP, NMA, NMO and NAD over the 12-month period ended October 31, 2005. The dividend of NXZ remained stable throughout this reporting period.

In addition, due to normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2004 as follows:

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| | LONG-TERM CAPITAL GAINS (PER SHARE) | ORDINARY INCOME (PER SHARE) |
|-----|--|--------------------------------|
| NPP | \$0.0151 | \$0.0037 |
| NMA | \$0.0149 | \$ -- |

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 October 31, 2005, all of the Funds in this report had positive UNII balances for both financial statement and tax purposes.

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

| | 10/31/05 DISCOUNT | 12-MONTH AVERAGE DISCOUNT |
|-----|----------------------|------------------------------|
| NPP | -6.96% | -7.42% |
| NMA | -3.25% | -3.53% |
| NMO | -6.27% | -7.06% |
| NAD | -4.58% | -3.95% |
| NXZ | -1.01% | -2.06% |
| NZF | -5.94% | -6.28% |

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Nuveen Performance Plus Municipal Fund, Inc.
NPP

Performance
OVERVIEW As of October 31, 2005

Pie Chart:
CREDIT QUALITY
(as a % of total investments)
AAA/U.S. Guaranteed 76%

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| | |
|-------------|----|
| AA | 8% |
| A | 4% |
| BBB | 9% |
| BB or Lower | 1% |
| NR | 2% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.081 |
| Dec | 0.081 |
| Jan | 0.081 |
| Feb | 0.081 |
| Mar | 0.078 |
| Apr | 0.078 |
| May | 0.078 |
| Jun | 0.078 |
| Jul | 0.078 |
| Aug | 0.078 |
| Sep | 0.0745 |
| Oct | 0.0745 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 14.93 |
| | 14.96 |
| | 14.91 |
| | 14.9 |
| | 14.55 |
| | 14.14 |
| | 14.31 |
| | 14.24 |
| | 14.31 |
| | 14.37 |
| | 14.42 |
| | 14.47 |
| | 14.51 |
| | 14.49 |
| | 14.43 |
| | 14.45 |
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| | |
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| | 15.05 |
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| | 15.14 |
| | 15.16 |
| | 14.95 |
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| | 14.78 |
| | 14.79 |
| | 14.93 |
| | 14.97 |
| | 15.03 |
| | 15.05 |
| | 15.08 |
| | 15.08 |
| | 15.05 |
| | 15.04 |
| | 15.02 |
| | 15.04 |
| | 14.74 |
| | 14.64 |
| | 14.54 |
| | 14.46 |
| | 14.37 |
| | 14.43 |
| | 14.42 |
| | 14.53 |
| | 14.58 |
| | 14.58 |
| | 14.48 |
| | 14.46 |
| | 14.45 |
| 10/31/05 | 14.43 |

FUND SNAPSHOT

| | | |
|---------------------------------------|--|-----------|
| ----- | | |
| Common Share Price | | \$14.43 |
| ----- | | |
| Common Share | | |
| Net Asset Value | | \$15.51 |
| ----- | | |
| Premium/(Discount) to NAV | | -6.96% |
| ----- | | |
| Market Yield | | 6.20% |
| ----- | | |
| Taxable-Equivalent Yield ¹ | | 8.61% |
| ----- | | |
| Net Assets Applicable to | | |
| Common Shares (\$000) | | \$929,544 |
| ----- | | |
| Average Effective Maturity | | |
| on Securities (Years) | | 15.39 |
| ----- | | |
| Leverage-Adjusted Duration | | 8.27 |
| ----- | | |

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

| | | |
|--------|----------------|--------|
| ----- | | |
| | ON SHARE PRICE | ON NAV |
| ----- | | |
| 1-Year | 3.02% | 3.83% |

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| | | |
|---------|--------|-------|
| 5-Year | 10.31% | 7.86% |
| 10-Year | 6.12% | 6.62% |

STATES

(as a % of total investments)

| | |
|----------------|-------|
| Illinois | 13.2% |
| New York | 9.8% |
| California | 9.0% |
| New Jersey | 4.8% |
| Louisiana | 4.6% |
| Michigan | 4.5% |
| Indiana | 4.5% |
| Texas | 3.9% |
| Colorado | 3.3% |
| Florida | 3.1% |
| Washington | 3.0% |
| Utah | 3.0% |
| Massachusetts | 2.8% |
| South Carolina | 2.8% |
| Ohio | 2.7% |
| Pennsylvania | 2.5% |
| Nevada | 2.4% |
| Georgia | 2.1% |
| Minnesota | 2.1% |
| Wisconsin | 1.4% |
| Other | 14.5% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 25.6% |
| Tax Obligation/Limited | 15.4% |
| Tax Obligation/General | 13.2% |
| Utilities | 10.0% |

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| | |
|------------------|-------|
| Transportation | 9.3% |
| Healthcare | 8.7% |
| Consumer Staples | 5.9% |
| Other | 11.9% |

- 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 federal income tax rate of 28%. When comparing this Fund to 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 2004 of \$0.0188 per share.

11

Nuveen Municipal Advantage Fund, Inc.
NMA

Performance

OVERVIEW As of October 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 66% |
| AA | 11% |
| A | 4% |
| BBB | 16% |
| BB or Lower | 3% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.086 |
| Dec | 0.086 |
| Jan | 0.086 |
| Feb | 0.086 |
| Mar | 0.083 |
| Apr | 0.083 |
| May | 0.083 |
| Jun | 0.083 |
| Jul | 0.083 |
| Aug | 0.083 |
| Sep | 0.0795 |
| Oct | 0.0795 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 15.68 |
| | 15.75 |

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15.77
15.72
15.43
15.04
15.2
15.2
15.29
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15.42
15.26
15.21
15.19
15.09
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15.81
15.84
15.88
15.93
15.97
15.95
15.94
16.01
16.06
16.01
15.89
15.71
15.66
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15.58
15.66
15.75
15.84
15.84
15.84
15.81
15.72
15.76
15.85
15.75
15.55
15.44
15.38
15.39
15.34
15.3
15.24
15.19
15.2

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| | |
|----------|-------|
| | 15.19 |
| | 15.05 |
| | 15.13 |
| | 15.17 |
| 10/31/05 | 15.19 |

FUND SNAPSHOT

| | |
|--|-----------|
| Common Share Price | \$15.19 |
| Common Share Net Asset Value | \$15.70 |
| Premium/(Discount) to NAV | -3.25% |
| Market Yield | 6.28% |
| Taxable-Equivalent Yield ¹ | 8.72% |
| Net Assets Applicable to Common Shares (\$000) | \$675,678 |
| Average Effective Maturity on Securities (Years) | 17.26 |
| Leverage-Adjusted Duration | 7.11 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 3.29% | 4.42% |
| 5-Year | 10.68% | 8.36% |
| 10-Year | 7.01% | 6.87% |

STATES

(as a % of total investments)

| | |
|----------------|-------|
| Texas | 12.2% |
| New York | 11.0% |
| Illinois | 10.1% |
| Washington | 9.5% |
| California | 6.9% |
| Wisconsin | 5.1% |
| Louisiana | 5.1% |
| Tennessee | 3.4% |
| South Carolina | 3.1% |

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| | |
|----------------|-------|
| Ohio | 3.0% |
| ----- | |
| Colorado | 2.8% |
| ----- | |
| Nevada | 2.5% |
| ----- | |
| Indiana | 2.4% |
| ----- | |
| North Carolina | 2.1% |
| ----- | |
| Alabama | 2.1% |
| ----- | |
| New Jersey | 2.1% |
| ----- | |
| Massachusetts | 1.6% |
| ----- | |
| Oklahoma | 1.5% |
| ----- | |
| Other | 13.5% |
| ----- | |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 21.6% |
| ----- | |
| Healthcare | 16.5% |
| ----- | |
| Utilities | 15.8% |
| ----- | |
| Transportation | 13.0% |
| ----- | |
| Tax Obligation/Limited | 7.0% |
| ----- | |
| Housing/Single Family | 6.7% |
| ----- | |
| Tax Obligation/General | 6.1% |
| ----- | |
| Consumer Staples | 5.4% |
| ----- | |
| Other | 7.9% |
| ----- | |

- 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 federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

- 2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0149 per share.

Nuveen Municipal Market Opportunity Fund, Inc.
NMO

Performance

OVERVIEW As of October 31, 2005

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-CSR

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 73% |
| AA | 11% |
| A | 6% |
| BBB | 7% |
| BB or Lower | 2% |
| NR | 1% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Nov | 0.079 |
| Dec | 0.079 |
| Jan | 0.079 |
| Feb | 0.079 |
| Mar | 0.076 |
| Apr | 0.076 |
| May | 0.076 |
| Jun | 0.076 |
| Jul | 0.076 |
| Aug | 0.076 |
| Sep | 0.0725 |
| Oct | 0.0725 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 14.49 |
| | 14.56 |
| | 14.53 |
| | 14.6 |
| | 14.35 |
| | 14.04 |
| | 14.16 |
| | 14.09 |
| | 14.2 |
| | 14.24 |
| | 14.24 |
| | 14.28 |
| | 14.34 |
| | 14.29 |
| | 14.2 |
| | 14.24 |
| | 14.22 |
| | 14.2 |
| | 14.22 |
| | 14.1 |
| | 14.09 |
| | 14.12 |
| | 13.99 |
| | 14.11 |
| | 14.13 |
| | 14.15 |
| | 14.12 |
| | 14.1 |
| | 14.16 |
| | 14.09 |
| | 14.04 |

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14.36
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14.13
14.04
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13.74
13.73
13.71
13.81
13.74
13.71
13.73
13.75
13.68
13.71
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13.77
13.84
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14.39
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14.68
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14.74
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14.92
14.95
14.94
14.97
14.98
15.03
14.99
15.01
14.95
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14.85
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14.86
14.94
14.95
14.93
14.92

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| | |
|----------|-------|
| | 14.98 |
| | 14.94 |
| | 14.96 |
| | 14.9 |
| | 14.86 |
| | 14.65 |
| | 14.62 |
| | 14.6 |
| | 14.55 |
| | 14.59 |
| | 14.46 |
| | 14.46 |
| | 14.25 |
| | 14.33 |
| | 14.44 |
| | 14.47 |
| | 14.51 |
| | 14.5 |
| | 14.48 |
| | 14.46 |
| | 14.44 |
| | 14.39 |
| | 14.37 |
| | 14.41 |
| | 14.22 |
| | 14.01 |
| | 14.05 |
| | 14 |
| | 14.06 |
| | 14.05 |
| | 14 |
| | 14.11 |
| | 14.15 |
| | 14.18 |
| | 14.11 |
| | 14.13 |
| | 14.14 |
| 10/31/05 | 14.19 |

FUND SNAPSHOT

| | |
|---------------------------------------|-----------|
| ----- | |
| Common Share Price | \$14.19 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.14 |
| ----- | |
| Premium/(Discount) to NAV | -6.27% |
| ----- | |
| Market Yield | 6.13% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 8.51% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$689,682 |
| ----- | |
| Average Effective Maturity | |
| on Securities (Years) | 14.25 |
| ----- | |
| Leverage-Adjusted Duration | 7.83 |
| ----- | |

AVERAGE ANNUAL TOTAL RETURN

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(Inception 3/21/90)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 4.70% | 3.78% |
| 5-Year | 8.57% | 7.33% |
| 10-Year | 6.22% | 6.15% |

STATES

(as a % of total investments)

| | |
|----------------|-------|
| Texas | 15.6% |
| New York | 13.7% |
| Washington | 12.0% |
| Illinois | 7.3% |
| Minnesota | 5.3% |
| California | 4.4% |
| South Carolina | 4.3% |
| Georgia | 3.9% |
| Nevada | 3.5% |
| Colorado | 3.3% |
| North Dakota | 2.8% |
| New Jersey | 2.7% |
| Pennsylvania | 2.5% |
| Massachusetts | 2.2% |
| Puerto Rico | 1.9% |
| Other | 14.6% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 29.4% |
| Tax Obligation/General | 16.6% |
| Transportation | 16.5% |
| Tax Obligation/Limited | 9.6% |
| Healthcare | 7.0% |
| Utilities | 7.0% |

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| | |
|------------------|------|
| Consumer Staples | 5.4% |
| ----- | |
| Other | 8.5% |
| ----- | |

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 federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

13

Nuveen Dividend Advantage Municipal Fund
NAD

Performance

OVERVIEW As of October 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 72% |
| AA | 11% |
| A | 2% |
| BBB | 7% |
| BB or Lower | 5% |
| NR | 3% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Nov | 0.0855 |
| Dec | 0.0855 |
| Jan | 0.0855 |
| Feb | 0.0855 |
| Mar | 0.0825 |
| Apr | 0.0825 |
| May | 0.0825 |
| Jun | 0.0825 |
| Jul | 0.0825 |
| Aug | 0.0825 |
| Sep | 0.079 |
| Oct | 0.079 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 15.33 |
| | 15.45 |
| | 15.35 |
| | 15.34 |
| | 15.02 |
| | 14.6 |
| | 14.7 |
| | 14.64 |
| | 14.67 |
| | 14.73 |
| | 14.73 |

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14.78
14.86
14.77
14.63
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14.74
14.73
14.66
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14.73
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14.54
14.64
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14.75
14.79
14.87
14.86
14.89
14.94
14.92
15.03
15.07
15
15.04

14.96
14.95
14.92
14.86
14.83
14.82
14.97
14.99
15.02
15.02
14.96
15.01
15.02
15.05
14.96
14.74
14.72
14.6
14.49
14.42
14.4
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14.35
14.32
14.19
13.82
13.89
13.84
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13.91
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15.43
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15.54
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15.59
15.55
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15.5
15.57
15.55
15.59
15.49
15.44
15.44

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15.49
15.41
15.38
15.39
15.38
15.33
15.35
15.44
15.4
15.46
15.46
15.53
15.55
15.58
15.58
15.64
15.65
15.74
15.79
15.72
15.78
15.8
15.75
15.67
15.59
15.5
15.45
15.42
15.45
15.57
15.47
15.38
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15.32
15.31
15.26
15.15
15.1
15.03
15.12
14.89
14.77
14.7
14.58
14.53
14.62
14.58
14.65
14.67
14.63
14.57
14.51
14.53
14.58

10/31/05

FUND SNAPSHOT

Common Share Price \$14.58

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| | |
|---|-----------|
| Common Share | |
| Net Asset Value | \$15.28 |
| Premium/(Discount) to NAV | -4.58% |
| Market Yield | 6.50% |
| Taxable-Equivalent Yield ¹ | 9.03% |
| Net Assets Applicable to Common Shares (\$000) | \$599,887 |
| Average Effective Maturity on Securities (Years) | 15.66 |
| Leverage-Adjusted Duration | 7.91 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 1.77% | 4.27% |
| 5-Year | 9.79% | 9.14% |
| Since Inception | 6.15% | 7.61% |

STATES
(as a % of total investments)

| | |
|--------------|-------|
| Illinois | 24.8% |
| New York | 10.2% |
| Texas | 10.1% |
| Washington | 7.7% |
| Wisconsin | 4.7% |
| New Jersey | 4.4% |
| Florida | 3.8% |
| Pennsylvania | 3.4% |
| Ohio | 2.8% |
| Louisiana | 2.7% |
| Indiana | 2.6% |
| Colorado | 2.5% |
| Michigan | 2.4% |
| California | 2.3% |

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| | |
|--------------|-------|
| Rhode Island | 2.2% |
| Other | 13.4% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Healthcare | 17.1% |
| U.S. Guaranteed | 16.1% |
| Tax Obligation/Limited | 14.2% |
| Tax Obligation/General | 13.4% |
| Transportation | 11.8% |
| Utilities | 8.3% |
| Consumer Staples | 5.4% |
| Other | 13.7% |

- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

14

Nuveen Dividend Advantage Municipal Fund 2 NXZ

Performance

OVERVIEW As of October 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 61% |
| AA | 7% |
| A | 12% |
| BBB | 9% |
| BB or Lower | 8% |
| NR | 3% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Nov | 0.086 |
| Dec | 0.086 |
| Jan | 0.086 |
| Feb | 0.086 |
| Mar | 0.086 |
| Apr | 0.086 |
| May | 0.086 |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-CSR

| | |
|-----|-------|
| Jun | 0.086 |
| Jul | 0.086 |
| Aug | 0.086 |
| Sep | 0.086 |
| Oct | 0.086 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 15.44 |
| | 15.53 |
| | 15.65 |
| | 15.65 |
| | 15.18 |
| | 14.76 |
| | 15 |
| | 14.9 |
| | 14.89 |
| | 15.03 |
| | 15.16 |
| | 15.2 |
| | 15.19 |
| | 15.14 |
| | 14.96 |
| | 15.14 |
| | 15.14 |
| | 15.11 |
| | 15.18 |
| | 15.07 |
| | 15.09 |
| | 15.09 |
| | 14.93 |
| | 15.21 |
| | 15.25 |
| | 15.22 |
| | 15.35 |
| | 15.35 |
| | 15.42 |
| | 15.41 |
| | 15.42 |
| | 15.47 |
| | 15.47 |
| | 15.48 |
| | 15.45 |
| | 15.49 |
| | 15.48 |
| | 15.46 |
| | 15.47 |
| | 15.48 |
| | 15.46 |
| | 15.62 |
| | 15.67 |
| | 15.46 |
| | 15.29 |
| | 15.34 |
| | 15.41 |
| | 15.45 |
| | 15.45 |
| | 15.42 |
| | 15.34 |
| | 15.23 |

15.14
15.03
15.05
15.04
15.04
15
14.97
14.99
15.06
15.21
15.2
15.37
15.33
15.45
15.45
15.56
15.52
15.55
15.55
15.43
15.43
15.38
15.34
15.44
15.25
15.15
15.21
15.28
15.42
15.38
15.35
15.39
15.5
15.57
15.7
15.65
15.33
15.41
15.3
15.03
15.03
15
14.95
14.97
15.03
14.87
14.56
14.69
14.57
14.61
14.88
14.95
15.14
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15.09

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15.53
15.52
15.55
15.5
15.41
15.47
15.5
15.51
15.54
15.59
15.62
15.69
15.77
15.72
15.76
15.86
15.9
15.84
15.84
15.65
15.64
15.7
15.89
15.84
15.81
15.82
15.84
15.94
16
15.92
15.84
15.96
16.05
15.98
15.92
16
16.05
16.08
16.16
16.22

16.1
16.04
16.06
15.83
16.01
15.99
15.94
15.99
15.87
15.82
15.97
16
16
16
16.01
16.07
16.14
16.12
16.03
16.01
15.99
16.02
15.94
16
16.03
15.99
15.97
16
16.07
16.11
16.29
16.24
16.29
16.32
16.22
16.2
16.39
16.59
16.64
16.68
16.7
16.85
16.79
16.85
16.6
16.33
16.31
16.46
16.45
16.32
16.4
16.39
16.15
16.14
16.09
16.15
16.19
16.25
16.27
16.24
16.22
16.19

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| | |
|----------|-------|
| | 16.27 |
| | 16.21 |
| | 16.3 |
| | 16.01 |
| | 15.64 |
| | 15.6 |
| | 15.67 |
| | 15.58 |
| | 15.49 |
| | 15.5 |
| | 15.82 |
| | 15.55 |
| | 15.56 |
| | 15.45 |
| | 15.5 |
| | 15.45 |
| 10/31/05 | 15.64 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$15.64 |
| Common Share Net Asset Value | \$15.80 |
| Premium/(Discount) to NAV | -1.01% |
| Market Yield | 6.60% |
| Taxable-Equivalent Yield ¹ | 9.17% |
| Net Assets Applicable to Common Shares (\$000) | \$462,862 |
| Average Effective Maturity on Securities (Years) | 22.27 |
| Leverage-Adjusted Duration | 7.40 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 8.58% | 7.83% |
| Since Inception | 7.71% | 8.87% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| Texas | 16.7% |
| Michigan | 9.7% |
| California | 7.6% |
| Illinois | 7.6% |

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| | |
|---------------|-------|
| New York | 4.3% |
| Colorado | 4.2% |
| Washington | 4.1% |
| New Mexico | 3.7% |
| Florida | 3.4% |
| Missouri | 3.4% |
| Indiana | 3.3% |
| Alabama | 2.9% |
| Louisiana | 2.8% |
| Nevada | 2.8% |
| Massachusetts | 2.7% |
| Kansas | 2.6% |
| Oregon | 2.6% |
| Pennsylvania | 2.5% |
| Other | 13.1% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Healthcare | 17.9% |
| Tax Obligation/Limited | 15.5% |
| U.S. Guaranteed | 13.3% |
| Transportation | 13.2% |
| Water and Sewer | 8.8% |
| Utilities | 7.0% |
| Tax Obligation/General | 6.3% |
| Consumer Staples | 5.1% |
| 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 federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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Nuveen Dividend Advantage Municipal Fund 3
NZF

Performance

OVERVIEW As of October 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 71% |
| AA | 9% |
| A | 2% |
| BBB | 10% |
| BB or Lower | 2% |
| NR | 6% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Nov | 0.0805 |
| Dec | 0.0805 |
| Jan | 0.0805 |
| Feb | 0.0805 |
| Mar | 0.0805 |
| Apr | 0.0805 |
| May | 0.0805 |
| Jun | 0.0805 |
| Jul | 0.0805 |
| Aug | 0.0805 |
| Sep | 0.077 |
| Oct | 0.077 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/04 | 14.45 |
| | 14.49 |
| | 14.62 |
| | 14.62 |
| | 14.39 |
| | 13.95 |
| | 14 |
| | 14 |
| | 14 |
| | 14.07 |
| | 14.16 |
| | 14.26 |
| | 14.31 |
| | 14.37 |
| | 14.25 |
| | 14.32 |
| | 14.33 |
| | 14.34 |
| | 14.32 |
| | 14.17 |
| | 14.2 |
| | 14.16 |
| | 14 |

14.1
14.14
14.12
14.14
14.17
14.22
14.1
14.07
14.07
14
13.95
13.99
14.03
14.07
14.08
14.15
14.03
14.07
14.15
14.18
14.24
14.3
14.26
14.45
14.51
14.69
14.62
14.5
14.43
14.32
14.12
14.17
14.18
14.24
14.16
14.14
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14.15
14.23
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14.18
14.07
13.91
13.67
13.79
13.8
13.79
13.95
14.1
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14.86
14.92
14.86
14.82
14.9
14.99
15
15.05
15.13
15.15
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15.24
15.18
14.95
15.04
14.95
14.94
14.98
14.98
14.98
15
15.05
15.1
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15.03
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15.08
15.13

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| | |
|----------|-------|
| | 15.17 |
| | 15.18 |
| | 15.2 |
| | 15.26 |
| | 15.35 |
| | 15.42 |
| | 15.47 |
| | 15.3 |
| | 15.32 |
| | 15.41 |
| | 15.4 |
| | 15.21 |
| | 15.08 |
| | 14.91 |
| | 14.9 |
| | 14.91 |
| | 14.94 |
| | 14.93 |
| | 14.56 |
| | 14.47 |
| | 14.4 |
| | 14.35 |
| | 14.51 |
| | 14.5 |
| | 14.53 |
| | 14.5 |
| | 14.5 |
| | 14.45 |
| | 14.49 |
| | 14.48 |
| | 14.45 |
| | 14.53 |
| | 14.33 |
| | 14.08 |
| | 14.1 |
| | 14.1 |
| | 14.05 |
| | 14.09 |
| | 14.09 |
| | 14.33 |
| | 14.35 |
| | 14.38 |
| | 14.3 |
| | 14.36 |
| | 14.37 |
| 10/31/05 | 14.41 |

FUND SNAPSHOT

| | |
|---------------------------|-----------|
| ----- | |
| Common Share Price | \$14.41 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.32 |
| ----- | |
| Premium/(Discount) to NAV | -5.94% |
| ----- | |
| Market Yield | 6.41% |
| ----- | |
| Taxable-Equivalent Yield1 | 8.90% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$617,358 |

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Average Effective Maturity
on Securities (Years) 18.72

Leverage-Adjusted Duration 7.03

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

ON SHARE PRICE ON NAV

1-Year 6.11% 6.09%

Since
Inception 5.62% 8.09%

STATES
(as a % of total investments)

Illinois 12.2%

Texas 12.1%

Washington 10.7%

California 6.9%

Michigan 6.1%

Nevada 5.3%

Colorado 5.2%

Indiana 4.0%

Iowa 3.8%

New York 3.5%

Wisconsin 3.0%

Louisiana 2.3%

Kentucky 2.1%

Missouri 1.7%

Oregon 1.7%

Ohio 1.6%

New Jersey 1.6%

Georgia 1.5%

Other 14.7%

SECTORS
(as a % of total investments)

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| | |
|-----------------------------------|-------|
| Transportation | 17.6% |
| Healthcare | 16.1% |
| Tax Obligation/General | 12.9% |
| U.S. Guaranteed | 10.1% |
| Water and Sewer | 8.3% |
| Utilities | 7.4% |
| Education and Civic Organizations | 5.9% |
| Consumer Staples | 5.8% |
| Tax Obligation/Limited | 5.5% |
| Other | 10.4% |

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 federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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Shareholder
MEETING REPORT

The Annual Shareholder Meeting was held on July 26, 2005 at The Northern Trust Bank, 50 S. LaSalle St., Chicago, Illinois.

| | NPP | NMA |
|---|--|--|
| APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENT WAS REACHED AS FOLLOWS: | | |
| | Common and MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class |
| For | 52,862,723 | 37,087,433 |
| Against | 373,374 | 336,660 |
| Abstain | 574,348 | 444,500 |
| Total | 53,810,445 | 37,868,593 |

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| Common and MuniPreferred | MuniPreferred | MuniPreferred | Common MuniPrefer |
|--------------------------|---------------|---------------|-------------------|
|--------------------------|---------------|---------------|-------------------|

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| | shares voting together as a class | shares voting together as a class | shares voting together as a class | shares vo toge as a c |
|-------------------------|---|---|---|-----------------------------|
| ----- | | | | |
| Robert P. Bremner | | | | |
| For | 53,315,159 | -- | 37,446,063 | |
| Withhold | 495,286 | -- | 422,530 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 53,296,458 | -- | 37,452,096 | |
| Withhold | 513,987 | -- | 416,497 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 53,324,307 | -- | 37,457,019 | |
| Withhold | 486,138 | -- | 411,574 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 53,322,571 | -- | 37,507,732 | |
| Withhold | 487,874 | -- | 360,861 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| David J. Kundert | | | | |
| For | 53,331,019 | -- | 37,501,768 | |
| Withhold | 479,426 | -- | 366,825 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 16,898 | -- | 13 |
| Withhold | -- | 97 | -- | |
| Total | -- | 16,995 | -- | 13 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 16,895 | -- | 13 |
| Withhold | -- | 100 | -- | |
| Total | -- | 16,995 | -- | 13 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 53,310,458 | -- | 37,499,595 | |
| Withhold | 499,987 | -- | 368,998 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |
| Eugene S. Sunshine | | | | |
| For | 53,307,530 | -- | 37,502,134 | |
| Withhold | 502,915 | -- | 366,459 | |
| Total | 53,810,445 | -- | 37,868,593 | |
| ===== | | | | |

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Shareholder
MEETING REPORT (continued)

| | NAD | NXZ |
|---|--|--|
| ----- | | |
| APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENT WAS REACHED AS FOLLOWS: | | |
| | Common and MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class |
| ===== | | |
| For | 37,977,618 | 28,297,610 |
| Against | 280,169 | 162,725 |
| Abstain | 269,279 | 189,801 |
| ----- | | |
| Total | 38,527,066 | 28,650,136 |
| ===== | | |

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 | MuniPreferred shares voting together as a class | Common MuniPrefered shares vo togete as a c |
|-------------------|--|--|--|---|
| ----- | | | | |
| Robert P. Bremner | | | | |
| For | 38,090,074 | -- | 28,447,863 | |
| Withhold | 436,992 | -- | 202,273 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 38,087,066 | -- | 28,452,771 | |
| Withhold | 440,000 | -- | 197,365 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 38,092,084 | -- | 28,453,050 | |
| Withhold | 434,982 | -- | 197,086 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 38,106,231 | -- | 28,458,908 | |
| Withhold | 420,835 | -- | 191,228 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| David J. Kundert | | | | |
| For | 38,100,806 | -- | 28,461,057 | |
| Withhold | 426,260 | -- | 189,079 | |
| ----- | | | | |

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| | | | | |
|-------------------------|------------|--------|------------|---|
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 11,467 | -- | 8 |
| Withhold | -- | 11 | -- | |
| ----- | | | | |
| Total | -- | 11,478 | -- | 8 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 11,467 | -- | 8 |
| Withhold | -- | 11 | -- | |
| ----- | | | | |
| Total | -- | 11,478 | -- | 8 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 38,101,238 | -- | 28,463,512 | |
| Withhold | 425,828 | -- | 186,624 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |
| Eugene S. Sunshine | | | | |
| For | 38,097,911 | -- | 28,470,902 | |
| Withhold | 429,155 | -- | 179,234 | |
| ----- | | | | |
| Total | 38,527,066 | -- | 28,650,136 | |
| ===== | | | | |

18

Report of
 INDEPENDENT REGISTERED
 PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 as of October 31, 2005, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of 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

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and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2005, by correspondence with the custodian and brokers or other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 at October 31, 2005, and the results of their operations for the year then ended, changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of the periods indicated therein in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
December 14, 2005

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Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Portfolio of
INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL PROVISIO |
|---|--|----------------------|
| ----- | | |
| ALABAMA - 1.2% (0.8% OF TOTAL INVESTMENTS) | | |
| Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A: | | |
| \$ 3,640 | 5.625%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 101 |
| 1,435 | 5.625%, 2/01/22 - FGIC Insured | 2/07 at 101 |
| 3,820 | 5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 100 |
| 1,505 | 5.375%, 2/01/27 - FGIC Insured | 2/07 at 100 |
| ----- | | |
| ARIZONA - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 1,000 | Arizona State Transportation Board, Highway Revenue Bonds, | 7/12 at 100 |

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Series 2002B, 5.250%, 7/01/22 (Pre-refunded to 7/01/12)

Phoenix, Arizona, Civic Improvement Corporation, Senior Lien
Airport Revenue Bonds, Series 2002B:

| | | |
|-------|--|-------------|
| 5,365 | 5.750%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| 5,055 | 5.750%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |

ARKANSAS - 0.7% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,080 | Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured | 5/13 at 100 |
| 1,000 | Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005A, 5.000%, 2/01/35 | 2/15 at 100 |

CALIFORNIA - 13.4% (9.0% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 3,500 | Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured | 10/17 at 100 |
| 11,000 | Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/20 - FSA Insured | No Opt. C |
| 3,000 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 2,380 | California Infrastructure Economic Development Bank, Revenue Bonds, J. David Gladstone Institutes, Series 2001, 5.250%, 10/01/34 | 10/11 at 101 |
| 6,435 | California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
| 5,300 | California, General Obligation Bonds, Series 2004, 5.100%, 2/01/34 | 2/09 at 100 |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 4,000 | 6.000%, 5/01/15 | 5/12 at 101 |
| 2,975 | 5.375%, 5/01/22 | 5/12 at 101 |
| | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996: | |
| 3,935 | 4.750%, 6/01/21 (Pre-refunded to 6/01/06) - FGIC Insured | 6/06 at 100 |
| 2,990 | 4.750%, 6/01/21 - FGIC Insured | 6/06 at 100 |
| 10,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at 100 |
| 8,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 | 6/15 at 100 |

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| | | |
|--------|---|--------------|
| 1,000 | Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured | 12/05 at 100 |
| 13,450 | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.200%, 8/01/17 - MBIA Insured | No Opt. C |
| 17,585 | Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10 | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CALIFORNIA (continued) | |
| \$ 2,325 | Palmdale Community Redevelopment Agency, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax) | No Opt. C |
| 2,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 1999, Issue 23B, 5.125%, 5/01/30 - FGIC Insured | 5/09 at 101 |
| 2,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27B, 5.125%, 5/01/26 - FGIC Insured | 5/11 at 100 |
| 3,000 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - MBIA Insured | No Opt. C |
| 15,745 | Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured | 8/11 at 103 |
| ----- | | |
| | COLORADO - 4.9% (3.3% OF TOTAL INVESTMENTS) | |
| 3,000 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2004, 5.250%, 8/15/34 - XLCA Insured | 8/14 at 100 |
| 5,860 | Colorado Health Facilities Authority, Revenue Refunding Bonds, Catholic Health Initiatives, Series 2001, 5.250%, 9/01/21 | 9/11 at 100 |
| 7,575 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured | 11/07 at 101 |
| 20,000 | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/33 - XLCA Insured | 12/13 at 100 |
| 10,615 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/21 - MBIA Insured | No Opt. C |

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|--|---|--------------|
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 - MBIA Insured | No Opt. C |
| 755 | Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - FSA Insured | 12/14 at 100 |
| ----- | | |
| DISTRICT OF COLUMBIA - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| 5,590 | District of Columbia, General Obligation Bonds, Series 1999B, 5.500%, 6/01/13 - FSA Insured | 6/09 at 101 |
| 6,440 | District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 | 5/11 at 101 |
| 6,000 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 5.250%, 10/01/10 - AMBAC Insured | 10/08 at 101 |
| ----- | | |
| FLORIDA - 4.7% (3.1% OF TOTAL INVESTMENTS) | | |
| Broward County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments, Series 2001A: | | |
| 1,545 | 5.700%, 1/01/32 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 1,805 | 5.800%, 1/01/36 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 2,915 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2000-11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured | 1/10 at 100 |
| 10,050 | Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Refunding Bonds, Series 1999D, 5.750%, 6/01/22 | 6/10 at 101 |
| 7,000 | Hillsborough County Aviation Authority, Florida, Revenue Bonds, Tampa International Airport, Series 2003A, 5.250%, 10/01/17 (Alternative Minimum Tax) - MBIA Insured | 10/13 at 100 |
| 10,750 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/05 at 101 |
| 2,570 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds, Country Club Villas II Project, Series 2001-1A, 5.850%, 1/01/37 (Alternative Minimum Tax) - FSA Insured | 6/11 at 100 |
| 3,500 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2005A, 5.000%, 10/01/37 (Alternative Minimum Tax) (WI, settling 11/02/05) - XLCA Insured | 10/15 at 100 |
| 1,700 | Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured | 5/12 at 102 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | GEORGIA - 3.2% (2.1% OF TOTAL INVESTMENTS) | |
| \$ 4,920 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 5,000 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Opt. C |
| 2,000 | George L. Smith II World Congress Center Authority, Atlanta, Georgia, Revenue Refunding Bonds, Domed Stadium Project, Series 2000, 5.500%, 7/01/20 (Alternative Minimum Tax) - MBIA Insured | 7/10 at 101 |
| 15,000 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 1999A, 5.500%, 11/01/25 (Pre-refunded to 11/01/09) | 11/09 at 101 |
| ----- | | |
| | IDAHO - 0.2% (0.1% OF TOTAL INVESTMENTS) | |
| 615 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000G-2, 5.950%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 100 |
| 865 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax) | 1/10 at 100 |
| ----- | | |
| | ILLINOIS - 19.8% (13.2% OF TOTAL INVESTMENTS) | |
| 3,000 | Chicago, Illinois, General Obligation Bonds, Library Projects, Series 1997, 5.750%, 1/01/17 (Pre-refunded to 1/01/08) - FGIC Insured | 1/08 at 102 |
| 32,170 | Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: 0.000%, 1/01/21 - FGIC Insured | No Opt. C |
| 32,670 | Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: 0.000%, 1/01/22 - FGIC Insured | No Opt. C |
| 10,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/19 - FGIC Insured | No Opt. C |
| 10,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Opt. C |

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| | | |
|--------|---|--------------|
| 9,145 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1996A, 5.500%, 1/01/29 - MBIA Insured | 1/07 at 101 |
| | DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000: | |
| 8,000 | 0.000%, 11/01/18 | No Opt. C |
| 15,285 | 0.000%, 11/01/19 | No Opt. C |
| 2,955 | Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 | 8/09 at 101 |
| 4,580 | Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX, Inc., Series 2000, 6.250%, 8/20/35 | 8/10 at 102 |
| 3,000 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | 7/13 at 100 |
| 4,000 | Illinois Health Facilities Authority, FHA-Insured Mortgage Revenue Refunding Bonds, Sinai Health System, Series 2003, 5.150%, 2/15/37 | 8/13 at 100 |
| 4,415 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital, Series 1991, 7.375%, 1/01/23 | 1/06 at 100 |
| 5,000 | Kane, McHenry, Cook and DeKalb Counties Community Unit School District 300, Carpentersville, Illinois, General Obligation Bonds, Series 2000, 5.500%, 12/01/19 (Pre-refunded to 12/01/11) - MBIA Insured | 12/11 at 100 |
| 3,700 | Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Alternative Minimum Tax) | 11/09 at 100 |
| 6,000 | McHenry County Conservation District, Illinois, General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 (Pre-refunded to 2/01/11) - FGIC Insured | 2/11 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A: | |
| 9,400 | 0.000%, 12/15/18 - MBIA Insured | No Opt. C |
| 16,570 | 0.000%, 12/15/20 - MBIA Insured | No Opt. C |
| 23,550 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/24 - MBIA Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A: | |
| \$ 5,180 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |
| 5,100 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |

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| | | |
|--------|--|--------------|
| 10,650 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Hospitality Facility, Series 1996A, 7.000%, 7/01/26 | No Opt. C |
| 17,865 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured | No Opt. C |
| 6,090 | Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29 | 10/09 at 102 |

INDIANA - 6.7% (4.5% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 2,465 | Danville Multi-School Building Corporation, Indiana, First Mortgage Refunding Bonds, Series 2001, 5.250%, 7/15/18 - AMBAC Insured | 7/11 at 100 |
| 14,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 2,500 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured | No Opt. C |
| | Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Inc. Obligated Group, Series 1997: | |
| 15,380 | 5.250%, 7/01/17 - MBIA Insured | 7/07 at 101 |
| 2,250 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 4,320 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 2,000 | Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 - AMBAC Insured | 5/15 at 100 |
| | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000: | |
| 1,285 | 5.375%, 12/01/25 (Pre-refunded to 12/01/10) | 12/10 at 100 |
| 6,715 | 5.375%, 12/01/25 | 12/10 at 100 |
| 3,105 | Indiana University, Student Fee Revenue Bonds, Series 20030, 5.250%, 8/01/20 - FGIC Insured | 8/13 at 100 |
| 1,000 | Marion County Convention and Recreational Facilities Authority, Indiana, Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2001A, 5.000%, 6/01/21 - MBIA Insured | 6/11 at 100 |
| 2,395 | Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/26 - MBIA Insured | 7/15 at 100 |
| 1,800 | Sunman Dearborn High School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 5.000%, 7/15/25 - MBIA Insured | 1/15 at 100 |

IOWA - 0.6% (0.4% OF TOTAL INVESTMENTS)

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| | | |
|-------|--|-------------|
| 5,000 | Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35 | 6/11 at 101 |
|-------|--|-------------|

KANSAS - 1.3% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 3,790 | Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/23 | 3/14 at 100 |
| 5,790 | Sedgwick County Unified School District 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17 | 9/10 at 100 |
| 3,200 | Wyandotte County Unified School District 500, Kansas, General Obligation Bonds, Series 2001, 4.000%, 9/01/21 - FSA Insured | 9/11 at 100 |

KENTUCKY - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 3,700 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 6.250%, 5/15/26 (Pre-refunded to 5/15/07) - MBIA Insured | 5/07 at 101 |
|-------|---|-------------|

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|------------------------|
| <hr/> | | |
| LOUISIANA - 6.9% (4.6% OF TOTAL INVESTMENTS) | | |
| \$ 1,250 | East Baton Rouge Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1997B-1, 5.750%, 10/01/26 | 10/07 at 102 |
| 4,000 | Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/25 - MBIA Insured | 11/14 at 100 |
| 4,650 | Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured | 7/14 at 100 |
| 35,700 | Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1996, 5.750%, 7/01/26 (Pre-refunded to 7/01/06) - FGIC Insured | 7/06 at 102 |
| 10,000 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30 | 5/11 at 101 |
| 6,250 | 5.875%, 5/15/39 | 5/11 at 101 |

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MAINE - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,680 | Portland, Maine, Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - FSA Insured | 7/13 at 100 |
|-------|--|-------------|

MARYLAND - 1.8% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,110 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2000H, 5.800%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 7,720 | Maryland Transportation Authority, Airport Parking Revenue Bonds, Baltimore-Washington International Airport Passenger Facility, Series 2002B, 5.125%, 3/01/20 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
|-------|---|-------------|

| | | |
|-------|---|-----------|
| 7,090 | Takoma Park, Maryland, Hospital Facilities Revenue Refunding and Improvement Bonds, Washington Adventist Hospital, Series 1995, 6.500%, 9/01/12 - FSA Insured | No Opt. C |
|-------|---|-----------|

MASSACHUSETTS - 4.2% (2.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,380 | Massachusetts Educational Finance Authority, Student Loan Revenue Refunding Bonds, Series 2000G, 5.700%, 12/01/11 (Alternative Minimum Tax) - MBIA Insured | 12/09 at 101 |
|-------|--|--------------|

| | | |
|-------|--|-------------|
| | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E: | |
| 1,255 | 5.250%, 1/01/22 (Pre-refunded to 1/01/13) - FGIC Insured | 1/13 at 100 |
| 3,745 | 5.250%, 1/01/22 (Pre-refunded to 1/01/13) - FGIC Insured | 1/13 at 100 |

| | | |
|-----|--|--------------|
| 890 | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30 (Pre-refunded to 11/01/12) | 11/12 at 100 |
|-----|--|--------------|

| | | |
|-------|--|-------------|
| | Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, Series 2002A: | |
| 4,000 | 5.125%, 8/01/28 - MBIA Insured | 2/12 at 100 |
| 5,625 | 5.125%, 2/01/34 - MBIA Insured | 2/12 at 100 |

| | | |
|-------|--|-------------|
| 1,420 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group, Series 1998A, 4.750%, 7/01/27 - MBIA Insured | 7/08 at 101 |
|-------|--|-------------|

| | | |
|-------|---|--------------|
| 4,365 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured | 10/15 at 100 |
|-------|---|--------------|

| | | |
|-------|---|--------------|
| 5,745 | Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.600%, 12/01/19 (Alternative Minimum Tax) | 12/08 at 102 |
|-------|---|--------------|

| | | |
|-------|--|-------------|
| 8,500 | Route 3 North Transportation Improvements Association, Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded to 6/15/10) - MBIA Insured | 6/10 at 100 |
|-------|--|-------------|

MICHIGAN - 6.8% (4.5% OF TOTAL INVESTMENTS)

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| | | |
|--------|--|--------------|
| 17,000 | Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured | 11/07 at 100 |
| 5,000 | Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - MBIA Insured | 7/15 at 100 |
| 3,000 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 1997A, 5.000%, 7/01/21 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | MICHIGAN (continued) | |
| \$ 4,030 | Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured | 8/08 at 100 |
| 1,500 | Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24 | 10/11 at 100 |
| 5,000 | Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - MBIA Insured | 10/13 at 100 |
| 7,115 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Henry Ford Health System, Series 2003A, 5.500%, 3/01/16 | 3/13 at 100 |
| 5,000 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 - MBIA Insured | No Opt. C |
| 3,000 | Michigan Strategic Fund, Collateralized Limited Obligation Pollution Control Revenue Refunding Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| 10,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |
| ----- | | |
| | MINNESOTA - 3.1% (2.1% OF TOTAL INVESTMENTS) | |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured | 1/11 at 100 |
| 20,770 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |

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| MISSISSIPPI - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 9,750 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/06 at 100 |
| 2,475 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100 |

| MISSOURI - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
|---|---|--------------|
| 2,000 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 6,350 | Kansas City, Missouri, Airport Revenue Bonds, General Improvement Projects, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | 9/12 at 100 |
| 3,815 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/28 (Pre-refunded to 6/01/11) - AMBAC Insured | 6/11 at 101 |
| 1,845 | Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.250%, 5/15/18 | 5/13 at 100 |

| MONTANA - 0.7% (0.5% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 830 | Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A-1, 6.150%, 6/01/30 (Alternative Minimum Tax) | 6/07 at 101 |
| 920 | Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 4,795 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax) | 12/08 at 101 |

| NEBRASKA - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
|---|---|-------------|
| 1,475 | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2000E, 5.850%, 9/01/20 (Alternative Minimum Tax) | 9/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| NEVADA - 3.6% (2.4% OF TOTAL INVESTMENTS) | | |
| \$ 5,000 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 - FGIC Insured | 6/11 at 100 |
| 10,900 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 (Pre-refunded to 6/15/12) - MBIA Insured | 6/12 at 100 |
| 4,980 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 10,465 | Nevada, General Obligation Bonds, Municipal Bond Bank Project 52, Series 1996A, 6.000%, 5/15/21 (Pre-refunded to 5/15/06) | 5/06 at 101 |
| NEW HAMPSHIRE - 1.6% (1.0% OF TOTAL INVESTMENTS) | | |
| 3,265 | New Hampshire Health and Education Facilities Authority, Revenue Bonds, Southern New Hampshire University, Series 2005, 5.000%, 1/01/30 - ACA Insured | 1/15 at 100 |
| | New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Remarketed Revenue Bonds, Countryside LP, Series 1994: | |
| 3,725 | 6.000%, 7/01/18 (Alternative Minimum Tax) | 7/10 at 101 |
| 6,945 | 6.100%, 7/01/24 (Alternative Minimum Tax) | 7/10 at 101 |
| NEW JERSEY - 7.2% (4.8% OF TOTAL INVESTMENTS) | | |
| 2,885 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 3,000 | New Jersey Economic Development Authority, Transportation Sublease Revenue Bonds, Light Rail Transit System, Series 1999A, 5.250%, 5/01/17 (Pre-refunded to 5/01/09) - FSA Insured | 5/09 at 100 |
| 8,750 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1996B, 5.250%, 6/15/16 (Pre-refunded to 6/15/07) | 6/07 at 102 |
| 9,250 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/23 (Pre-refunded to 6/15/13) | 6/13 at 100 |
| 4,500 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - FSA Insured | No Opt. C |
| 10,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured | 7/13 at 100 |

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| | | |
|--------|---|-------------|
| 13,890 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at 100 |
| 4,060 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 | 6/13 at 100 |
| | West Deptford Township, Gloucester County, New Jersey, General Obligation Bonds, Series 2000: | |
| 3,150 | 5.500%, 9/01/21 (Pre-refunded to 9/01/10) - FGIC Insured | 9/10 at 100 |
| 3,335 | 5.500%, 9/01/22 (Pre-refunded to 9/01/10) - FGIC Insured | 9/10 at 100 |

NEW YORK - 14.7% (9.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 1,500 | Hempstead Industrial Development Agency, New York, Resource Recovery Revenue Refunding Bonds, American Ref-Fuel Company of Hempstead LP, Series 2001, 5.000%, 12/01/10 (Mandatory put 6/01/10) | No Opt. C |
| 13,220 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.500%, 11/15/26 - FSA Insured | 11/12 at 100 |
| 5 | New York City, New York, General Obligation Bonds, Fiscal Series 1987D, 8.500%, 8/01/08 | 2/06 at 100 |
| 6,300 | New York City, New York, General Obligation Bonds, Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured | 5/10 at 101 |
| 16,295 | New York City, New York, General Obligation Bonds, Fiscal Series 1996F, 5.750%, 2/01/15 (Pre-refunded to 2/01/06) | 2/06 at 101 |
| 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/30 (Pre-refunded to 6/15/09) | 6/09 at 101 |
| | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1996B: | |
| 7,270 | 5.750%, 6/15/26 (Pre-refunded to 6/15/06) - MBIA Insured | 6/06 at 101 |
| 13,380 | 5.750%, 6/15/26 - MBIA Insured | 6/06 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | NEW YORK (continued) | |
| | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997A: | |
| \$ 3,495 | 5.500%, 6/15/24 (Pre-refunded to 6/15/06) - MBIA Insured | 6/06 at 101 |
| 1,380 | 5.500%, 6/15/24 - MBIA Insured | 6/06 at 101 |
| 7,810 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 | 8/09 at 101 |

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(Pre-refunded to 8/15/09)

| | | |
|--------|---|-------------|
| 2,250 | Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities, Series 1999C, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - MBIA Insured | 7/09 at 101 |
| 1,500 | Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured | 8/07 at 101 |
| 2,070 | Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program, Gateway-Longview Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured | 7/08 at 101 |
| 5,500 | Dormitory Authority of the State of New York, FHA-Insured Mortgage Revenue Bonds, Kaleida Health, Series 2004, 5.050%, 2/15/25 | 2/14 at 100 |
| | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996B: | |
| 1,930 | 5.375%, 2/15/26 (Pre-refunded to 2/15/06) - MBIA Insured | 2/06 at 102 |
| 35 | 5.375%, 2/15/26 (Pre-refunded to 2/15/06) - MBIA Insured | 2/06 at 102 |
| 35 | 5.375%, 2/15/26 - MBIA Insured | 2/06 at 102 |
| 17,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | 7/09 at 101 |
| 3,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| | Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: | |
| 1,580 | 6.375%, 7/01/13 - RAAI Insured | 7/09 at 101 |
| 9,235 | 6.125%, 7/01/21 - RAAI Insured | 7/09 at 101 |
| 3,000 | New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation, Series 1998A, 5.950%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured | 9/08 at 102 |

NORTH CAROLINA - 0.2% (0.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,000 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured | 1/08 at 102 |
|-------|---|-------------|

OHIO - 4.0% (2.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 7,500 | Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured | 1/10 at 101 |
| 3,650 | Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30 | 5/14 at 100 |
| 5,080 | Ohio Housing Finance Agency, GNMA Mortgage-Backed | 7/09 at 100 |

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| | | |
|---|--|-------------|
| | Securities Program Residential Mortgage Revenue Bonds, Series 1999C, 5.750%, 9/01/30 (Alternative Minimum Tax) | |
| 6,600 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at 102 |
| 13,600 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| OKLAHOMA - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 3,400 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 6/09 at 100 |
| ----- | | |
| OREGON - 1.0% (0.7% OF TOTAL INVESTMENTS) | | |
| 9,150 | Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company, Series 1985B, 4.800%, 6/01/10 | No Opt. C |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| PENNSYLVANIA - 3.7% (2.5% OF TOTAL INVESTMENTS) | | |
| | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998: | |
| \$ 3,125 | 0.000%, 5/15/22 - FSA Insured | No Opt. C |
| 3,125 | 0.000%, 5/15/23 - FSA Insured | No Opt. C |
| 3,135 | 0.000%, 5/15/24 - FSA Insured | No Opt. C |
| 3,155 | 0.000%, 5/15/26 - FSA Insured | No Opt. C |
| 4,145 | 0.000%, 11/15/26 - FSA Insured | No Opt. C |
| 2,800 | 0.000%, 5/15/28 - FSA Insured | No Opt. C |
| 3,000 | 0.000%, 11/15/28 - FSA Insured | No Opt. C |
| 3,935 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 11,000 | Delaware County Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East Issue, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured | 11/08 at 102 |
| | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A: | |

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| | | |
|---|--|--------------|
| 2,100 | 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/06 at 100 |
| 4,500 | 6.500%, 1/01/13 (Alternative Minimum Tax) | 1/06 at 100 |
| 700 | Pennsylvania Economic Development Financing Authority, Subordinate Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax) | 1/06 at 100 |
| 2,750 | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994B, 6.750%, 1/01/07 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| PUERTO RICO - 0.1% (0.1% OF TOTAL INVESTMENTS) | | |
| 1,250 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 5.875%, 7/01/21 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 100 |
| ----- | | |
| RHODE ISLAND - 1.2% (0.9% OF TOTAL INVESTMENTS) | | |
| 2,000 | Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 - MBIA Insured | 7/12 at 100 |
| 7,000 | Rhode Island Housing and Mortgage Finance Corporation, Homeownership Opportunity Bond Program, Series 50A, 4.650%, 10/01/34 | 10/14 at 100 |
| 1,260 | Rhode Island Health and Educational Building Corporation, Revenue Refunding Bonds, Salve Regina University, Series 2002: 5.250%, 3/15/17 - RAAI Insured | 3/12 at 101 |
| 1,080 | 5.250%, 3/15/18 - RAAI Insured | 3/12 at 101 |
| ----- | | |
| SOUTH CAROLINA - 4.1% (2.8% OF TOTAL INVESTMENTS) | | |
| 2,625 | Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, Series 2004A, 5.250%, 2/15/25 - MBIA Insured | 8/14 at 100 |
| 22,855 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/31 - AMBAC Insured | No Opt. C |
| 6,925 | South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14 | 10/09 at 101 |
| 21,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at 101 |
| ----- | | |
| TENNESSEE - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 2,260 | Johnson City Health and Educational Facilities Board, Tennessee, Hospital Revenue Refunding and Improvement | 7/23 at 100 |

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| | | |
|-------|--|--------------|
| | Bonds, Johnson City Medical Center, Series 1998C, 5.125%, 7/01/25 (Pre-refunded to 7/01/23) - MBIA Insured | |
| 1,700 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 6,000 | Metropolitan Government of Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College, Series 1996, 6.000%, 12/01/19 - AMBAC Insured | 12/17 at 100 |
| 1,000 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS - 5.8% (3.9% OF TOTAL INVESTMENTS) | |
| \$ 3,740 | Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.625%, 11/15/17 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 100 |
| 3,975 | Bell County Health Facilities Development Corporation, Texas, Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation, Series 2000A, 6.125%, 8/15/23 - MBIA Insured | 2/10 at 101 |
| | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005: | |
| 4,000 | 5.000%, 1/01/35 - FGIC Insured | 1/15 at 100 |
| 3,000 | 5.000%, 1/01/45 - FGIC Insured | 1/15 at 100 |
| 1,000 | Fort Worth, Texas, Water and Sewerage Revenue Bonds, Series 1998, 5.250%, 2/15/15 (Pre-refunded to 2/15/08) | 2/08 at 100 |
| 1,000 | Harlingen Independent School District, Cameron County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.650%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 1,625 | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 4,000 | Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/27 - AMBAC Insured | 2/13 at 100 |
| 3,885 | Houston Independent School District, Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, 0.000%, 9/15/19 - AMBAC Insured | No Opt. C |

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| | | |
|-------|--|-------------|
| 1,690 | Webb County, Laredo, Texas, Combination Tax and Sewer System, Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured | 2/08 at 100 |
| | Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998: | |
| 4,930 | 0.000%, 8/15/20 | 8/06 at 46 |
| 3,705 | 0.000%, 8/15/22 | 8/06 at 41 |
| 385 | Lubbock Housing Finance Corporation, Texas, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1997A, 6.125%, 12/01/17 | 6/07 at 102 |
| 3,480 | Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured | 3/12 at 100 |
| 6,835 | San Antonio, Texas, Electric and Gas System Revenue Refunding Bonds, New Series 1998A, 4.500%, 2/01/21 | 2/09 at 100 |
| 6,000 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | 2/11 at 100 |
| 4,000 | Tarrant Regional Water District, Texas, Water Revenue Refunding and Improvement Bonds, Series 1999, 5.000%, 3/01/22 - FSA Insured | 3/13 at 100 |
| 1,740 | Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/29 - MBIA Insured | 8/09 at 100 |

 UTAH - 4.4% (3.0% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 2,000 | Intermountain Power Agency, Utah, Power Supply Revenue Bonds, Special Obligation Crossover, Sixth Series 1996B, 6.000%, 7/01/16 - MBIA Insured | 7/06 at 102 |
| | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B: | |
| 3,315 | 5.750%, 7/01/19 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 102 |
| 6,685 | 5.750%, 7/01/19 - MBIA Insured | 7/07 at 102 |
| | Utah County, Utah, Hospital Revenue Bonds, IHC Health Services Inc., Series 1997: | |
| 12,885 | 5.250%, 8/15/21 - MBIA Insured | 8/07 at 101 |
| 3,900 | 5.250%, 8/15/26 - MBIA Insured | 8/07 at 101 |
| 3,870 | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002A-1, 5.300%, 7/01/18 (Alternative Minimum Tax) | 1/12 at 100 |
| 25 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 2,105 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax) | 7/10 at 100 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
 Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | UTAH (continued) | |
| \$ 2,470 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| 685 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax) | 7/10 at 100 |
| 985 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A-2, 5.650%, 7/01/27 (Alternative Minimum Tax) | 7/11 at 100 |
| 815 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax) | 1/11 at 100 |
| ----- | | |
| | VERMONT - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 2,920 | Vermont Housing Finance Agency, Single Family Housing Bonds, Series 1994-5, 7.000%, 11/01/27 (Alternative Minimum Tax) (Pre-refunded to 12/01/05) | 12/05 at 101 |
| ----- | | |
| | VIRGIN ISLANDS - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 2,500 | Virgin Islands Public Finance Authority, Revenue Bonds, Refinery Project - Hovensa LLC, Series 2003, 6.125%, 7/01/22 (Alternative Minimum Tax) | 1/14 at 100 |
| 4,700 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 2003, 5.000%, 10/01/33 - RAAI Insured | 10/14 at 100 |
| ----- | | |
| | WASHINGTON - 4.5% (3.0% OF TOTAL INVESTMENTS) | |
| 12,235 | Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydro-Electric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured | No Opt. C |
| 3,100 | Cowlitz County Public Utilities District 1, Washington, Electric Production Revenue Bonds, Series 2004, 5.000%, 9/01/28 - FGIC Insured | 9/14 at 100 |
| 5,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2003A, 5.500%, 7/01/16 | 7/13 at 100 |
| 1,815 | Grant County Public Utility District 2, Washington, Revenue Bonds, Master Lease Program, Wanapum Hydroelectric Development, Series 1997A, 5.625%, 1/01/26 (Pre-refunded | 1/06 at 102 |

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to 1/01/06) - MBIA Insured

| | | |
|--|--|--------------|
| 2,295 | King County School District 414, Lake Washington, Washington, General Obligation Bonds, Series 2000, 5.375%, 12/01/16 (Pre-refunded to 12/01/10) | 12/10 at 100 |
| 2,015 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999A, 6.000%, 9/01/29 - MBIA Insured | 3/10 at 101 |
| 12,000 | Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26 | 1/11 at 100 |
| 5,000 | Washington State Housing Finance Commission, Non-Profit Housing Revenue Bonds, Kline Galland Center, Series 1999, 6.000%, 7/01/29 - RAAI Insured | 7/09 at 101 |
| 4,685 | Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |
| ----- | | |
| WEST VIRGINIA - 0.5% (0.4% OF TOTAL INVESTMENTS) | | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| ----- | | |
| WISCONSIN - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| 11,620 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured | 2/10 at 101 |
| 7,490 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Millennium Housing Foundation Inc., Series 1998, 6.100%, 1/01/28 | 7/08 at 103 |
| ----- | | |
| \$ 1,468,055 | Total Long-Term Investments (cost \$1,301,727,964) - 149.1% | |
| ===== | | |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | |
|---|---|--|
| ----- | | |
| SHORT-TERM INVESTMENTS - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| \$ 1,500 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 2.580%, 12/01/15 - MBIA Insured + | |
| ----- | | |
| \$ 1,500 | Total Short-Term Investments (cost \$1,500,000) | |
| ===== | | |
| Total Investments (cost \$1,303,227,964) - 149.3% | | |
| ----- | | |

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Other Assets Less Liabilities - 2.2%

 Preferred Shares, at Liquidation Value - (51.5)%

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

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

* 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.

** 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.

N/R Investment is not rated.

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

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

See accompanying notes to financial statements.

Nuveen Municipal Advantage Fund, Inc. (NMA)
 Portfolio of
 INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | ALABAMA - 3.2% (2.1% OF TOTAL INVESTMENTS) | |
| \$ 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |

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5,075 Lauderdale County and Florence Healthcare Authority, 7/09 at 101
 Alabama, Revenue Bonds, Coffee Health Group,
 Series 1999A, 5.250%, 7/01/24 - MBIA Insured

5,155 Phenix City Industrial Development Board, Alabama, 5/12 at 100
 Environmental Improvement Revenue Bonds, MeadWestvaco
 Corporation, Series 2002A, 6.350%, 5/15/35 (Alternative
 Minimum Tax)

 ALASKA - 0.4% (0.2% OF TOTAL INVESTMENTS)

Alaska Housing Finance Corporation, General Housing Purpose
 Bonds, Series 2005A:
 1,125 5.250%, 12/01/34 - FGIC Insured 12/14 at 100
 1,280 5.250%, 12/01/41 - FGIC Insured 12/14 at 100

 ARIZONA - 0.8% (0.5% OF TOTAL INVESTMENTS)

5,000 Maricopa County Pollution Control Corporation, Arizona, 5/06 at 101
 Remarketed Revenue Refunding Bonds, Public Service
 Company of New Mexico, Series 1992A, 5.750%, 11/01/22

 CALIFORNIA - 10.4% (6.9% OF TOTAL INVESTMENTS)

2,500 Alameda Corridor Transportation Authority, California, 10/17 at 100
 Subordinate Lien Revenue Bonds, Series 2004A,
 0.000%, 10/01/25 - AMBAC Insured

3,000 California Health Facilities Financing Authority, Health Facility 3/13 at 100
 Revenue Bonds, Adventist Health System/West,
 Series 2003A, 5.000%, 3/01/33

3,550 California Department of Water Resources, Power Supply 5/12 at 101
 Revenue Bonds, Series 2002A, 5.375%, 5/01/22

7,500 California State Public Works Board, Lease Revenue Bonds, 4/14 at 100
 Department of Mental Health, Coalinga State Hospital,
 Series 2004A, 5.125%, 6/01/29

9,955 Capistrano Unified School District, Orange County, California, No Opt. C
 Special Tax Bonds, Community Facilities District, Series 2005,
 0.000%, 9/01/31 - FGIC Insured

7,535 Contra Costa County, California, GNMA Mortgage-Backed No Opt. C
 Securities Program Home Mortgage Revenue Bonds,
 Series 1989, 7.750%, 5/01/22 (Alternative Minimum Tax)

2,990 East Bay Municipal Utility District, Alameda and Contra Costa 6/06 at 100
 Counties, California, Water System Subordinated Revenue
 Refunding Bonds, Series 1996, 4.750%, 6/01/21 -
 FGIC Insured

2,000 Folsom Cordova Unified School District, Sacramento County, No Opt. C
 California, General Obligation Bonds, School Facilities
 Improvement District 1, Series 2004B, 0.000%, 10/01/28 -
 MBIA Insured

3,360 Folsom Cordova Unified School District, Sacramento County, No Opt. C
 California, General Obligation Bonds, School Facilities

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| | | |
|-------|---|-------------|
| | Improvement District 2, Series 2002A, 0.000%, 7/01/27 - MBIA Insured | |
| 2,315 | Gateway Unified School District, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/32 - FGIC Insured | No Opt. C |
| 3,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/26 - FSA Insured | No Opt. C |
| 1,275 | Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/23 - FSA Insured | 8/12 at 100 |
| | North Orange County Community College District, California, General Obligation Bonds, Series 2003B: | |
| 7,735 | 0.000%, 8/01/25 - FGIC Insured | No Opt. C |
| 4,000 | 0.000%, 8/01/26 - FGIC Insured | No Opt. C |
| 5,000 | Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CALIFORNIA (continued) | |
| \$ 5,000 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 9,315 | Perris, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1989A, 7.600%, 1/01/23 (Alternative Minimum Tax) | No Opt. C |
| 13,000 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - MBIA Insured | No Opt. C |
| 7,250 | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 0.000%, 9/01/29 - MBIA Insured | 9/15 at 100 |
| ----- | | |
| | COLORADO - 4.2% (2.8% OF TOTAL INVESTMENTS) | |
| 8,350 | Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente System, Series 1994A, 5.350%, 11/01/16 | 7/06 at 102 |
| | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B: | |
| 2,650 | 0.000%, 9/01/16 - MBIA Insured | No Opt. C |
| 7,650 | 0.000%, 9/01/26 - MBIA Insured | No Opt. C |
| 1,000 | E-470 Public Highway Authority, Colorado, Senior Revenue | 9/10 at 102 |

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| | | |
|--------|--|--------------|
| | Bonds, Series 2000A, 5.750%, 9/01/35 - MBIA Insured | |
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 - MBIA Insured | No Opt. C |
| 4,125 | Municipal Subdistrict Northern Colorado Water District, Revenue Bonds, Series 1997G, 5.250%, 12/01/15 - AMBAC Insured | 12/07 at 101 |
| | Platte River Power Authority, Colorado, Power Revenue Refunding Bonds, Series 2002EE: | |
| 2,000 | 5.375%, 6/01/17 | 6/12 at 100 |
| 5,000 | 5.375%, 6/01/18 | 6/12 at 100 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| 715 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988F-1, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/05 at 102 |
| 2,165 | District of Columbia Housing Finance Agency, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax) | 6/07 at 102 |
| ----- | | |
| | FLORIDA - 1.9% (1.3% OF TOTAL INVESTMENTS) | |
| 2,770 | Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, Series 20000-1, 5.850%, 12/01/31 (Alternative Minimum Tax) - FSA Insured | 12/10 at 100 |
| 10,130 | Tampa, Florida, Healthcare System Revenue Bonds, Allegany Health System - St. Mary's Hospital, Series 1993, 5.125%, 12/01/23 - MBIA Insured | 12/05 at 100 |
| ----- | | |
| | GEORGIA - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 4,000 | Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.250%, 10/01/39 - FSA Insured | 10/14 at 100 |
| ----- | | |
| | HAWAII - 0.5% (0.4% OF TOTAL INVESTMENTS) | |
| 1,285 | Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax) | 7/07 at 102 |
| 2,215 | Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31 | 7/10 at 102 |
| ----- | | |
| | ILLINOIS - 15.3% (10.1% OF TOTAL INVESTMENTS) | |
| 5,865 | Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 (Pre-refunded to 7/01/10) - FGIC Insured | 7/10 at 101 |
| 4,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 (Pre-refunded to 12/01/07) - | 12/07 at 102 |

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AMBAC Insured

| | | |
|--------|---|--------------|
| 12,500 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured | 12/07 at 102 |
| 2,175 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/28 - FGIC Insured | No Opt. C |

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| ILLINOIS (continued) | | |
| \$ 1,515 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/31 - FGIC Insured | No Opt. C |
| 5,000 | Chicago, Illinois, Special Facility Revenue Bonds, O'Hare International Airport, United Air Lines Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Opt. C |
| 5,000 | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 5,000 | Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 (Pre-refunded to 1/01/08) - AMBAC Insured | 1/08 at 102 |
| 10,115 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Rush-Presbyterian-St. Luke's Medical Center Obligated Group, Series 1996A, 6.250%, 11/15/20 - MBIA Insured | 11/06 at 102 |
| 6,165 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22 | 2/07 at 102 |
| 4,210 | Illinois Health Facilities Authority, Revenue Bonds, Victory Health Services, Series 1997A, 5.375%, 8/15/16 | 8/07 at 101 |
| 6,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22 | 5/12 at 100 |
| 10,740 | Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/23 - FSA Insured | 1/15 at 66 |
| 13,455 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A: 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| 10,430 | 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |

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| | | |
|--|--|--------------|
| 4,600 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Opt. C |
| 1,940 | University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured | 4/13 at 100 |
| ----- | | |
| INDIANA - 3.6% (2.4% OF TOTAL INVESTMENTS) | | |
| 5,205 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 9,000 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Community Hospitals of Indiana, Series 1995, 5.700%, 5/15/22 - MBIA Insured | 5/06 at 102 |
| 6,075 | LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21 (Pre-refunded to 10/01/09) | 10/09 at 101 |
| 2,725 | St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.450%, 2/15/12 | 2/09 at 102 |
| ----- | | |
| KANSAS - 1.8% (1.2% OF TOTAL INVESTMENTS) | | |
| 5,000 | Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07) | No Opt. C |
| 4,935 | Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/22 | 3/14 at 100 |
| 1,750 | Wamego, Kansas, Pollution Control Revenue Bonds, Kansas Gas and Electric Company, Series 2004, 5.300%, 6/01/31 - MBIA Insured | 6/14 at 100 |
| ----- | | |
| KENTUCKY - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| 5,500 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured | 5/07 at 101 |
| 4,950 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured | 11/07 at 101 |
| ----- | | |
| LOUISIANA - 7.7% (5.1% OF TOTAL INVESTMENTS) | | |
| \$ 13,500 | De Soto Parish, Louisiana, Pollution Control Revenue | 9/09 at 102 |

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

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| | | |
|--------|--|--------------|
| | Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured | |
| 6,650 | Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured | 7/14 at 100 |
| 9,395 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 | No Opt. C |
| | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B: | |
| 6,000 | 5.500%, 5/15/30 | 5/11 at 101 |
| 11,750 | 5.875%, 5/15/39 | 5/11 at 101 |
| ----- | | |
| | MASSACHUSETTS - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| 1,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Healthcare, Series 1998A, 5.000%, 7/01/28 - AMBAC Insured | 1/09 at 101 |
| 4,135 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |
| 10,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |
| ----- | | |
| | MICHIGAN - 1.6% (1.1% OF TOTAL INVESTMENTS) | |
| 3,275 | Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18 | 2/06 at 100 |
| | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A: | |
| 4,995 | 5.250%, 8/15/23 | 8/08 at 101 |
| 3,000 | 5.250%, 8/15/28 | 8/08 at 101 |
| ----- | | |
| | MINNESOTA - 1.9% (1.2% OF TOTAL INVESTMENTS) | |
| 5,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |
| 4,780 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 5.550%, 7/01/24 (Alternative Minimum Tax) | 7/09 at 100 |
| 2,510 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%, 1/01/23 (Alternative Minimum Tax) | 1/10 at 100 |
| ----- | | |
| | MISSISSIPPI - 0.0% (0.0% OF TOTAL INVESTMENTS) | |
| 55 | Coahoma-Clarksdale Housing Development Corporation, | 2/06 at 100 |

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Mississippi, FHA-Insured Section 8 Assisted Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms, Series 1990A, 8.000%, 8/01/24

60 Coahoma-Clarksdale Housing Development Corporation, Mississippi, FHA-Insured Section 8 Assisted Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms, Series 1990B, 8.000%, 8/01/24 2/06 at 100

MISSOURI - 0.3% (0.2% OF TOTAL INVESTMENTS)

1,500 Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured 10/13 at 100

255 Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax) 9/09 at 102

MONTANA - 1.6% (1.0% OF TOTAL INVESTMENTS)

3,730 Montana Board of Housing, Single Family Program Bonds, Series 1995B, 6.400%, 12/01/27 (Alternative Minimum Tax) 12/05 at 102

6,920 Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A-1, 6.050%, 12/01/37 6/07 at 101

NEVADA - 3.7% (2.5% OF TOTAL INVESTMENTS)

7,310 Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/19 7/10 at 100

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| NEVADA (continued) | | |
| \$ 7,500 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 101 |
| 7,910 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 660 | Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1997C-2, 5.750%, 4/01/29 (Alternative Minimum Tax) | 4/07 at 102 |

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NEW JERSEY - 3.1% (2.1% OF TOTAL INVESTMENTS)

| | | | |
|--------|--|--|-------------|
| | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: | | |
| 15,150 | 5.750%, 6/01/32 | | 6/12 at 100 |
| 5,000 | 6.125%, 6/01/42 | | 6/12 at 100 |

NEW MEXICO - 1.1% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|-------|---|--|-------------|
| 7,500 | Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Public Service Company of New Mexico - San Juan Project, Series 1997B, 5.800%, 4/01/22 | | 4/06 at 101 |
|-------|---|--|-------------|

NEW YORK - 16.5% (11.0% OF TOTAL INVESTMENTS)

| | | | |
|--------|--|--|--------------|
| 7,000 | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29 | | 7/12 at 100 |
| | Nassau County, New York, General Obligation Improvement Bonds, Series 2000F: | | |
| 3,980 | 7.000%, 3/01/11 (Pre-refunded to 3/01/10) - FSA Insured | | 3/10 at 100 |
| 4,070 | 7.000%, 3/01/12 (Pre-refunded to 3/01/10) - FSA Insured | | 3/10 at 100 |
| 3,925 | 7.000%, 3/01/15 (Pre-refunded to 3/01/10) - FSA Insured | | 3/10 at 100 |
| 10,000 | New York City, New York, General Obligation Bonds, Fiscal Series 1997G, 6.000%, 10/15/26 (Pre-refunded to 10/15/07) | | 10/07 at 101 |
| 7,435 | New York City, New York, General Obligation Bonds, Fiscal Series 2000A, 5.750%, 5/15/20 (Pre-refunded to 5/15/10) | | 5/10 at 101 |
| 9,850 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 (Pre-refunded to 6/15/09) - FGIC Insured | | 6/09 at 101 |
| 5,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997B, 5.750%, 6/15/29 (Pre-refunded to 6/15/07) - FGIC Insured | | 6/07 at 101 |
| 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2005B, 5.000%, 6/15/36 - FSA Insured | | 12/14 at 100 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000B, 6.000%, 11/15/29 (Pre-refunded to 5/15/10) | | 5/10 at 101 |
| 4,975 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax) | | 12/08 at 102 |
| 3,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 2002, 7.625%, 12/01/32 (Alternative Minimum Tax) | | 12/12 at 101 |
| 3,655 | Dormitory Authority of the State of New York, Revenue Bonds, State University Educational Facilities, Series 1997, 5.125%, 5/15/27 (Pre-refunded to 5/15/08) | | 5/08 at 101 |

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|-------|--|-------------|
| | Dormitory Authority of the State of New York, Revenue Bonds, Mental Health Services Facilities Improvements, Series 1997B: | |
| 2,965 | 5.625%, 2/15/21 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 4,395 | 5.625%, 2/15/21 | 2/07 at 102 |
| 9,495 | New York State Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax) | 4/10 at 100 |
| 5,000 | New York State Urban Development Corporation, Service Contract Revenue Bonds, Correctional Facilities, Series 1999C, 6.000%, 1/01/29 (Pre-refunded to 1/01/09) - AMBAC Insured | 1/09 at 101 |

NORTH CAROLINA - 3.2% (2.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 8,200 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 7A, 6.250%, 1/01/29 (Alternative Minimum Tax) | 7/09 at 100 |
| 5,735 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 8A, 5.950%, 1/01/27 (Alternative Minimum Tax) | 1/10 at 100 |

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

NORTH CAROLINA (continued)

| | | | |
|----|-------|--|-------------|
| \$ | 5,880 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 9A, 5.875%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 100 |
| | 1,250 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 100 |

NORTH DAKOTA - 0.4% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,515 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1998B, 5.500%, 7/01/29 (Alternative Minimum Tax) - MBIA Insured | 7/08 at 102 |
|-------|--|-------------|

OHIO - 4.5% (3.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 5,000 | Akron, Bath and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System, Series 1998A, 5.375%, 11/15/18 | 11/09 at 101 |
| 6,000 | Cuyahoga County, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Series 1999, 5.500%, 1/15/30 - AMBAC Insured | 7/09 at 101 |
| | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, | |

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| | | | |
|--------|---|--|--------------|
| | Kettering Medical Center, Series 1999: | | |
| 7,840 | 6.750%, 4/01/18 | | 4/10 at 100 |
| 5,000 | 6.750%, 4/01/22 | | 4/10 at 100 |
| 1,915 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 2000D, 5.450%, 9/01/31 (Alternative Minimum Tax) | | 8/10 at 100 |
| 2,650 | Ohio, General Obligation Bonds, Higher Education, Series 2003A, 5.000%, 5/01/22 | | 5/13 at 100 |
| ----- | | | |
| | OKLAHOMA - 2.2% (1.5% OF TOTAL INVESTMENTS) | | |
| | Oklahoma State Industries Authority, Health System Revenue Bonds, Integris Baptist Medical Center, Series 1999A: | | |
| 2,110 | 5.750%, 8/15/29 (Pre-refunded to 8/15/09) - MBIA Insured | | 8/09 at 100 |
| 2,890 | 5.750%, 8/15/29 - MBIA Insured | | 8/09 at 100 |
| 10,000 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2001B, 5.650%, 12/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | | 12/08 at 100 |
| ----- | | | |
| | PENNSYLVANIA - 1.3% (0.8% OF TOTAL INVESTMENTS) | | |
| 2,225 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | | No Opt. C |
| 2,600 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured | | 12/14 at 100 |
| 3,240 | Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured | | No Opt. C |
| ----- | | | |
| | PUERTO RICO - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 4,000 | Puerto Rico, General Obligation Bonds, Series 2000B, 5.625%, 7/01/19 - MBIA Insured | | 7/10 at 100 |
| 5,000 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 - XLCA Insured | | 7/15 at 100 |
| ----- | | | |
| | RHODE ISLAND - 1.9% (1.2% OF TOTAL INVESTMENTS) | | |
| 12,250 | Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 - MBIA Insured | | 5/07 at 100 |
| ----- | | | |
| | SOUTH CAROLINA - 4.7% (3.1% OF TOTAL INVESTMENTS) | | |
| 10,000 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20 (Pre-refunded to 12/01/12) | | 12/12 at 100 |
| 2,500 | Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and Improvement Bonds, | | 11/13 at 100 |

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Series 2003, 5.750%, 11/01/28

| | | |
|-------|---|-------------|
| 3,000 | Myrtle Beach, South Carolina, Hospitality and Accommodation Fee Revenue Bonds, Series 2004A, 5.000%, 6/01/36 - FGIC Insured | 6/14 at 100 |
| 1,220 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/23 - FGIC Insured | No Opt. C |

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | SOUTH CAROLINA (continued) | |
| | South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 2003A: | |
| \$ 3,560 | 5.000%, 1/01/20 - AMBAC Insured | 7/13 at 100 |
| 2,125 | 5.000%, 1/01/21 - AMBAC Insured | 7/13 at 100 |
| 7,500 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | |
| | TENNESSEE - 5.2% (3.4% OF TOTAL INVESTMENTS) | |
| 6,000 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, Baptist Health System of East Tennessee Inc., Series 2002, 6.500%, 4/15/31 | 4/12 at 101 |
| 20,415 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2002A, 0.000%, 1/01/18 - FSA Insured | 1/13 at 75 |
| 1,750 | Metropolitan Government of Nashville-Davidson County, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26 | 5/11 at 100 |
| 14,385 | Metropolitan Government of Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/28 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| ----- | | |
| | TEXAS - 18.3% (12.2% OF TOTAL INVESTMENTS) | |
| 11,810 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| 6,000 | Brazos River Authority, Texas, Revenue Refunding Bonds, | No Opt. C |

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| | | |
|--------|--|--------------|
| | Houston Lighting and Power Company, Series 1998, 5.050%, 11/01/18 (Alternative Minimum Tax) - AMBAC Insured | |
| 10,000 | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured | 1/15 at 100 |
| 8,400 | Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax) | 4/09 at 101 |
| 10,000 | Harris County Health Facilities Development Corporation, Texas, Special Facilities Revenue Bonds, Texas Medical Center Project, Series 1996, 5.900%, 5/15/16 - MBIA Insured | 5/06 at 102 |
| 5,000 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured | 11/13 at 100 |
| 13,110 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| | Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003: | |
| 3,460 | 5.000%, 2/15/28 (Pre-refunded to 2/15/13) - AMBAC Insured | 2/13 at 100 |
| 1,540 | 5.000%, 2/15/28 - AMBAC Insured | 2/13 at 100 |
| | Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993A-J: | |
| 5,490 | 6.800%, 12/15/10 - AMBAC Insured | No Opt. C |
| 2,000 | 6.800%, 12/15/11 - AMBAC Insured | No Opt. C |
| 9,345 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/34 - FGIC Insured | 8/15 at 35 |
| 16,305 | Matagorda County Navigation District 1, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax) | 5/09 at 101 |
| 3,425 | Sabine River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11) | No Opt. C |
| 4,700 | Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21 | 10/12 at 100 |
| 4,000 | Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/35 | 8/09 at 100 |
| 6,840 | Travis County Health Facilities Development Corporation, Texas, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 2,500 | Trinity River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001A, 5.000%, 5/01/27 (Alternative Minimum Tax) (Mandatory put 11/01/06) | No Opt. C |
| 245 | Wood Glen Housing Finance Corporation, Texas, FHA-Insured Section 8 Assisted Mortgage Revenue Bonds, Copperwood I Project, Series 1990A, 7.625%, 1/01/10 - MBIA Insured | 1/06 at 100 |
| 3,000 | Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/21 | 8/15 at 74 |
| ----- | | |
| | UTAH - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B: | |
| 730 | 5.750%, 7/01/19 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 102 |
| 1,470 | 5.750%, 7/01/19 - MBIA Insured | 7/07 at 102 |
| ----- | | |
| | WASHINGTON - 14.3% (9.5% OF TOTAL INVESTMENTS) | |
| 8,810 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 10,730 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Refunding Bonds, Series 2001C, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 5,665 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured | 7/12 at 100 |
| 10,730 | Pierce County School District 320, Sumner, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 (Pre-refunded to 12/01/10) - FSA Insured | 12/10 at 100 |
| 10,550 | Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |
| 5,315 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 19,475 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999A, 6.000%, 9/01/29 - MBIA Insured | 3/10 at 101 |
| 5,000 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B, 6.000%, 9/01/20 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 5,000 | Washington State Healthcare Facilities Authority, Revenue | 12/09 at 101 |

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| | | |
|-------|---|--------------|
| | Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | |
| 8,750 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| ----- | | |
| | WEST VIRGINIA - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| ----- | | |
| | WISCONSIN - 7.7% (5.1% OF TOTAL INVESTMENTS) | |
| 7,395 | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 | 6/12 at 100 |
| 2,250 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured | 11/14 at 100 |
| 5,000 | Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas and Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured | No Opt. C |

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | WISCONSIN (continued) | |
| \$ 2,350 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax) | 3/10 at 100 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Medical Group Inc., Series 1996: | |
| 10,000 | 5.600%, 11/15/16 - FSA Insured | 5/06 at 102 |
| 20,000 | 5.750%, 11/15/25 - FSA Insured | 5/06 at 102 |
| ----- | | |
| \$ 1,044,000 | Total Long-Term Investments (cost \$951,789,105) - 150.8% | |
| ===== | | |
| | Other Assets Less Liabilities - 2.2% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (53.0)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments

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are based on net assets applicable to Common shares unless otherwise noted.

* 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.

** 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.

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
Portfolio of
INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALASKA - 0.4% (0.2% OF TOTAL INVESTMENTS) | |
| | Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A: | |
| \$ 1,125 | 5.250%, 12/01/34 - FGIC Insured | 12/14 at 100 |
| 1,275 | 5.250%, 12/01/41 - FGIC Insured | 12/14 at 100 |
| ----- | | |
| | ARIZONA - 0.5% (0.3% OF TOTAL INVESTMENTS) | |
| 3,000 | Arizona State Transportation Board, Highway Revenue Bonds, Series 2001, 5.250%, 7/01/20 (Pre-refunded to 7/01/11) | 7/11 at 100 |
| 250 | Pima County Industrial Development Authority, Arizona, FNMA/GNMA Single Family Mortgage Revenue Bonds, Series 1997A, 7.100%, 11/01/29 (Alternative Minimum Tax) | 5/07 at 105 |

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| ARKANSAS - 1.8% (1.2% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 5,000 | Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15 (Pre-refunded to 2/01/10) | 2/10 at 100 |
| 3,480 | Cabot School District 4, Lonoke County, Arkansas, General Obligation Refunding Bonds, Series 2003, 5.000%, 2/01/27 - AMBAC Insured | 8/08 at 100 |
| 2,865 | University of Arkansas, Fayetteville, Various Facilities Revenue Bonds, Series 2002, 5.500%, 12/01/20 (Pre-refunded to 12/01/12) - FGIC Insured | 12/12 at 100 |

| CALIFORNIA - 6.7% (4.4% OF TOTAL INVESTMENTS) | | |
|---|--|-------------|
| 1,350 | Antelope Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/29 - MBIA Insured | No Opt. C |
| 1,350 | California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A, 0.000%, 10/01/39 - MBIA Insured | No Opt. C |
| 4,295 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 1,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17 | 5/12 at 101 |
| 10,445 | Castaic Lake Water Agency, California, Revenue Certificates of Participation, Water System Improvement Project, Series 1999, 0.000%, 8/01/29 - AMBAC Insured | No Opt. C |
| 5,000 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B, 5.000%, 6/01/38 (Pre-refunded to 6/01/13) - AMBAC Insured | 6/13 at 100 |
| 3,500 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/26 - FSA Insured | No Opt. C |
| 490 | Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Second Series 1993, 4.750%, 10/15/20 | 4/06 at 100 |
| 995 | Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Series 1994, 5.375%, 2/15/34 | 2/06 at 100 |
| | Orange County, California, Recovery Certificates of Participation, Series 1996A: | |
| 13,100 | 5.875%, 7/01/19 (Pre-refunded to 7/01/06) - MBIA Insured | 7/06 at 102 |
| 690 | 6.000%, 7/01/26 (Pre-refunded to 7/01/06) - MBIA Insured | 7/06 at 102 |
| 1,000 | Pajaro Valley Unified School District, Santa Cruz County, | No Opt. C |

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California, General Obligation Bonds, Series 2005B,
0.000%, 8/01/29 - FSA Insured

San Joaquin Hills Transportation Corridor Agency, Orange County,
California, Toll Road Revenue Refunding Bonds, Series 1997A:
5,000 0.000%, 1/15/17 - MBIA Insured 1/14 at 100
26,000 0.000%, 1/15/35 - MBIA Insured No Opt. C

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| ----- | | |
| CALIFORNIA (continued) | | |
| \$ 5,000 | San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 0.000%, 9/01/28 - MBIA Insured | 9/15 at 100 |
| 4,825 | Santa Monica Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005C, 0.000%, 8/01/25 - MBIA Insured | No Opt. C |
| ----- | | |
| COLORADO - 5.1% (3.3% OF TOTAL INVESTMENTS) | | |
| 3,000 | Broomfield, Colorado, Master Facilities Lease Purchase Agreement, Certificates of Participation, Series 1999, 5.750%, 12/01/24 - AMBAC Insured | 12/09 at 100 |
| 6,285 | Broomfield, Colorado, Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2002A, 5.500%, 12/01/22 - AMBAC Insured | 12/12 at 100 |
| 11,465 | Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 (Alternative Minimum Tax) - AMBAC Insured | 11/10 at 100 |
| 20,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/28 (Pre-refunded to 9/01/10) - MBIA Insured | 9/10 at 31 |
| | E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B: | |
| 3,500 | 0.000%, 9/01/27 - MBIA Insured | 9/20 at 67 |
| 13,300 | 0.000%, 9/01/31 - MBIA Insured | 9/20 at 53 |
| 6,250 | 0.000%, 9/01/32 - MBIA Insured | 9/20 at 50 |
| 8,000 | 0.000%, 3/01/36 - MBIA Insured | No Opt. C |
| ----- | | |
| DISTRICT OF COLUMBIA - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 3,165 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, | 10/08 at 100 |

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4.750%, 10/01/28 - AMBAC Insured

| GEORGIA - 5.9% (3.9% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 15,000 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 14,330 | Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured | 11/10 at 101 |
| 8,000 | Georgia, General Obligation Bonds, Series 1995C, 7.250%, 7/01/08 | No Opt. C |

| ILLINOIS - 11.1% (7.3% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 5,250 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1998B, 5.000%, 1/01/28 - MBIA Insured | 1/09 at 101 |
| 2,300 | Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured | No Opt. C |
| 4,000 | Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured | 7/13 at 100 |
| 5,210 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West Development, Series 1992A, 6.875%, 1/01/20 | 1/06 at 100 |
| 38,645 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2000, 5.500%, 4/01/25 - MBIA Insured | 4/10 at 100 |
| 10,230 | Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B: 0.000%, 1/01/22 - FSA Insured | 1/15 at 70 |
| 6,780 | 0.000%, 1/01/24 - FSA Insured | 1/15 at 63 |
| 1,975 | Lake County Community High School District 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured | No Opt. C |
| 3,250 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A: 0.000%, 6/15/25 - MBIA Insured | 6/22 at 101 |
| 3,270 | 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |
| 1,830 | 0.000%, 6/15/37 - MBIA Insured | No Opt. C |
| 11,000 | 0.000%, 12/15/38 - MBIA Insured | No Opt. C |
| 3,650 | 0.000%, 6/15/39 - MBIA Insured | No Opt. C |

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

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INDIANA - 1.3% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|----|--------|--|--------------|
| \$ | 4,695 | Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| | 14,251 | Indianapolis, Indiana, Special Facility Revenue Bonds, United Airlines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| | 2,000 | Petersburg, Indiana, Pollution Control Revenue Refunding Bonds, Indianapolis Power and Light Company, Series 1991, 5.750%, 8/01/21 | 8/11 at 102 |

IOWA - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-----------|
| | 4,215 | Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, IPSCO Project, Series 1997, 6.000%, 6/01/27 (Alternative Minimum Tax) (Mandatory put 6/01/07) | No Opt. C |
|--|-------|---|-----------|

KENTUCKY - 1.6% (1.1% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-------------|
| | | Jefferson County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000A: | |
| | 3,045 | 5.250%, 7/01/17 - FSA Insured | 1/10 at 101 |
| | 7,490 | 5.250%, 7/01/20 - FSA Insured | 1/10 at 101 |

LOUISIANA - 1.6% (1.0% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | 7,415 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation, Series 2002, 5.000%, 12/01/32 - MBIA Insured | 12/12 at 100 |
| | 3,350 | Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured | 7/14 at 100 |

MARYLAND - 1.6% (1.0% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | |
| | 3,710 | 5.000%, 11/01/18 | 11/12 at 101 |
| | 3,890 | 5.000%, 11/01/19 | 11/12 at 101 |
| | 2,500 | Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |

MASSACHUSETTS - 3.4% (2.2% OF TOTAL INVESTMENTS)

Massachusetts Bay Transportation Authority, Assessment

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| | | |
|--------|--|--------------|
| | Bonds, Series 2000A: | |
| 4,150 | 5.250%, 7/01/30 (Pre-refunded to 7/01/10) | 7/10 at 100 |
| 1,100 | 5.250%, 7/01/30 | 7/10 at 100 |
| 10,000 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2000A, 5.750%, 8/01/39 (Pre-refunded to 8/01/10) - FGIC Insured | 8/10 at 101 |
| 6,195 | University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, 5.125%, 11/01/25 (Pre-refunded to 11/01/10) - MBIA Insured | 11/10 at 100 |
| ----- | | |
| | MICHIGAN - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 2,090 | Grand Rapids Building Authority, Kent County, Michigan, Limited Tax General Obligation Bonds, Series 2000, 5.375%, 8/01/17 - AMBAC Insured | 8/10 at 100 |
| ----- | | |
| | MINNESOTA - 8.1% (5.3% OF TOTAL INVESTMENTS) | |
| 13,675 | Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16 | 11/10 at 100 |
| 2,895 | Minnesota Housing Finance Agency, Single Family Remarketed Mortgage Bonds, Series 1998H-2, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at 101 |
| 29,070 | Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2000A: 6.375%, 11/15/29 (Pre-refunded to 11/15/10) | 11/10 at 101 |
| 930 | 6.375%, 11/15/29 | 11/10 at 101 |
| 3,225 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | MISSISSIPPI - 1.1% (0.8% OF TOTAL INVESTMENTS) | |
| \$ 5,900 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/06 at 100 |
| 1,340 | Mississippi Home Corporation, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax) | 7/07 at 105 |

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| | | |
|---|--|-----------|
| MISSOURI - 0.4% (0.2% OF TOTAL INVESTMENTS) | | |
| 7,000 | Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Series 2004B-1, 0.000%, 4/15/27 - AMBAC Insured | No Opt. C |

| | | |
|---|---|-------------|
| NEVADA - 5.3% (3.5% OF TOTAL INVESTMENTS) | | |
| 9,555 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/20 - FGIC Insured | 6/11 at 100 |
| 8,500 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: 0.000%, 1/01/26 - AMBAC Insured | No Opt. C |
| 5,315 | 0.000%, 1/01/27 - AMBAC Insured | No Opt. C |
| 21,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

| | | |
|---|--|--------------|
| NEW JERSEY - 4.2% (2.7% OF TOTAL INVESTMENTS) | | |
| 170 | Camden County Pollution Control Financing Authority, New Jersey, Solid Waste Disposal and Resource Recovery System Revenue Bonds, Series 1991D, 7.250%, 12/01/10 | 12/05 at 100 |
| 18,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2000B, 5.750%, 6/15/17 (Pre-refunded to 6/15/10) | 6/10 at 100 |
| 5,000 | New Jersey Turnpike Authority, Revenue Bonds, Growth and Income Securities, Series 2004B, 0.000%, 1/01/35 - AMBAC Insured | 1/17 at 100 |
| 3,000 | Rahway Valley Sewerage Authority, New Jersey, Sewer Revenue Bonds, Series 2005A, 0.000%, 9/01/25 - MBIA Insured | No Opt. C |
| 3,165 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 | 6/12 at 100 |
| 1,195 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.375%, 6/01/32 | 6/13 at 100 |

| | | |
|---|---|-------------|
| NEW MEXICO - 1.9% (1.2% OF TOTAL INVESTMENTS) | | |
| 5,925 | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A, 5.500%, 8/01/21 (Pre-refunded to 8/01/11) | 8/11 at 101 |
| 5,675 | University of New Mexico, Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12 | No Opt. C |

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NEW YORK - 20.9% (13.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - MBIA Insured | 6/08 at 101 |
| 6,750 | Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series 1999A, 6.400%, 7/15/33 | 7/09 at 101 |
| | New York City, New York, General Obligation Bonds, Fiscal Series 2002G: | |
| 1,000 | 5.000%, 8/01/17 | 8/12 at 100 |
| 10,500 | 5.750%, 8/01/18 | 8/12 at 100 |
| 5,000 | New York City, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16 | 8/12 at 100 |
| | New York City, New York, General Obligation Bonds, Fiscal Series 1997H: | |
| 1,510 | 6.125%, 8/01/25 (Pre-refunded to 8/01/07) | 8/07 at 101 |
| 8,490 | 6.125%, 8/01/25 | 8/07 at 101 |
| 19,715 | New York City, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18 (Pre-refunded to 3/15/06) | 3/06 at 101 |
| 17,870 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1997A: | |
| \$ 19,290 | 5.750%, 2/15/27 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 465 | 5.750%, 2/15/27 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 245 | 5.750%, 2/15/27 | 2/07 at 102 |
| 4,500 | New York State Energy Research and Development Authority, Gas Facilities Revenue Bonds, Brooklyn Union Gas Company, Series 1989C, 5.600%, 6/01/25 (Alternative Minimum Tax) - MBIA Insured | 1/06 at 101 |
| 4,785 | New York State Medical Care Facilities Finance Agency, Secured Mortgage Revenue Bonds, Brookdale Family Care Centers Inc., Series 1995A, 6.375%, 11/15/19 | 11/05 at 102 |
| 7,805 | New York State Power Authority, General Revenue Bonds, Series 2002A, 5.000%, 11/15/21 | 11/12 at 100 |
| 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, | 12/07 at 102 |

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| | | |
|---|--|-------------|
| 5,400 | 5.750%, 12/01/22 (Alternative Minimum Tax) - MBIA Insured New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003A-1, 5.500%, 6/01/16 | 6/10 at 100 |
| 8,000 | TSASC Inc., New York, Tobacco Flexible Amortization Bonds, Series 1999-1, 6.250%, 7/15/34 | 7/09 at 101 |
| ----- | | |
| NORTH CAROLINA - 1.2% (0.9% OF TOTAL INVESTMENTS) | | |
| 7,500 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - MBIA Insured | 1/13 at 100 |
| ----- | | |
| NORTH DAKOTA - 4.3% (2.8% OF TOTAL INVESTMENTS) | | |
| 22,905 | Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - FSA Insured | 6/10 at 101 |
| 2,230 | North Dakota Water Commission, Water Development and Management Program Bonds, Series 2000A: 5.700%, 8/01/18 (Pre-refunded to 8/01/10) - MBIA Insured | 8/10 at 100 |
| 2,450 | 5.750%, 8/01/19 (Pre-refunded to 8/01/10) - MBIA Insured | 8/10 at 100 |
| ----- | | |
| OHIO - 2.6% (1.7% OF TOTAL INVESTMENTS) | | |
| 16,140 | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12 | No Opt. C |
| ----- | | |
| OKLAHOMA - 0.0% (0.0% OF TOTAL INVESTMENTS) | | |
| 300 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 6/09 at 100 |
| ----- | | |
| OREGON - 2.4% (1.6% OF TOTAL INVESTMENTS) | | |
| 5,000 | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured | 1/13 at 100 |
| 6,780 | Portland, Oregon, Water System Revenue Bonds, Series 2000A: 5.375%, 8/01/18 | 8/10 at 100 |
| 3,880 | 5.500%, 8/01/20 | 8/10 at 100 |
| ----- | | |
| PENNSYLVANIA - 3.9% (2.5% OF TOTAL INVESTMENTS) | | |
| 5,000 | Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19 | 1/08 at 102 |

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| | | |
|---|---|------------------------|
| 15,050 | Pennsylvania, General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14 | 9/11 at 101 |
| 5,000 | Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Bonds, Series 2000, 5.875%, 12/15/30 (Pre-refunded to 12/15/10) - MBIA Insured | 12/10 at 100 |
| ----- | | |
| PUERTO RICO - 2.9% (1.9% OF TOTAL INVESTMENTS) | | |
| 7,700 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| 12,500 | Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23 | No Opt. C |
| ----- | | |
| 45 | | |
| Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued) Portfolio of INVESTMENTS October 31, 2005 | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| SOUTH CAROLINA - 6.5% (4.3% OF TOTAL INVESTMENTS) | | |
| \$ 24,730 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 | 12/12 at 101 |
| 21,570 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/30 - AMBAC Insured | No Opt. C |
| 1,405 | Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured | 1/07 at 102 |
| 10,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | |
| TENNESSEE - 0.7% (0.5% OF TOTAL INVESTMENTS) | | |
| 5,000 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured | 7/13 at 100 |
| ----- | | |
| TEXAS - 24.0% (15.6% OF TOTAL INVESTMENTS) | | |
| 5,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/05 at 100 |

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| | | |
|--------|---|--------------|
| 12,250 | Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 100 |
| 11,255 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| | Brownsville Independent School District, Cameron County, Texas, General Obligation Bonds, Series 1999: | |
| 5,015 | 5.625%, 8/15/25 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 8,825 | 5.625%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 1,000 | Cedar Hill Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2002, 0.000%, 8/15/32 - FGIC Insured | No Opt. C |
| 10,000 | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured | 1/15 at 100 |
| | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000: | |
| 16,740 | 5.400%, 2/15/18 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 585 | 5.400%, 2/15/18 | 2/10 at 100 |
| 9,660 | 5.650%, 2/15/19 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 340 | 5.650%, 2/15/19 | 2/10 at 100 |
| 6,645 | 5.700%, 2/15/20 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 235 | 5.700%, 2/15/20 | 2/10 at 100 |
| 7,750 | 5.700%, 2/15/21 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 270 | 5.700%, 2/15/21 | 2/10 at 100 |
| 6,000 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax) | 11/09 at 101 |
| 11,750 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| 21,500 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| 1,250 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - FSA Insured | 12/11 at 100 |
| 9,350 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/32 - FGIC Insured | 8/15 at 39 |
| 15,000 | San Antonio Independent School District, Bexar County, Texas, General Obligation Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 5,000 | White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/34 | 8/15 at 36 |
| 3,970 | Wichita Falls, Wichita County, Texas, Priority Lien Water and Sewerage System Revenue Bonds, Series 2001, 5.000%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| | Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005: | |
| 3,000 | 0.000%, 8/15/23 | 8/15 at 67 |
| 2,000 | 0.000%, 8/15/24 | 8/15 at 63 |
| ----- | | |
| | WASHINGTON - 18.4% (12.0% OF TOTAL INVESTMENTS) | |
| 5,500 | Clark County Public Utility District 1, Washington, Generating System Revenue Refunding Bonds, Series 2000, 5.125%, 1/01/20 - FSA Insured | 1/11 at 100 |
| 2,755 | Cowlitz County, Washington, Special Sewerage Revenue Refunding Bonds, CSOB Wastewater Treatment Facilities, Series 2002, 5.500%, 11/01/16 - FGIC Insured | No Opt. C |
| 10,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2001A, 5.500%, 7/01/17 - FSA Insured | 7/11 at 101 |
| 2,500 | King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured | 1/12 at 100 |
| 33,490 | Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 - MBIA Insured | 8/10 at 100 |
| 6,950 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 (Alternative Minimum Tax) - MBIA Insured | 8/10 at 100 |
| | Seattle, Washington, General Obligation Refunding and Improvement Bonds, Series 2002: | |
| 6,165 | 4.400%, 12/01/19 | 12/12 at 100 |
| 6,445 | 4.500%, 12/01/20 | 12/12 at 100 |
| 3,000 | Spokane County School District 81, Spokane, Washington, General Obligation Bonds, Series 2005, 0.000%, 6/01/24 - MBIA Insured | 6/15 at 100 |
| | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A: | |
| 6,630 | 5.750%, 1/01/17 (Pre-refunded to 1/01/11) - FSA Insured | 1/11 at 101 |
| 3,500 | 5.750%, 1/01/18 (Pre-refunded to 1/01/11) - FSA Insured | 1/11 at 101 |
| 12,265 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |

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| | | |
|--|--|--------------|
| 9,000 | Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured | 1/12 at 100 |
| 7,890 | Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University, Series 1999, 5.950%, 11/01/29 - RAAI Insured | 11/09 at 101 |
| 3,520 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| ----- | | |
| WISCONSIN - 0.8% (0.6% OF TOTAL INVESTMENTS) | | |
| 4,220 | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 | 6/12 at 100 |
| 1,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., Series 1998, 5.700%, 3/01/28 | 3/08 at 101 |
| ----- | | |
| WYOMING - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,800 | Jackson National Rural Utilities Cooperative Financing Corporation, Wyoming, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power and Light Inc., Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax) | 5/07 at 101 |
| ----- | | |
| \$ 1,155,086 | Total Long-Term Investments (cost \$993,471,718) - 152.4% | |
| ===== | | |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|---|--|
| ----- | |
| SHORT-TERM INVESTMENTS - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| \$ 2,000 | Idaho Health Facilities Authority, Revenue Bonds, St. Luke's Regional Medical Center, Variable Rate Demand Obligations, Series 2000, 2.730%, 7/01/30 - FSA Insured + |
| 1,000 | Idaho Health Facilities Authority, Revenue Bonds, St. Luke's Regional Medical Center, Variable Rate Demand Obligations, Series 2005, 2.730%, 7/01/35 - FSA Insured + |
| ----- | |
| \$ 3,000 | Total Short-Term Investments (cost \$3,000,000) |
| ===== | |
| Total Investments (cost \$996,471,718) - 152.8% | |
| ----- | |

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Other Assets Less Liabilities - 2.3%

 Preferred Shares, at Liquidation Value - (55.1)%

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** 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.
- N/R Investment is not rated.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- + 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 in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Dividend Advantage Municipal Fund (NAD)
 Portfolio of
 INVESTMENTS October 31, 2005

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

 ALABAMA - 0.3% (0.2% OF TOTAL INVESTMENTS)

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\$ 1,500 Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20 6/10 at 102

ALASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)

750 Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A, 5.250%, 12/01/34 - FGIC Insured 12/14 at 100

CALIFORNIA - 3.4% (2.3% OF TOTAL INVESTMENTS)

1,535 Alameda Corridor Transportation Authority, California, Senior Lien Revenue Bonds, Series 1999A, 0.000%, 10/01/37 - MBIA Insured No Opt. C

California, General Obligation Bonds, Series 1997:
2,195 5.000%, 10/01/18 (Pre-refunded to 10/01/07) - AMBAC Insured 10/07 at 101
210 5.000%, 10/01/18 (Pre-refunded to 10/01/07) - AMBAC Insured 10/07 at 101
200 5.000%, 10/01/18 - AMBAC Insured 10/07 at 101

3,500 Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/26 - FSA Insured No Opt. C

2,475 Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-3, 5.375%, 7/01/20 7/06 at 100

9,375 Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.875%, 12/01/27 12/05 at 101

17,000 San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - MBIA Insured No Opt. C

COLORADO - 3.6% (2.5% OF TOTAL INVESTMENTS)

10,250 Denver City and County, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured 11/06 at 101

2,950 Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/22 - XLCA Insured 12/13 at 100

1,475 Denver, Colorado, FHA-Insured Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) 10/07 at 102

3,205 Denver City and County, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A, 6.000%, 1/01/12 (Alternative Minimum Tax) - MBIA Insured 1/09 at 101

8,515 E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/25 - MBIA Insured No Opt. C

CONNECTICUT - 0.5% (0.3% OF TOTAL INVESTMENTS)

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| | | |
|---|--|--------------|
| 2,700 | Connecticut Development Authority, Health Facilities Revenue Refunding Bonds, Alzheimer's Resource Center of Connecticut Inc., Series 1994A, 7.125%, 8/15/14 | 2/06 at 101 |
| ----- | | |
| DISTRICT OF COLUMBIA - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 5,000 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 5.250%, 10/01/13 - AMBAC Insured | 10/08 at 101 |
| ----- | | |
| FLORIDA - 5.6% (3.8% OF TOTAL INVESTMENTS) | | |
| 1,630 | Florida Housing Finance Agency, Housing Revenue Bonds, Mar Lago Village Apartments, Series 1997F, 5.800%, 12/01/17 (Alternative Minimum Tax) - AMBAC Insured | 12/07 at 102 |
| 14,350 | JEA St. John's River Power Park System, Florida, Revenue Refunding Bonds, Issue 2, Series 2002-17, 5.250%, 10/01/13 | 10/11 at 100 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| FLORIDA (continued) | | |
| \$ 13,625 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/05 at 101 |
| 2,405 | Venice, Florida, Revenue Bonds, Bon Secours System, Revenue Bonds, Series 1996, 5.600%, 8/15/16 - MBIA Insured | 8/06 at 102 |
| ----- | | |
| GEORGIA - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 4,000 | Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2000, 6.000%, 4/01/25 (Pre-refunded to 4/01/10) | 4/10 at 101 |
| 3,500 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 1999, 5.500%, 5/15/29 - MBIA Insured | 5/09 at 101 |
| ----- | | |
| IDAHO - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |

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| | | |
|-----|--|-------------|
| 435 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1999E, 5.750%, 1/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 495 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.350%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 615 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 100 |

ILLINOIS - 35.9% (24.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 3,635 | Channahon, Illinois, Revenue Refunding Bonds, Morris Hospital, Series 1999, 5.750%, 12/01/12 | 12/09 at 102 |
| 22,750 | Chicago, Illinois, General Obligation Refunding Bonds, Emergency Telephone System, Series 1999, 5.500%, 1/01/23 - FGIC Insured | No Opt. C |
| 7,250 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured | No Opt. C |
| 2,620 | Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured | No Opt. C |
| | Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A: | |
| 865 | 5.500%, 12/20/19 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,210 | 5.600%, 12/20/29 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,925 | 5.650%, 12/20/40 (Alternative Minimum Tax) | 10/10 at 101 |
| | Chicago, Illinois, Wastewater Transmission Revenue Bonds, Series 1995: | |
| 3,795 | 5.125%, 1/01/25 (Pre-refunded to 1/01/06) - FGIC Insured | 1/06 at 102 |
| 1,145 | 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 1,000 | DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003B, 5.250%, 11/01/20 - FSA Insured | 11/13 at 100 |
| 500 | Hoffman Estates Park District, Cook County, Illinois, General Obligation Bonds, Series 1999, 5.375%, 12/01/29 - MBIA Insured | 12/09 at 102 |
| 24,835 | Illinois Development Finance Authority, Revenue Bonds, Presbyterian Home of Lake Forest, Series 1999, 5.625%, 9/01/31 - FSA Insured | 9/07 at 102 |
| 3,935 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Lake County School District 116 - Round Lake, Series 1999, 0.000%, 1/01/15 - MBIA Insured | No Opt. C |
| 5,570 | Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2004A, 5.000%, 7/01/34 | 7/14 at 100 |
| 5,400 | Illinois Health Facilities Authority, Revenue Bonds, Loyola | 7/07 at 101 |

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| | | |
|--------|---|--------------|
| | University Health System, Series 1997A, 5.000%, 7/01/24 - MBIA Insured | |
| 5,490 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16 | 2/07 at 102 |
| 17,280 | Illinois Health Facilities Authority, Converted Adjustable Rate Revenue Bonds, Highland Park Hospital, Series 1991A, 6.000%, 10/01/15 (Pre-refunded to 10/01/07) - FGIC Insured | 10/07 at 102 |
| 9,900 | Illinois Health Facilities Authority, Remarketed Revenue Bonds, University of Chicago Project, Series 1985A, 5.500%, 8/01/20 | 8/11 at 103 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 7,245 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital, Series 1991, 7.375%, 1/01/23 | 1/06 at 100 |
| 1,500 | Illinois Housing Development Authority, Housing Finance Bonds, Series 2005E, 4.800%, 1/01/36 (WI, settling 11/01/05) - FGIC Insured | 1/15 at 100 |
| 5,000 | Kane, McHenry, Cook and DeKalb Counties Community Unit School District 300, Carpentersville, Illinois, General Obligation Bonds, Series 2000, 5.500%, 12/01/19 (Pre-refunded to 12/01/11) - MBIA Insured | 12/11 at 100 |
| 11,345 | Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/25 - FSA Insured | 1/15 at 60 |
| 3,000 | Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36 | 1/16 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A: | |
| 9,750 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/23 - MBIA Insured | No Opt. C |
| 22,500 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999: | |
| 22,650 | 5.750%, 6/01/19 - FSA Insured | No Opt. C |
| 3,500 | 5.750%, 6/01/23 - FSA Insured | No Opt. C |

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| | | |
|-------|--|--------------|
| 1,300 | Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 - FGIC Insured | 12/14 at 100 |
| 4,500 | Will County School District 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured | No Opt. C |

INDIANA - 3.8% (2.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 8,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 - MBIA Insured | 8/10 at 101 |
| 8,755 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded to 11/15/09) - MBIA Insured | 11/09 at 101 |
| 4,190 | Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation Inc., Project, Series 1999, 5.700%, 6/01/24 (Pre-refunded to 6/01/09) | 6/09 at 101 |

KANSAS - 0.8% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,825 | Wichita, Kansas, Water and Sewerage Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured | 10/06 at 101 |
| 1,000 | Wyandotte County-Kansas City Unified Government, Kansas, Sales Tax Special Obligation Bonds, Redevelopment Project Area B, Series 2005, 5.000%, 12/01/20 | 12/15 at 100 |

KENTUCKY - 1.7% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 3,030 | Hardin County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20 (Pre-refunded to 2/01/10) | 2/10 at 101 |
| 1,850 | Kentucky Economic Development Finance Authority, Hospital System Revenue Refunding and Improvement Bonds, Appalachian Regional Healthcare Inc., Series 1997: 5.850%, 10/01/17 | 4/08 at 102 |
| 5,000 | 5.875%, 10/01/22 | 4/08 at 102 |

LOUISIANA - 4.0% (2.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,245 | Lafayette, Louisiana, Sales Tax Revenue Bonds, Public Improvements, Series 2000B, 5.625%, 5/01/25 - FGIC Insured | 5/10 at 101 |
| 1,750 | Louisiana Local Government Environmental Facilities and Community Development Authority, GNMA Collateralized Mortgage Revenue Refunding Bonds, Sharlo Apartments, Series 2002A, 6.500%, 6/20/37 | 6/12 at 105 |

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| | | |
|-------|---|-------------|
| 5,350 | Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured | 7/14 at 100 |
|-------|---|-------------|

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| <p style="text-align: center;">LOUISIANA (continued)</p> | | |
| \$ 13,370 | Louisiana Transportation Authority, Senior Lien Toll Road Revenue Bonds, Series 2005B, 0.000%, 12/01/28 - AMBAC Insured | 12/10 at 38 |
| 9,545 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30 | 5/11 at 101 |
| <p style="text-align: center;">MASSACHUSETTS - 2.4% (1.6% OF TOTAL INVESTMENTS)</p> | | |
| 1,500 | Boston Industrial Development Financing Authority, Massachusetts, Subordinate Revenue Bonds, Crosstown Center Project, Series 2002, 8.000%, 9/01/35 (Alternative Minimum Tax) | 9/12 at 102 |
| 4,365 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured | 10/15 at 100 |
| 785 | Massachusetts Port Authority, Special Facilities Revenue Bonds, US Airways Group Inc., Series 1996A, 5.875%, 9/01/23 (Alternative Minimum Tax) - MBIA Insured | 9/06 at 102 |
| 7,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.500%, 7/01/18 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| <p style="text-align: center;">MICHIGAN - 3.5% (2.4% OF TOTAL INVESTMENTS)</p> | | |
| 2,435 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A, 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 15,255 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/28 | 8/08 at 101 |
| 4,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |

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| | | |
|--|---|--------------|
| MINNESOTA - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,250 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax)# | 4/11 at 101 |
| 1,315 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 101 |
| <hr/> | | |
| MISSOURI - 1.9% (1.3% OF TOTAL INVESTMENTS) | | |
| 7,000 | Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Series 2004B-1, 0.000%, 4/15/27 - AMBAC Insured | No Opt. C |
| | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A: | |
| 2,185 | 5.250%, 6/01/21 (Pre-refunded to 6/01/11) - AMBAC Insured | 6/11 at 101 |
| 2,185 | 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| 3,670 | 5.250%, 6/01/28 (Pre-refunded to 6/01/11) - AMBAC Insured | 6/11 at 101 |
| <hr/> | | |
| MONTANA - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 1,245 | Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 1,000 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax) | 12/09 at 100 |
| <hr/> | | |
| NEBRASKA - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,600 | NebHelp Inc., Nebraska, Senior Subordinate Bonds, Student Loan Program, Series 1993A-5A, 6.200%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| <hr/> | | |
| NEVADA - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| 2,115 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 - FGIC Insured | 6/11 at 100 |
| | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: | |
| 8,000 | 0.000%, 1/01/19 - AMBAC Insured | No Opt. C |
| 3,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW HAMPSHIRE - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| \$ 1,440 | New Hampshire Housing Finance Agency, Single Family Mortgage Acquisition Revenue Bonds, Series 1995D, 6.550%, 7/01/26 (Alternative Minimum Tax) | 1/06 at 102 |
| ----- | | |
| | NEW JERSEY - 6.3% (4.4% OF TOTAL INVESTMENTS) | |
| 2,505 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 1,460 | New Jersey Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Jersey City Medical Center, Series 2001, 4.800%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| 4,130 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18 | No Opt. C |
| 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.900%, 12/01/17 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| 10,810 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32 | 6/12 at 100 |
| 3,165 | 6.125%, 6/01/42 | 6/12 at 100 |
| ----- | | |
| | NEW MEXICO - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 4,000 | University of New Mexico, FHA-Insured Mortgage Hospital Revenue Bonds, Series 2004, 5.000%, 7/01/32 - FSA Insured | 7/14 at 100 |
| ----- | | |
| | NEW YORK - 14.7% (10.2% OF TOTAL INVESTMENTS) | |
| 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - FSA Insured | 6/08 at 101 |
| 4,005 | Nassau County, New York, General Obligation Improvement Bonds, Series 1999B: 5.250%, 6/01/19 (Pre-refunded to 6/01/09) - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/21 (Pre-refunded to 6/01/09) - AMBAC Insured | 6/09 at 102 |
| 2,000 | New York City, New York, General Obligation Bonds, Fiscal Series 1998E, 5.250%, 8/01/14 - AMBAC Insured | 2/08 at 101 |

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| | | | |
|--------|--|--|--------------|
| | New York City, New York, General Obligation Bonds, Fiscal Series 1998F: | | |
| 70 | 5.375%, 8/01/19 (Pre-refunded to 2/01/08) - MBIA Insured | | 2/08 at 101 |
| 13,930 | 5.375%, 8/01/19 - MBIA Insured | | 2/08 at 101 |
| 5,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2005B, 5.000%, 6/15/36 - FSA Insured | | 12/14 at 100 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | | 8/09 at 101 |
| 4,600 | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996E, 5.250%, 2/15/18 - AMBAC Insured | | 2/07 at 102 |
| 2,170 | Dormitory Authority of the State of New York, Insured Revenue Bonds, Franciscan Health Partnership Obligated Group - Frances Shervier Home and Hospital, Series 1997, 5.500%, 7/01/17 - RAAI Insured | | 7/07 at 102 |
| | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996B: | | |
| 4,305 | 5.125%, 8/15/21 (Pre-refunded to 2/15/06) - MBIA Insured | | 2/06 at 102 |
| 85 | 5.125%, 8/15/21 (Pre-refunded to 2/15/06) - MBIA Insured | | 2/06 at 102 |
| 80 | 5.125%, 8/15/21 - MBIA Insured | | 2/06 at 102 |
| 7,500 | Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - MBIA Insured | | 2/08 at 101 |
| 2,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | | 1/08 at 102 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 7,500 | New York State Urban Development Corporation, Revenue Bonds, Correctional Facilities, Series 1995-6, 5.375%, 1/01/25 (Pre-refunded to 1/01/06) - AMBAC Insured | 1/06 at 102 |
| 8,800 | New York City Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local Government Assistance Corporation, Series 2004A, 5.000%, 10/15/32 - AMBAC Insured | 10/14 at 100 |

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| | | |
|---|---|--------------|
| OHIO - 4.1% (2.8% OF TOTAL INVESTMENTS) | | |
| 2,300 | Amherst Exempted Village School District, Ohio, Unlimited Tax General Obligation School Improvement Bonds, Series 2001, 5.125%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 3,635 | Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | 1/06 at 102 |
| 3,650 | Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30 | 5/14 at 100 |
| 13,000 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| 1,115 | Warren County, Ohio, Special Assessment Bonds, Waterstone Boulevard Project, Series 1997, 5.500%, 12/01/17 | 12/07 at 101 |
| <hr/> | | |
| OREGON - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,355 | Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Revenue Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured | 6/10 at 101 |
| <hr/> | | |
| PENNSYLVANIA - 5.0% (3.4% OF TOTAL INVESTMENTS) | | |
| 3,480 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/22 | 11/10 at 102 |
| 1,970 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 18,900 | Philadelphia Airport System, Pennsylvania, Revenue Refunding Bonds, Series 1998A, 5.500%, 6/15/18 (Alternative Minimum Tax) - FGIC Insured | 6/08 at 102 |
| 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 (Pre-refunded to 8/01/12) - FGIC Insured | 8/12 at 100 |
| <hr/> | | |
| PUERTO RICO - 2.0% (1.4% OF TOTAL INVESTMENTS) | | |
| 12,500 | Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23 | No Opt. C |
| <hr/> | | |
| RHODE ISLAND - 3.2% (2.2% OF TOTAL INVESTMENTS) | | |

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| | | |
|--------|--|-------------|
| 2,015 | Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured | 5/09 at 102 |
| 3,500 | Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.750%, 4/01/29 (Pre-refunded to 4/01/10) - AMBAC Insured | 4/10 at 101 |
| 12,500 | Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32 | 6/12 at 100 |

 TENNESSEE - 1.8% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 6,400 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 2,425 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 505 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| 910 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-2B, 6.250%, 1/01/20 (Alternative Minimum Tax) | 7/10 at 100 |

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

TEXAS - 14.7% (10.1% OF TOTAL INVESTMENTS)

| | | |
|----------|--|--------------|
| \$ 1,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/05 at 100 |
| 2,560 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax) | 4/13 at 101 |
| 4,675 | Carrollton-Farmers Branch Independent School District, Dallas County, Texas, Unlimited Tax School Building Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded to 2/15/09) | 2/09 at 100 |
| 2,820 | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured | 1/15 at 100 |
| 5,130 | Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999: 0.000%, 8/15/20 | 8/09 at 52 |
| 7,000 | 0.000%, 8/15/21 | 8/09 at 49 |
| 7,345 | 0.000%, 8/15/23 | 8/09 at 44 |

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| | | |
|--------|---|--------------|
| 7,000 | 0.000%, 8/15/24 | 8/09 at 41 |
| 7,350 | 0.000%, 8/15/25 | 8/09 at 39 |
| 7,000 | 0.000%, 8/15/26 | 8/09 at 36 |
| 6,000 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| 820 | Dallas Area Rapid Transit, Texas, Senior Lien Sales Tax Revenue Bonds, Series 2001, 5.000%, 12/01/31 - AMBAC Insured | 12/11 at 100 |
| | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A: | |
| 12,240 | 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 11,180 | 5.375%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 2,205 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/20 - MBIA Insured | No Opt. C |
| 2,500 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 2,500 | Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded to 8/01/10) - FSA Insured | 8/10 at 100 |
| 2,000 | Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 (Pre-refunded to 3/15/09) - FGIC Insured | 3/09 at 100 |
| 30,095 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2004, 0.000%, 8/15/34 | 8/12 at 27 |
| 9,345 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/33 - FGIC Insured | 8/15 at 37 |
| 1,500 | Port Arthur, Texas, Jefferson County, General Obligation Bonds, Series 1997, 5.000%, 2/15/21 (Pre-refunded to 2/15/07) - MBIA Insured | 2/07 at 100 |
| 10,000 | Tarrant County Health Facilities Development Corporation, Texas, Revenue Bonds, Texas Health Resources System, Series 1997A, 5.250%, 2/15/17 - MBIA Insured | 2/08 at 102 |
| 7,000 | White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/35 | 8/15 at 34 |
| | Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005: | |
| 3,000 | 0.000%, 8/15/20 | 8/15 at 78 |
| 3,000 | 0.000%, 8/15/22 | 8/15 at 70 |

UTAH - 0.4% (0.3% OF TOTAL INVESTMENTS)

Utah Housing Finance Agency, Single Family Mortgage Bonds,

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| | | |
|-----|---|-------------|
| | Series 1999C-2, Class II: | |
| 605 | 5.700%, 7/01/19 (Alternative Minimum Tax) | 1/10 at 101 |
| 225 | 5.750%, 7/01/21 (Alternative Minimum Tax) | 1/10 at 101 |
| 220 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | UTAH (continued) | |
| \$ 80 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 1,440 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | VIRGINIA - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 3,395 | Virginia Small Business Financing Authority, Industrial Development Water Revenue Bonds, S.I.L. Clean Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax) | 11/09 at 102 |
| ----- | | |
| | WASHINGTON - 11.1% (7.7% OF TOTAL INVESTMENTS) | |
| 4,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2003A, 5.500%, 7/01/17 - XLCA Insured | 7/13 at 100 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B: | |
| 1,755 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 2,590 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C: | |
| 875 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 1,260 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 9,760 | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.625%, 1/01/21 (Pre-refunded to 1/01/11) - FSA Insured | 1/11 at 101 |
| 7,330 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |

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| | | |
|--|---|--------------|
| 11,605 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured | 7/09 at 100 |
| 3,350 | Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured | No Opt. C |
| | Washington, General Obligation Compound Interest Bonds, Series 1999S-3: | |
| 17,650 | 0.000%, 1/01/20 | No Opt. C |
| 18,470 | 0.000%, 1/01/21 | No Opt. C |
| 4,800 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1997A, 5.250%, 7/01/16 - FSA Insured | 7/07 at 102 |
| ----- | | |
| WISCONSIN - 6.9% (4.7% OF TOTAL INVESTMENTS) | | |
| 2,250 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured | 11/14 at 100 |
| 3,810 | La Crosse, Wisconsin, Industrial Development Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |
| 4,180 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc., Series 1999, 5.625%, 5/15/29 | 5/09 at 101 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Development Inc., Series 1999: | |
| 8,375 | 6.250%, 11/15/20 (Pre-refunded to 11/15/09) | 11/09 at 101 |
| 5,000 | 6.250%, 11/15/28 (Pre-refunded to 11/15/09) | 11/09 at 101 |
| 12,700 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured | 8/09 at 101 |
| 2,200 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
| ----- | | |
| \$ 980,415 | Total Long-Term Investments (cost \$810,884,644) - 145.0% | |
| ===== | | |

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PRINCIPAL
AMOUNT (000) DESCRIPTION(1)

| | | |
|---|--|--|
| SHORT-TERM INVESTMENTS - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| \$ 3,000 | Massachusetts Development Finance Authority, Revenue Bonds, Boston University, Variable Rate Demand Obligations, Series 2002R-2, 2.720%, 10/01/42 - XLCA Insured + | |

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| | | |
|-------|-------|--|
| \$ | 3,000 | Total Short-Term Investments (cost \$3,000,000) |
| ===== | | |
| | | Total Investments (cost \$813,884,644) - 145.5% |
| ----- | | |
| | | Other Assets Less Liabilities - 3.7% |
| ----- | | |
| | | Preferred Shares, at Liquidation Value - (49.2)% |
| ----- | | |
| | | 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.
- * 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** 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.
- N/R Investment is not rated.
- # On September 14, 2005, Northwest Airlines Corporation ("Northwest Airlines"), the holding company of Northwest Airlines Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely Northwest Airlines would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- (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 in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ALABAMA - 4.2% (2.9% OF TOTAL INVESTMENTS) | | |
| \$ 18,500 | Huntsville Healthcare Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31 | 6/11 at 101 |
| ALASKA - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,110 | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2001, 5.500%, 6/01/29 | 6/11 at 100 |
| ARIZONA - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 2,500 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| ARKANSAS - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,130 | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 2002C, 5.400%, 1/01/34 (Alternative Minimum Tax) | 1/12 at 100 |
| CALIFORNIA - 11.1% (7.6% OF TOTAL INVESTMENTS) | | |
| 6,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 13,825 | California, Department of Veterans Affairs, Home Purchase Revenue Bonds, Series 2001A, 5.550%, 12/01/25 - AMBAC Insured | 6/06 at 101 |
| 11,200 | California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28 | 8/13 at 100 |
| 1,500 | California Statewide Community Development Authority, Senior Lien Revenue Bonds, East Valley Tourist Authority, Series 2003A, 9.250%, 10/01/20 (a) | 10/15 at 103 |
| 6,000 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2004G, 2.300%, 4/01/34 (Mandatory put 5/01/07) | No Opt. C |
| 5,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at 100 |
| 6,000 | Los Angeles Regional Airports Improvement Corporation, | 12/12 at 102 |

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California, Sublease Revenue Bonds, Los Angeles International Airport, American Airlines Inc. Terminal 4 Project, Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax)

200 Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company, Series 1966A, 4.000%, 3/01/16 3/06 at 100

 COLORADO - 6.1% (4.2% OF TOTAL INVESTMENTS)

2,835 Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2001, 7.500%, 8/15/21 (Pre-refunded to 8/15/11) 8/11 at 100

2,500 Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Colorado Lutheran High School Association, Series 2004A, 7.625%, 6/01/34 6/14 at 100

10,000 E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/28 (Pre-refunded to 9/01/10) - MBIA Insured 9/10 at 31

1,885 Eagle County Air Terminal Corporation, Colorado, Airport Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31 (Alternative Minimum Tax) 5/11 at 101

755 Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - FSA Insured 12/14 at 100

5,000 Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured 6/11 at 102

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

COLORADO (continued)

| | | | |
|----|--------|--|-------------|
| \$ | 22,000 | Northwest Parkway Public Highway Authority, Colorado, Senior Lien Revenue Bonds, Series 2001B: 0.000%, 6/15/28 - FSA Insured | 6/11 at 35 |
| | 17,650 | 0.000%, 6/15/29 - AMBAC Insured | 6/11 at 33 |
| | 1,000 | Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |

 DISTRICT OF COLUMBIA - 0.3% (0.2% OF TOTAL INVESTMENTS)

1,210 District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 5/11 at 101

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| FLORIDA - 5.0% (3.4% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 15,000 | Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured | 10/11 at 100 |
| 3,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 4,000 | Miami-Dade County Health Facility Authority, Florida, Hospital Revenue Refunding Bonds, Miami Children's Hospital, Series 2001A, 5.125%, 8/15/26 - AMBAC Insured | 8/11 at 101 |

| HAWAII - 2.2% (1.5% OF TOTAL INVESTMENTS) | | |
|---|--|-------------|
| | Honolulu Board of Water Supply, Hawaii, Water System Revenue Bonds, Series 2001: | |
| 3,000 | 5.250%, 7/01/26 - FSA Insured | 7/11 at 100 |
| 6,725 | 5.250%, 7/01/31 - FSA Insured | 7/11 at 100 |

| ILLINOIS - 11.1% (7.6% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 15,270 | Chicago, Illinois, General Obligation Bonds, Series 2001A, 5.250%, 1/01/33 - MBIA Insured | 1/11 at 101 |
| 1,290 | Chicago, Illinois, General Obligation Refunding Bonds, Series 1996B, 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 3,670 | Chicago, Illinois, FHA/GNMA Collateralized Multifamily Housing Revenue Bonds, Stone Terrace Apartments, Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax) | 12/11 at 100 |
| 1,755 | Chicago, Illinois, Special Facility Revenue Bonds, O'Hare International Airport, United Air Lines Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Opt. C |
| 1,555 | Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative Minimum Tax) | 4/11 at 105 |
| 3,180 | Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation, Series 2002A, 6.250%, 12/01/32 | 12/21 at 100 |
| 5,000 | Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured | 9/11 at 100 |
| 3,100 | Illinois Development Finance Authority, Revenue Bonds, Midwestern University, Series 2001B, 6.000%, 5/15/31 | 5/11 at 101 |
| 5,000 | Illinois Health Facilities Authority, Revenue Bonds, Edward Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 - FSA Insured | 2/11 at 101 |

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| | | |
|-------|--|-------------|
| 3,000 | Illinois Educational Facilities Authority, Student Housing Revenue Bonds, Educational Advancement Foundation Fund, University Center Project, Series 2002, 6.250%, 5/01/34 | 5/12 at 101 |
| 2,275 | Illinois, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16 | 6/11 at 100 |
| 4,980 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured | 6/06 at 102 |

INDIANA - 4.8% (3.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., Series 2001, 5.500%, 9/15/31 | 9/11 at 100 |
| 2,500 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured | No Opt. C |
| | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A: | |
| 4,000 | 5.000%, 6/01/23 - FSA Insured | 6/13 at 100 |
| 6,000 | 5.000%, 6/01/24 - FSA Insured | 6/13 at 100 |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | ----- | |
| | INDIANA (continued) | |
| \$ 3,107 | Indianapolis, Indiana, Special Facility Revenue Bonds, United Airlines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 6,100 | St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.800%, 2/15/24 | 2/09 at 102 |
| | ----- | |
| | IOWA - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| 1,000 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College, Series 2002, 5.500%, 10/01/28 - ACA Insured | 10/12 at 100 |
| | ----- | |
| | KANSAS - 3.8% (2.6% OF TOTAL INVESTMENTS) | |
| 17,000 | Wichita, Kansas, Hospital Facilities Revenue Refunding and Improvement Bonds, Via Christi Health System Inc., Series 2001-III, 5.625%, 11/15/31 | 11/11 at 101 |

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| | | |
|--|---|-------------|
| LOUISIANA - 4.1% (2.8% OF TOTAL INVESTMENTS) | | |
| 18,060 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |

| | | |
|--|--|-------------|
| MASSACHUSETTS - 3.9% (2.7% OF TOTAL INVESTMENTS) | | |
| 2,875 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.750%, 7/01/39 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| 15,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |

| | | |
|--|---|--------------|
| MICHIGAN - 14.2% (9.7% OF TOTAL INVESTMENTS) | | |
| | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A: | |
| 14,610 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 15,390 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 20,000 | 5.500%, 7/01/33 - FGIC Insured | 7/11 at 101 |
| 4,000 | Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy of Arts and Sciences Charter School, Series 2001A, 8.000%, 10/01/31 | 10/09 at 102 |
| | Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A: | |
| 2,000 | 6.250%, 8/15/13 | 2/06 at 100 |
| 4,000 | 6.500%, 8/15/18 | 2/06 at 100 |
| 2,000 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18 | 8/08 at 101 |

| | | |
|--|---|-------------|
| MINNESOTA - 3.2% (2.2% OF TOTAL INVESTMENTS) | | |
| 14,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |

| | | |
|---|---|-------------|
| MISSOURI - 4.9% (3.4% OF TOTAL INVESTMENTS) | | |
| 21,000 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/28 (Pre-refunded to 6/01/11) - AMBAC Insured | 6/11 at 101 |

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MONTANA - 0.8% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,780 | Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax) | 12/10 at 100 |
|-------|--|--------------|

NEVADA - 4.0% (2.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 12,275 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
|--------|---|-------------|

| | | |
|-------|--|-------------|
| 3,500 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 | 1/10 at 102 |
|-------|--|-------------|

| | | |
|-------|---|-------------|
| 2,330 | Henderson, Nevada, Healthcare Facility Revenue Bonds, Catholic Healthcare West, Series 1998A, 5.250%, 7/01/18 | 7/08 at 101 |
|-------|---|-------------|

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

NEW HAMPSHIRE - 2.2% (1.5% OF TOTAL INVESTMENTS)

| | | |
|----------|---|--------------|
| \$ 8,000 | New Hampshire Business Finance Authority, Pollution Control Remarketed Revenue Refunding Bonds, Connecticut Light and Power Company, Series 1992A, 5.850%, 12/01/22 | 10/08 at 102 |
|----------|---|--------------|

| | | |
|-------|---|-------------|
| 1,890 | New Hampshire Housing Finance Agency, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax) | 5/11 at 100 |
|-------|---|-------------|

NEW JERSEY - 2.0% (1.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 3,995 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | 11/10 at 101 |
|-------|---|--------------|

| | | |
|-----|---|-------------|
| 480 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at 100 |
|-----|---|-------------|

| | | |
|-------|---|-------------|
| 1,500 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: 6.375%, 6/01/32 | 6/13 at 100 |
| 425 | 6.750%, 6/01/39 | 6/13 at 100 |
| 2,700 | 6.250%, 6/01/43 | 6/13 at 100 |

NEW MEXICO - 5.4% (3.7% OF TOTAL INVESTMENTS)

New Mexico Hospital Equipment Loan Council, Hospital

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| | | |
|--------|--|-------------|
| | Revenue Bonds, Presbyterian Healthcare Services, Series 2001A: | |
| 12,000 | 5.500%, 8/01/25 (Pre-refunded to 8/01/11) | 8/11 at 101 |
| 10,800 | 5.500%, 8/01/30 (Pre-refunded to 8/01/11) | 8/11 at 101 |

NEW YORK - 6.2% (4.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 6,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2001L, 5.375%, 5/01/33 | 5/11 at 100 |
| 12,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33 | 6/11 at 101 |
| 5,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, JFK Airport - American Airlines Inc., Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax) | 8/12 at 101 |
| 4,900 | Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Health Obligated Group, Series 2000A, 6.625%, 7/01/19 | 7/10 at 101 |

NORTH CAROLINA - 1.7% (1.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,950 | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 - XLCA Insured | 4/13 at 100 |
| 4,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15 | 1/09 at 102 |

NORTH DAKOTA - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,540 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2001A, 5.550%, 1/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
|-------|---|-------------|

OHIO - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,845 | Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/28 - FGIC Insured | 6/13 at 100 |
|-------|--|-------------|

OKLAHOMA - 0.8% (0.6% OF TOTAL INVESTMENTS)

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

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OREGON - 3.8% (2.6% OF TOTAL INVESTMENTS)

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

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|---------------------|
| ----- | | |
| PENNSYLVANIA - 3.7% (2.5% OF TOTAL INVESTMENTS) | | |
| \$ 5,000 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/30 | 11/10 at 102 |
| 2,225 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 8,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31 | 1/11 at 101 |
| ----- | | |
| SOUTH CAROLINA - 0.1% (0.1% OF TOTAL INVESTMENTS) | | |
| 630 | South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 1996A, 5.750%, 1/01/22 (Pre-refunded to 1/01/06) - MBIA Insured | 1/06 at 102 |
| ----- | | |
| SOUTH DAKOTA - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 4,820 | South Dakota Housing Development Authority, Remarketed Homeownership Mortgage Bonds, Series 1997E-4, 5.450%, 5/01/18 (Alternative Minimum Tax) | 5/09 at 102 |
| ----- | | |
| TEXAS - 24.4% (16.7% OF TOTAL INVESTMENTS) | | |
| 7,500 | Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - FSA Insured | 11/10 at 100 |
| 15,000 | Dallas-Fort Worth International Airport Public Facility Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001: 5.250%, 1/15/26 - FSA Insured | 1/09 at 100 |
| 1,750 | 5.200%, 1/15/31 - FSA Insured | 1/09 at 100 |

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| | | |
|--------|---|--------------|
| 6,000 | Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.125%, 9/01/34 | 9/14 at 100 |
| 10,000 | Gulf Coast Industrial Development Authority, Texas, Solid Waste Disposal Revenue Bonds, Citgo Petroleum Corporation Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 40,000 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - MBIA Insured | 11/30 at 54 |
| 30,980 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at 100 |
| | Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001: | |
| 10,715 | 0.000%, 8/15/25 (Pre-refunded to 8/15/11) | 8/11 at 43 |
| 12,940 | 0.000%, 8/15/26 (Pre-refunded to 8/15/11) | 8/11 at 40 |
| | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B: | |
| 5,000 | 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 5,000 | 0.000%, 9/01/31 - AMBAC Insured | No Opt. C |
| 5,000 | Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital, Series 2001, 7.250%, 1/01/31 | 1/11 at 100 |
| 10,500 | Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35 | 8/11 at 100 |
| 2,000 | Tom Green County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21 | 5/11 at 101 |

VIRGINIA - 0.2% (0.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|------------|
| 5,000 | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/33 | 8/08 at 23 |
|-------|---|------------|

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

WASHINGTON - 6.0% (4.1% OF TOTAL INVESTMENTS)

Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001:

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| | | | |
|-------|---------|---|--------------|
| \$ | 4,820 | 5.500%, 3/01/19 - FSA Insured | 3/11 at 100 |
| | 7,250 | 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| | 3,500 | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/18 (Pre-refunded to 1/01/11) - FSA Insured | 1/11 at 101 |
| | 990 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |
| | 2,100 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured | 7/09 at 100 |
| | 7,500 | Washington State Healthcare Facilities Authority, Revenue Bonds, Sisters of Providence Health System, Series 2001A, 5.250%, 10/01/21 - MBIA Insured | 10/11 at 100 |
| ----- | | | |
| | | WEST VIRGINIA - 1.1% (0.8% OF TOTAL INVESTMENTS) | |
| | 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| ----- | | | |
| | | WISCONSIN - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| | 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26 | 5/12 at 100 |
| | 2,100 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
| ----- | | | |
| \$ | 745,627 | Total Long-Term Investments (cost \$629,002,629) - 145.9% | |
| ===== | | | |
| | | Other Assets Less Liabilities - 2.1% | |
| ----- | | | |
| | | Preferred Shares, at Liquidation Value - (48.0)% | |
| ----- | | | |
| | | 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.

* 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.

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

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

N/R Investment is not rated.

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

(a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund 3 (NZF)
Portfolio of
INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 0.9% (0.6% OF TOTAL INVESTMENTS) | |
| \$ 5,655 | Alabama State Port Authority, Revenue Bonds, State Docks Department Facilities, Series 2001, 5.250%, 10/01/26 (Alternative Minimum Tax) - AMBAC Insured | 10/11 at 100 |
| ----- | | |
| | ALASKA - 0.7% (0.4% OF TOTAL INVESTMENTS) | |
| 4,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured | 7/08 at 100 |
| ----- | | |
| | ARKANSAS - 0.9% (0.6% OF TOTAL INVESTMENTS) | |
| | Sebastian County Health Facilities Board, Arkansas, Hospital Revenue Improvement Bonds, Sparks Regional Medical Center, Series 2001A: | |
| 1,805 | 5.500%, 11/01/13 | 11/11 at 101 |
| 1,900 | 5.500%, 11/01/14 | 11/11 at 101 |
| 1,745 | 5.250%, 11/01/21 | 11/11 at 101 |

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| CALIFORNIA - 10.2% (6.9% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 5,000 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 18,850 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| 1,500 | California Statewide Community Development Authority, Senior Lien Revenue Bonds, East Valley Tourist Authority, Series 2003A, 9.250%, 10/01/20 (a) | 10/15 at 103 |
| 5,000 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2004G, 2.300%, 4/01/34 (Mandatory put 5/01/07) Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001: | No Opt. C |
| 13,955 | 5.750%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 5,000 | 5.375%, 1/01/21 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 1,500 | 5.250%, 1/01/23 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 10,000 | 5.500%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |

| COLORADO - 7.7% (5.2% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 2,250 | Canterberry Crossing Metropolitan District II, Parker, Colorado, Limited Tax General Obligation Bonds, Series 2002, 7.375%, 12/01/32 | 12/12 at 100 |
| 1,775 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Weld County School District 6 - Frontier Academy, Series 2001, 7.375%, 6/01/31 | 6/11 at 100 |
| 3,250 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32 | 5/12 at 102 |
| 1,700 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32 | 3/12 at 100 |
| 3,380 | Colorado Housing Finance Authority, Multifamily Project Bonds, Class I, Series 2001A-1, 5.500%, 4/01/31 (Alternative Minimum Tax) | 10/11 at 100 |
| 10,100 | Colorado Springs, Colorado, Utility System Revenue Refunding and Improvement Bonds, Series 1997A, 5.375%, 11/15/26 | 11/07 at 100 |
| 2,000 | Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| COLORADO (continued) | | |
| | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1996A: | |
| \$ 19,150 | 5.750%, 11/15/16 - MBIA Insured | 11/06 at 101 |
| 1,105 | 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 1,000 | Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |
| DELAWARE - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,835 | Delaware Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24 | 7/12 at 100 |
| DISTRICT OF COLUMBIA - 1.0% (0.7% OF TOTAL INVESTMENTS) | | |
| 6,000 | District of Columbia, Revenue Bonds, Catholic University of America, Series 1999, 5.625%, 10/01/29 - AMBAC Insured | 10/09 at 101 |
| FLORIDA - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| 2,000 | Dade County, Florida, Water and Sewerage System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured | 10/07 at 102 |
| | Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G: | |
| 1,105 | 5.400%, 12/01/32 - FSA Insured | 12/11 at 100 |
| 2,195 | 5.450%, 12/01/41 - FSA Insured | 12/11 at 100 |
| 4,175 | Pace Property Finance Authority Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured | 9/07 at 102 |
| GEORGIA - 2.3% (1.5% OF TOTAL INVESTMENTS) | | |
| 5,000 | Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 (Alternative Minimum Tax) - FGIC Insured | 1/10 at 101 |
| 2,700 | Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24 | 12/11 at 101 |
| 3,740 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| 2,000 | Henry County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2000, 5.625%, 2/01/30 (Pre-refunded to 2/01/10) - FGIC Insured | 2/10 at 101 |
| HAWAII - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 5,125 | Hawaii, Highway Revenue Bonds, Series 2001, | 7/11 at 100 |

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5.375%, 7/01/21 (Pre-refunded to 7/01/11) - FSA Insured

ILLINOIS - 18.0% (12.2% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 3,000 | Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2001A, 5.500%, 1/01/31 (Pre-refunded to 1/01/11) - FGIC Insured | 1/11 at 100 |
| | Chicago, Illinois, General Obligation Refunding Bonds, Series 1996B: | |
| 1,210 | 5.125%, 1/01/25 (Pre-refunded to 1/01/06) - FGIC Insured | 1/06 at 102 |
| 1,290 | 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 8,375 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 (Alternative Minimum Tax) - FSA Insured | 1/11 at 101 |
| 4,950 | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 1,750 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at 102 |
| 10,800 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded to 1/01/09) - FGIC Insured | 1/09 at 101 |
| | Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A: | |
| 2,220 | 5.500%, 1/01/16 - MBIA Insured | No Opt. C |
| 8,610 | 5.500%, 1/01/26 (Pre-refunded to 1/01/11) - AMBAC Insured | 1/11 at 100 |
| 10,000 | Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 (Pre-refunded to 11/01/11) - AMBAC Insured | 11/11 at 100 |

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| | ILLINOIS (continued) | |
| \$ 2,415 | Illinois Finance Authority, General Obligation Debt Certificates, Local Government Program - Kankakee County, Series 2005B, 5.000%, 12/01/24 - AMBAC Insured | 12/14 at 100 |
| 1,100 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30 | 5/10 at 101 |
| 15,000 | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31 | 7/11 at 100 |
| 9,000 | Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31 | 12/11 at 101 |
| 7,000 | Lombard Public Facilities Corporation, Illinois, First Tier | 1/16 at 100 |

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| | | |
|--|---|--------------|
| | Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36 | |
| 2,000 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 - FGIC Insured | No Opt. C |
| 16,900 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| ----- | | |
| INDIANA - 5.9% (4.0% OF TOTAL INVESTMENTS) | | |
| Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001: | | |
| 1,255 | 5.000%, 7/15/21 (Pre-refunded to 1/15/12) - AMBAC Insured | 1/12 at 100 |
| 1,000 | 5.000%, 1/15/26 (Pre-refunded to 1/15/12) - AMBAC Insured | 1/12 at 100 |
| Evansville Vanderburgh Public Library Lease Corporation, Indiana, First Mortgage Bonds, Series 2001: | | |
| 2,000 | 5.750%, 7/15/18 (Pre-refunded to 1/15/12) - MBIA Insured | 1/12 at 100 |
| 2,750 | 5.125%, 1/15/24 (Pre-refunded to 1/15/12) - MBIA Insured | 1/12 at 100 |
| 3,425 | Gary, Indiana, GNMA/FHA Mortgage Revenue Bonds, Windsor Square Project, Series 2001A, 5.375%, 10/20/41 (Alternative Minimum Tax) | 11/11 at 102 |
| 1,250 | Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 - AMBAC Insured | 1/12 at 100 |
| 2,800 | Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 - AMBAC Insured | 5/15 at 100 |
| 9,500 | Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 4,230 | Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24 | 6/15 at 100 |
| 2,650 | Indianapolis, Indiana, Special Facility Revenue Bonds, United Airlines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 3,500 | University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001: | | |
| 1,150 | 5.625%, 7/15/18 - AMBAC Insured | 1/13 at 101 |
| 1,090 | 5.500%, 7/15/22 - AMBAC Insured | 1/13 at 101 |
| ----- | | |
| IOWA - 5.6% (3.8% OF TOTAL INVESTMENTS) | | |
| 2,000 | Iowa Finance Authority, Healthcare Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA Insured | 5/11 at 100 |
| Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed | | |

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| | | |
|--------|--|--------------|
| | Revenue Bonds, Series 2001B: | |
| 28,000 | 5.300%, 6/01/25 | 6/11 at 101 |
| 3,950 | 5.600%, 6/01/35 | 6/11 at 101 |
| ----- | | |
| | KENTUCKY - 3.1% (2.1% OF TOTAL INVESTMENTS) | |
| 18,500 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 - MBIA Insured | 11/11 at 101 |
| ----- | | |
| | LOUISIANA - 3.4% (2.3% OF TOTAL INVESTMENTS) | |
| 19,890 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | MAINE - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| | Maine State Housing Authority, Single Family Mortgage Purchase Bonds, Series 2001B: | |
| \$ 4,610 | 5.400%, 11/15/21 (Alternative Minimum Tax) | 11/10 at 100 |
| 2,015 | 5.500%, 11/15/32 (Alternative Minimum Tax) | 11/10 at 100 |
| ----- | | |
| | MARYLAND - 2.1% (1.4% OF TOTAL INVESTMENTS) | |
| | Maryland Community Development Administration, Insured Multifamily Housing Mortgage Loan Revenue Bonds, Series 2001B: | |
| 715 | 5.250%, 5/15/21 (Alternative Minimum Tax) | 5/11 at 100 |
| 1,570 | 5.250%, 7/01/21 (Alternative Minimum Tax) | 7/11 at 100 |
| 10,600 | Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) | 9/07 at 100 |
| ----- | | |
| | MASSACHUSETTS - 1.7% (1.2% OF TOTAL INVESTMENTS) | |
| 5,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series 2001A, 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 315 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured | 6/09 at 100 |
| 5,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |
| ----- | | |

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MICHIGAN - 9.1% (6.1% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 15,000 | Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured | No Opt. C |
| 11,000 | Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31 (Pre-refunded to 7/15/11) | 7/11 at 101 |
| 1,235 | Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.500%, 10/15/18 | 10/11 at 100 |
| 3,485 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 - MBIA Insured | No Opt. C |
| | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001: | |
| 1,400 | 5.500%, 11/15/21 | 11/11 at 101 |
| 2,500 | 5.625%, 11/15/31 | 11/11 at 101 |
| 1,355 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23 | 8/08 at 101 |
| 12,640 | Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured | 11/11 at 100 |
| 2,395 | Ypsilanti Community Utilities Authority, Washtenaw County, Michigan, General Obligation Bonds, Sanitary Sewerage System 3, Series 2001, 5.100%, 5/01/31 - FGIC Insured | 5/11 at 100 |

MINNESOTA - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 2,350 | Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax) | 10/11 at 105 |
|-------|--|--------------|

MISSISSIPPI - 0.4% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,155 | Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34 | 5/09 at 103 |
|-------|---|-------------|

MISSOURI - 2.5% (1.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 2,000 | Fenton, Missouri, Tax Increment Refunding and Improvement Revenue Bonds, Gravois Bluffs Redevelopment Project, Series 2002, 6.125%, 10/01/21 | 10/12 at 100 |
| | Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A: | |
| 3,335 | 5.250%, 12/01/19 - MBIA Insured | 12/11 at 100 |
| 3,510 | 5.250%, 12/01/20 - MBIA Insured | 12/11 at 100 |
| 3,695 | 5.250%, 12/01/21 - MBIA Insured | 12/11 at 100 |

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2,040 5.250%, 12/01/22 - MBIA Insured

12/11 at 100

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | MONTANA - 0.8% (0.6% OF TOTAL INVESTMENTS) | |
| \$ 5,000 | Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 101 |
| ----- | | |
| | NEBRASKA - 1.0% (0.7% OF TOTAL INVESTMENTS) | |
| | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D: | |
| 2,570 | 5.250%, 9/01/21 (Alternative Minimum Tax) | 9/11 at 100 |
| 3,460 | 5.375%, 9/01/32 (Alternative Minimum Tax) | 9/11 at 100 |
| ----- | | |
| | NEVADA - 7.9% (5.3% OF TOTAL INVESTMENTS) | |
| 35,000 | Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured | 7/10 at 100 |
| 2,000 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 4,000 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 | 1/10 at 102 |
| 350 | Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax) | 4/08 at 101 |
| 4,290 | University of Nevada, Revenue Bonds, Community College System, Series 2001A, 5.250%, 7/01/26 - FGIC Insured | 1/12 at 100 |
| ----- | | |
| | NEW HAMPSHIRE - 0.4% (0.2% OF TOTAL INVESTMENTS) | |
| 2,000 | New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - FSA Insured | 10/11 at 101 |
| ----- | | |
| | NEW JERSEY - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| 10,000 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, American Water Company, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 101 |

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| | | |
|--|--|--------------|
| 4,125 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| ----- | | |
| NEW YORK - 5.3% (3.5% OF TOTAL INVESTMENTS) | | |
| 1,780 | East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing Inc., Series 2001, 5.300%, 4/20/31 | 10/11 at 101 |
| 5,350 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, 5.000%, 11/15/31 (Pre-refunded to 11/15/11) - FGIC Insured | 11/11 at 100 |
| 4,155 | Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 2,500 | New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 - MBIA Insured | 8/12 at 100 |
| New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001A: | | |
| 8,610 | 5.500%, 6/15/33 - MBIA Insured | 6/10 at 101 |
| 5,710 | 5.500%, 6/15/33 - FGIC Insured | 6/10 at 101 |
| 2,000 | New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003B-1C, 5.500%, 6/01/16 | 6/11 at 100 |
| ----- | | |
| NORTH CAROLINA - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,800 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.500%, 1/01/13 | No Opt. C |
| ----- | | |
| OHIO - 2.4% (1.6% OF TOTAL INVESTMENTS) | | |
| 3,350 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured | 3/08 at 101 |
| 7,600 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| PRINCIPAL | | OPTIONAL C |
| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
| ----- | | |
| OHIO (continued) | | |
| \$ 1,870 | Portage County, Ohio, General Obligation Bonds, Series 2001: 5.000%, 12/01/21 - FGIC Insured | 12/11 at 100 |

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| | | |
|---|---|--------------|
| 1,775 | 5.000%, 12/01/23 - FGIC Insured | 12/11 at 100 |
| ----- | | |
| OKLAHOMA - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,500 | Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A, 5.625%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| ----- | | |
| OREGON - 2.5% (1.7% OF TOTAL INVESTMENTS) | | |
| 4,700 | Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 - AMBAC Insured | 11/11 at 101 |
| 10,000 | Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| PENNSYLVANIA - 1.9% (1.3% OF TOTAL INVESTMENTS) | | |
| 2,000 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B: 9.250%, 11/15/22 | 11/10 at 102 |
| 2,000 | 9.250%, 11/15/30 | 11/10 at 102 |
| 3,500 | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.600%, 1/01/19 (Alternative Minimum Tax) | 1/06 at 100 |
| 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 (Pre-refunded to 8/01/12) - FGIC Insured | 8/12 at 100 |
| ----- | | |
| SOUTH CAROLINA - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| 2,185 | Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 - AMBAC Insured | 4/11 at 101 |
| 6,850 | South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded to 10/01/11) - AMBAC Insured | 10/11 at 100 |
| ----- | | |
| TENNESSEE - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 5,210 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured | 3/11 at 100 |
| 1,330 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax) | 1/09 at 101 |
| 1,385 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2001-3A, 5.200%, 7/01/22 | 7/11 at 100 |

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(Alternative Minimum Tax)

TEXAS - 18.0% (12.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,125 | Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured | 6/09 at 100 |
| 3,850 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| 5,000 | Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25 | 9/14 at 100 |
| | Collins and Denton Counties, Frisco, Texas, General Obligation Bonds, Series 2001: | |
| 1,910 | 5.000%, 2/15/20 - FGIC Insured | 2/11 at 100 |
| 2,005 | 5.000%, 2/15/21 - FGIC Insured | 2/11 at 100 |
| 4,040 | Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27 | 8/11 at 100 |
| 7,000 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 7/08 at 101 |
| | Houston, Texas, Subordinate Lien Airport System Revenue Refunding Bonds, Series 2001A: | |
| 2,525 | 5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 2,905 | 5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 6,000 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - MBIA Insured | No Opt. C |

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2005

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

TEXAS (continued)

| | | |
|----------|--|-------------|
| | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001: | |
| \$ 8,500 | 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |
| 8,500 | 5.500%, 8/15/41 - AMBAC Insured | 8/11 at 100 |
| 10,700 | Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25 | 8/11 at 100 |
| 2,500 | Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 (Alternative | No Opt. C |

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Minimum Tax) - AMBAC Insured

| | | |
|--------|---|--------------|
| 1,540 | Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 | 2/11 at 100 |
| 5,430 | Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22 | 2/08 at 100 |
| 3,000 | North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 - MBIA Insured | 2/08 at 102 |
| 3,045 | Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 10,915 | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) | 7/11 at 100 |
| 15,700 | Texas Water Development Board, Senior Lien State Revolving Fund Revenue Bonds, Series 1996B, 5.125%, 7/15/18 | 1/07 at 100 |

 UTAH - 1.0% (0.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E: | |
| 2,055 | 5.200%, 1/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 630 | 5.500%, 1/01/23 (Alternative Minimum Tax) | 7/11 at 100 |
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1: | |
| 2,575 | 4.950%, 7/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 650 | 5.300%, 7/01/23 (Alternative Minimum Tax) | 7/11 at 100 |

 VIRGINIA - 0.8% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|------------|
| 7,000 | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/13 | 8/08 at 77 |
|-------|---|------------|

 WASHINGTON - 15.9% (10.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| | Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A: | |
| 1,000 | 5.500%, 12/01/27 - MBIA Insured | 12/11 at 100 |
| 2,000 | 5.600%, 12/01/36 - MBIA Insured | 12/11 at 100 |
| 2,090 | Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured | 11/11 at 100 |
| 1,500 | Grays Harbor County Public Utility District 1, Washington, Electric System Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured | 1/11 at 100 |
| 2,475 | Klickitat County Public Utility District 1, Washington, Electric | 12/11 at 100 |

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| | | |
|--------|--|--------------|
| | Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured | |
| 12,955 | Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/08 at 101 |
| 2,535 | Port of Seattle, Washington, Revenue Bonds, Series 2001B: 5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 16,000 | 5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured | 10/08 at 100 |
| 5,680 | Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured | 3/11 at 100 |
| 4,530 | Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 - AMBAC Insured | 12/11 at 100 |
| 2,250 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured | 7/09 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | WASHINGTON (continued) | |
| | Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: | |
| \$ 3,005 | 5.375%, 12/01/17 - AMBAC Insured | 12/11 at 101 |
| 2,915 | 5.375%, 12/01/18 - AMBAC Insured | 12/11 at 101 |
| 3,720 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured | 10/11 at 100 |
| | Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001: | |
| 5,480 | 5.500%, 10/01/21 - RAAI Insured | 10/11 at 101 |
| 25,435 | 5.625%, 10/01/31 - RAAI Insured | 10/11 at 101 |
| ----- | | |
| | WISCONSIN - 4.5% (3.0% OF TOTAL INVESTMENTS) | |
| | Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001: | |
| 3,705 | 5.375%, 1/01/20 - FGIC Insured | 1/12 at 100 |
| 1,850 | 5.000%, 1/01/21 - FGIC Insured | 1/12 at 100 |
| 1,735 | Evansville Community School District, Dane, Green and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 (Pre-refunded to 4/01/11) - FGIC Insured | 4/11 at 100 |
| 12,250 | La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |

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| | | |
|------------|---|--------------|
| 4,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedtert and Community Health Obligated Group, Series 2001, 5.375%, 10/01/30 | 10/11 at 101 |
| 2,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25 | 2/12 at 100 |
| ----- | | |
| \$ 875,845 | Total Long-Term Investments (cost \$876,144,872) - 148.5% | |
| ===== | | |
| | Other Assets Less Liabilities - 2.0% | |
| ----- | | |
| | 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.
- * 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. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- ** 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.
- N/R Investment is not rated.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- (a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES October 31, 2005

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Investments, at market value (cost \$1,303,227,964, \$951,789,105, \$996,471,718, \$813,884,644, \$629,002,629, \$876,144,872, respectively) | \$1,387,993,621 | \$1,019,106,800 | \$1,054,176,907 | \$872,545,517 |
| Receivables: | | | | |
| Interest | 21,966,104 | 18,216,696 | 16,896,706 | 13,391,987 |
| Investments sold | 7,317,146 | 25,313 | 315,000 | 12,446,520 |
| Other assets | 93,233 | 71,186 | 76,623 | 63,656 |
| Total assets | 1,417,370,104 | 1,037,419,995 | 1,071,465,236 | 898,447,680 |
| LIABILITIES | | | | |
| Cash overdraft | 4,092,123 | 2,850,375 | 544,486 | 1,448,168 |
| Payable for investments purchased | 3,510,675 | -- | 300,556 | 1,500,000 |
| Accrued expenses: | | | | |
| Management fees | 729,742 | 540,333 | 558,800 | 316,855 |
| Other | 343,431 | 247,020 | 264,819 | 188,994 |
| Preferred share dividends payable | 149,649 | 104,194 | 114,382 | 107,017 |
| Total liabilities | 8,825,620 | 3,741,922 | 1,783,043 | 3,561,034 |
| Preferred shares, at liquidation value | 479,000,000 | 358,000,000 | 380,000,000 | 295,000,000 |
| Net assets applicable to Common shares | \$ 929,544,484 | \$ 675,678,073 | \$ 689,682,193 | \$599,886,646 |
| Common shares outstanding | 59,914,073 | 43,025,594 | 45,540,872 | 39,267,491 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.51 | \$ 15.70 | \$ 15.14 | \$ 15.28 |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | | |
| Common shares, \$.01 par value per share | \$ 599,141 | \$ 430,256 | \$ 455,409 | \$ 392,675 |
| Paid-in surplus | 836,423,631 | 601,030,545 | 635,502,550 | 558,149,941 |
| Undistributed net investment income | 6,510,536 | 6,201,663 | 4,150,977 | 3,699,460 |
| Accumulated net realized gain (loss) from investments and forward swaps | 1,245,519 | 697,914 | (8,131,932) | (21,016,303) |
| Net unrealized appreciation of investments and forward swaps | 84,765,657 | 67,317,695 | 57,705,189 | 58,660,873 |

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| | | | | |
|---|----------------|----------------|----------------|---------------|
| Net assets applicable to Common shares | \$ 929,544,484 | \$ 675,678,073 | \$ 689,682,193 | \$599,886,646 |
| ===== | | | | |
| Authorized shares: | | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 | Unlimited |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of OPERATIONS Year Ended October 31, 2005

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ----- | | | | |
| INVESTMENT INCOME | \$ 72,018,498 | \$54,878,043 | \$ 55,161,965 | \$ 46,690,539 |
| ----- | | | | |
| EXPENSES | | | | |
| Management fees | 8,670,646 | 6,417,409 | 6,636,074 | 5,577,273 |
| Preferred shares - auction fees | 1,197,500 | 895,000 | 950,000 | 737,500 |
| Preferred shares - dividend disbursing agent fees | 50,000 | 50,000 | 40,000 | 30,000 |
| Shareholders' servicing agent fees and expenses | 181,169 | 110,995 | 120,604 | 15,992 |
| Custodian's fees and expenses | 308,025 | 218,409 | 229,236 | 191,424 |
| Directors'/Trustees' fees and expenses | 25,485 | 17,735 | 18,610 | 16,006 |
| Professional fees | 60,718 | 67,252 | 57,647 | 294,094 |
| Shareholders' reports - printing and mailing expenses | 112,561 | 82,137 | 87,642 | 69,645 |
| Stock exchange listing fees | 23,334 | 19,310 | 17,736 | 15,383 |
| Investor relations expense | 190,137 | 137,870 | 144,608 | 119,846 |
| Other expenses | 60,690 | 63,958 | 64,099 | 49,049 |
| ----- | | | | |
| Total expenses before custodian fee credit, expense reimbursement, and legal fee refund | 10,880,265 | 8,080,075 | 8,366,256 | 7,116,212 |
| Custodian fee credit | (72,965) | (57,595) | (55,451) | (59,219) |
| Expense reimbursement | -- | -- | -- | (2,150,119) |
| Legal fee refund | -- | (62,458) | -- | -- |
| ----- | | | | |
| Net expenses | 10,807,300 | 7,960,022 | 8,310,805 | 4,906,874 |
| ----- | | | | |
| Net investment income | 61,211,198 | 46,918,021 | 46,851,160 | 41,783,665 |
| ----- | | | | |
| REALIZED AND UNREALIZED GAIN (LOSS) | | | | |
| Net realized gain (loss) from investments | 1,174,258 | 739,548 | 6,140,447 | (176,759) |
| Net realized gain (loss) from forward swaps | -- | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | (16,746,198) | (10,417,790) | (18,854,854) | (10,221,934) |

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| | | | | |
|---|---------------|--------------|---------------|---------------|
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | -- |
| Net realized and unrealized gain (loss) | (15,571,940) | (9,678,242) | (12,714,407) | (10,398,693) |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | | |
| From net investment income | (9,513,192) | (6,994,789) | (7,453,196) | (5,755,365) |
| From accumulated net realized gains from investments | (69,318) | (47,587) | -- | -- |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (9,582,510) | (7,042,376) | (7,453,196) | (5,755,365) |
| Net increase in net assets applicable to Common shares from operations | \$ 36,056,748 | \$30,197,403 | \$ 26,683,557 | \$ 25,629,607 |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS

| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | |
|--|------------------------|---------------------|---------------------------|---------------------|
| | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 |
| OPERATIONS | | | | |
| Net investment income | \$ 61,211,198 | \$ 62,636,215 | \$ 46,918,021 | \$ 47,557,854 |
| Net realized gain (loss) from investments | 1,174,258 | 6,618,657 | 739,548 | 687,024 |
| Net realized gain (loss) from forward swaps | -- | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | (16,746,198) | 18,902,259 | (10,417,790) | 17,410,047 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | -- | -- |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (9,513,192) | (4,452,180) | (6,994,789) | (3,307,419) |
| From accumulated net realized gains from investments | (69,318) | -- | (47,587) | (42,016) |
| Net increase in net assets applicable to Common shares from operations | 36,056,748 | 83,704,951 | 30,197,403 | 62,305,490 |

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| | | | | |
|--|----------------|----------------|----------------|----------------|
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (56,600,807) | (58,236,491) | (43,068,628) | (44,397,396) |
| From accumulated net realized gains from investments | (904,764) | -- | (641,084) | (599,790) |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (57,505,571) | (58,236,491) | (43,709,712) | (44,997,186) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | 734,804 |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | (21,448,823) | 25,468,460 | (13,512,309) | 18,043,108 |
| Net assets applicable to Common shares at the beginning of year | 950,993,307 | 925,524,847 | 689,190,382 | 671,147,274 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$ 929,544,484 | \$ 950,993,307 | \$ 675,678,073 | \$ 689,190,382 |
| ===== | | | | |
| Undistributed net investment income at the end of year | \$ 6,510,536 | \$ 11,485,116 | \$ 6,201,663 | \$ 9,357,409 |
| ===== | | | | |

See accompanying notes to financial statements.

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| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | |
|---|--------------------------|------------------------|----------------------------|------------------------|
| | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 41,783,665 | \$ 42,956,260 | \$ 33,182,825 | \$ 32,923,303 |
| Net realized gain (loss) from investments | (176,759) | 1,200,358 | 365,453 | (470,534) |
| Net realized gain (loss) from forward swaps | -- | -- | (5,034,851) | -- |
| Change in net unrealized appreciation (depreciation) of investments | (10,221,934) | 16,389,360 | 7,731,035 | 18,712,940 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | 3,532,408 | (3,532,408) |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (5,755,365) | (2,680,807) | (4,391,879) | (2,061,411) |

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| | | | | |
|--|---------------|---------------|---------------|---------------|
| From accumulated net realized gains from investments | -- | -- | -- | (52,111) |
| <hr/> | | | | |
| Net increase in net assets applicable to Common shares from operations | 25,629,607 | 57,865,171 | 35,384,991 | 45,519,779 |
| <hr/> | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (39,071,157) | (40,278,262) | (30,220,159) | (30,219,035) |
| From accumulated net realized gains from investments | -- | -- | -- | (850,299) |
| <hr/> | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (39,071,157) | (40,278,262) | (30,220,159) | (31,069,334) |
| <hr/> | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | 475,057 | 145,668 | -- |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares | (13,441,550) | 18,061,966 | 5,310,500 | 14,450,445 |
| Net assets applicable to Common shares at the beginning of year | 613,328,196 | 595,266,230 | 457,551,703 | 443,101,258 |
| <hr/> | | | | |
| Net assets applicable to Common shares at the end of year | \$599,886,646 | \$613,328,196 | \$462,862,203 | \$457,551,703 |
| <hr/> | | | | |
| Undistributed net investment income at the end of year | \$ 3,699,460 | \$ 6,910,277 | \$ 4,862,141 | \$ 6,314,546 |
| <hr/> | | | | |

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF). Performance Plus (NPP), Municipal Advantage (NMA),

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Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

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

Effective January 1, 2005, Nuveen Advisory Corp. ("NAC"), the Funds' previous Adviser, and its affiliate, Nuveen Institutional Advisory Corp. ("NIAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NAC or NIAC.

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 establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of derivative investments are also provided by an independent pricing service approved by each Fund's Board of Directors/Trustees. If the pricing service is unable to supply a price for a municipal bond or derivative investment, 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 are 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 or 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 and delayed delivery purchase commitments. At October 31, 2005, Performance Plus (NPP) and Dividend Advantage (NAD) had outstanding when-issued purchase commitments of \$3,510,675 and \$1,500,000, 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.

Professional Fees

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

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legal actions on behalf of Fund shareholders. Legal fee refunds presented on the Statement of Operations for Municipal Advantage (NMA) and Dividend Advantage 2 (NXZ) reflect a refund of workout expenditures paid in a prior reporting period.

Federal 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 income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid dur-

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ing the fiscal year ended October 31, 2005, have been designated Exempt Interest Dividends. 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 more than one 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:

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

Forward Swap Transactions

The Funds are authorized to invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net asset value. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable 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 would increase or decrease in value based primarily on the extent to which long-term interest rates for bonds having a maturity of the swaps' termination date were to increase or decrease. The Funds may close out a contract prior to the effective date, at which point a realized gain or loss would be 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 minimize 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. At October 31, 2005, the Funds did not have any forward swap contracts outstanding.

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 Director/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.

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Notes to
FINANCIAL STATEMENTS (continued)

2. FUND SHARES

Transactions in Common shares were as follows:

| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | | MARKE OPPORTUNIT |
|--|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|
| | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | 45,261 | -- |

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | | DIVID ADVANTAGE |
|--|---------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
| | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/05 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | 29,786 | 8,868 | -- | -- |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended October 31, 2005, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|----------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Purchases | \$89,358,777 | \$86,369,787 | \$71,369,446 | \$ 97,805,032 | \$10,760,95 |
| Sales and maturities | 90,450,330 | 84,214,663 | 76,975,481 | 112,504,170 | 16,414,75 |

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 and timing differences in recognizing

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certain gains and losses on investment transactions.

At October 31, 2005, the cost of investments was as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|---------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Cost of investments | \$1,302,540,432 | \$950,605,250 | \$996,121,660 | \$812,979,519 | \$632,784,85 |

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2005, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Gross unrealized: Appreciation | \$87,734,466 | \$73,499,633 | \$ 74,373,534 | \$61,502,599 | \$50,162,35 |
| Depreciation | (2,281,277) | (4,998,083) | (16,318,287) | (1,936,601) | (7,591,63 |
| Net unrealized appreciation of investments | \$85,453,189 | \$68,501,550 | \$ 58,055,247 | \$59,565,998 | \$42,570,72 |

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The tax components of undistributed net investment income and net realized gains at October 31, 2005, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Undistributed net tax-exempt income * | \$10,432,188 | \$8,492,542 | \$7,024,566 | \$5,873,482 | \$6,955,46 |
| Undistributed net ordinary income ** | 4,065 | 154,403 | 192,454 | -- | 12,18 |
| Undistributed net long-term capital gains | 1,245,519 | 593,511 | -- | -- | - |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 3, 2005, paid on November 1, 2005.

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

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The tax character of distributions paid during the fiscal years ended October 31, 2005 and October 31, 2004, was designated for purposes of the dividends paid deduction as follows:

| 2005 | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Distributions from net tax-exempt income | \$66,204,330 | \$50,312,299 | \$49,472,483 | \$45,021,305 | \$34,591,777 |
| Distributions from net ordinary income ** | 238,651 | -- | -- | -- | -- |
| Distributions from net long-term capital gains | 974,082 | 688,671 | -- | -- | -- |

| 2004 | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Distributions from net tax-exempt income | \$62,627,198 | \$47,642,154 | \$46,733,618 | \$42,925,745 | \$32,249,677 |
| Distributions from net ordinary income ** | -- | 11,261 | -- | -- | 1 |
| Distributions from net long-term capital gains | -- | 641,806 | -- | -- | 902,411 |

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

At October 31, 2005, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration year: | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | DIVIDEND ADVANTAGE 3 (NZF) |
|------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| 2007 | \$ -- | \$ 1,724,693 | \$ -- | \$ -- |
| 2008 | -- | 14,462,547 | -- | -- |
| 2009 | -- | -- | -- | -- |
| 2010 | -- | -- | -- | 620,777 |
| 2011 | 7,158,008 | 4,594,300 | -- | -- |
| 2012 | 973,824 | -- | 246,691 | -- |
| 2013 | -- | 104,763 | 402,153 | -- |
| Total | \$8,131,932 | \$20,886,303 | \$648,844 | \$620,777 |

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Notes to
FINANCIAL STATEMENTS (continued)

5. MANAGEMENT FEE 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 the Adviser, 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) | PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) 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) | DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) 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 October 31, 2005, the complex-level fee rate was .1905%.

| 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 |

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| | |
|--|-------|
| 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 all types of leverage used 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.

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The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to their Directors/Trustees who are affiliated with the Adviser or to their Officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. 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 Dividend Advantage's (NAD) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

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

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

| YEAR ENDING | | YEAR ENDING | |
|-------------|--|-------------|--|
|-------------|--|-------------|--|

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

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

6. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. Transactions (C) and (D) above were settled in late July, which effectively reduced St. Paul Travelers' controlling stake in Nuveen and was deemed an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and the Adviser, which resulted in the automatic termination of each agreement under the 1940 Act. In anticipation of such deemed assignment, the Board of Directors/Trustees had approved new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders, which shareholder approval was received prior to the settlement of transactions (C) and (D). The new ongoing management agreements took effect upon such settlement.

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Notes to
FINANCIAL STATEMENTS (continued)

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2005, to shareholders of record on November 15, 2005, as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|--------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|-----|
| Dividend per share | \$.0745 | \$.0795 | \$.0725 | \$.0790 | \$.0860 | |

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Financial HIGHLIGHTS

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Financial HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | | |
|------------------------|--|-----------------------------|---|---|---|-------|--|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total | |
| | | | | | | | |
| PERFORMANCE PLUS (NPP) | | | | | | | |
| Year Ended 10/31: | | | | | | | |
| 2005 | \$15.87 | \$1.02 | \$ (.26) | \$ (.16) | \$ -- | \$.6 | |
| 2004 | 15.45 | 1.04 | .42 | (.07) | -- | 1.3 | |
| 2003 | 15.38 | 1.07 | .05 | (.07) | -- | 1.0 | |
| 2002 | 15.57 | 1.09 | (.22) | (.10) | (.01) | .7 | |
| 2001 | 14.36 | 1.10 | 1.17 | (.23) | -- | 2.0 | |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

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| | | | | | | |
|------|-------|------|-------|-------|-------|-----|
| 2005 | 16.02 | 1.09 | (.24) | (.16) | -- | .6 |
| 2004 | 15.62 | 1.11 | .41 | (.08) | -- | 1.4 |
| 2003 | 15.41 | 1.13 | .25 | (.07) | (.01) | 1.3 |
| 2002 | 15.65 | 1.15 | (.22) | (.10) | (.03) | .8 |
| 2001 | 14.61 | 1.16 | 1.10 | (.24) | (.03) | 1.9 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | | | | |
|------|-------|------|-------|-------|-------|-----|
| 2005 | 15.48 | 1.03 | (.29) | (.16) | -- | .5 |
| 2004 | 15.11 | 1.03 | .37 | (.08) | -- | 1.3 |
| 2003 | 14.60 | 1.03 | .50 | (.08) | -- | 1.4 |
| 2002 | 15.24 | 1.11 | (.70) | (.11) | (.01) | .2 |
| 2001 | 14.45 | 1.16 | .80 | (.26) | (.01) | 1.6 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | | | | |
|------|-------|------|-------|-------|----|-----|
| 2005 | 15.62 | 1.06 | (.25) | (.15) | -- | .6 |
| 2004 | 15.17 | 1.09 | .46 | (.07) | -- | 1.4 |
| 2003 | 14.94 | 1.10 | .19 | (.07) | -- | 1.2 |
| 2002 | 14.84 | 1.13 | .01 | (.10) | -- | 1.0 |
| 2001 | 13.59 | 1.16 | 1.21 | (.24) | -- | 2.1 |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | | | |
|----------|-------|------|-------|-------|----|-----|
| 2005 | 15.63 | 1.13 | .22 | (.15) | -- | 1.2 |
| 2004 | 15.13 | 1.12 | .51 | (.07) | -- | 1.5 |
| 2003 | 14.89 | 1.16 | .17 | (.07) | -- | 1.2 |
| 2002 | 15.07 | 1.15 | (.32) | (.10) | -- | .7 |
| 2001 (a) | 14.33 | .52 | .88 | (.09) | -- | 1.3 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | | | |
|----------|-------|------|-----|-------|----|-----|
| 2005 | 15.36 | 1.06 | .01 | (.15) | -- | .9 |
| 2004 | 14.74 | 1.06 | .59 | (.07) | -- | 1.5 |
| 2003 | 14.56 | 1.07 | .10 | (.07) | -- | 1.1 |
| 2002 | 14.47 | 1.03 | .16 | (.10) | -- | 1.0 |
| 2001 (b) | 14.33 | .03 | .14 | -- | -- | .1 |

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

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

| | | | | |
|------|-------|---------|---------|-------|
| 2005 | \$ -- | \$15.51 | \$14.43 | 3.02% |
| 2004 | -- | 15.87 | 14.95 | 9.10 |
| 2003 | -- | 15.45 | 14.64 | 9.58 |
| 2002 | (.01) | 15.38 | 14.28 | 4.51 |
| 2001 | -- | 15.57 | 14.58 | 26.96 |

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MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

| | | | | |
|------|----|-------|---------|-------|
| 2005 | -- | 15.70 | \$15.19 | 3.29 |
| 2004 | -- | 16.02 | 15.70 | 8.82 |
| 2003 | -- | 15.62 | 15.44 | 13.17 |
| 2002 | -- | 15.41 | 14.66 | 5.89 |
| 2001 | -- | 15.65 | 14.85 | 23.35 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | | |
|------|----|-------|---------|-------|
| 2005 | -- | 15.14 | \$14.19 | 4.70 |
| 2004 | -- | 15.48 | 14.44 | 7.97 |
| 2003 | -- | 15.11 | 14.29 | 10.62 |
| 2002 | -- | 14.60 | 13.80 | .49 |
| 2001 | -- | 15.24 | 14.65 | 20.03 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | | |
|------|----|-------|---------|-------|
| 2005 | -- | 15.28 | \$14.58 | 1.77 |
| 2004 | -- | 15.62 | 15.31 | 8.37 |
| 2003 | -- | 15.17 | 15.12 | 11.41 |
| 2002 | -- | 14.94 | 14.50 | 2.01 |
| 2001 | -- | 14.84 | 15.14 | 27.35 |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | |
|----------|-------|-------|---------|-------|
| 2005 | -- | 15.80 | \$15.64 | 8.58 |
| 2004 | -- | 15.63 | 15.38 | 11.16 |
| 2003 | -- | 15.13 | 14.85 | 14.39 |
| 2002 | .01 | 14.89 | 13.91 | (.81) |
| 2001 (a) | (.12) | 15.07 | 14.96 | 2.75 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | |
|----------|-------|-------|---------|--------|
| 2005 | -- | 15.32 | \$14.41 | 6.11 |
| 2004 | -- | 15.36 | 14.50 | 12.45 |
| 2003 | .01 | 14.74 | 13.80 | 9.04 |
| 2002 | (.09) | 14.56 | 13.53 | (4.26) |
| 2001 (b) | (.03) | 14.47 | 15.07 | .47 |

Ratios/Supplemental Data

| | Before Credit/ Reimbursement/Refund | | Ratios/Supplemental Data | |
|--|---|---|--|------------|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expense to Average Net Asset Applicable to Common Share | A Reimb |
| | | | | |

PERFORMANCE PLUS (NPP)

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| | | | | |
|-------------------|-----------|-------|-------|-----|
| Year Ended 10/31: | | | | |
| 2005 | \$929,544 | 1.15% | 6.45% | 1.1 |
| 2004 | 950,993 | 1.17 | 6.69 | 1.1 |
| 2003 | 925,525 | 1.18 | 6.89 | 1.1 |
| 2002 | 921,376 | 1.18 | 7.11 | 1.1 |
| 2001 | 932,937 | 1.15 | 7.29 | 1.1 |

MUNICIPAL ADVANTAGE (NMA)

| | | | | |
|-------------------|---------|------|------|-----|
| Year Ended 10/31: | | | | |
| 2005 | 675,678 | 1.17 | 6.81 | 1.1 |
| 2004 | 689,190 | 1.19 | 7.00 | 1.1 |
| 2003 | 671,147 | 1.21 | 7.27 | 1.2 |
| 2002 | 662,270 | 1.22 | 7.55 | 1.2 |
| 2001 | 672,673 | 1.23 | 7.60 | 1.2 |

MARKET OPPORTUNITY (NMO)

| | | | | |
|-------------------|---------|------|------|-----|
| Year Ended 10/31: | | | | |
| 2005 | 689,682 | 1.19 | 6.66 | 1.1 |
| 2004 | 704,760 | 1.21 | 6.75 | 1.1 |
| 2003 | 687,955 | 1.25 | 6.94 | 1.2 |
| 2002 | 664,914 | 1.24 | 7.50 | 1.2 |
| 2001 | 694,025 | 1.23 | 7.73 | 1.2 |

DIVIDEND ADVANTAGE (NAD)

| | | | | |
|-------------------|---------|------|------|----|
| Year Ended 10/31: | | | | |
| 2005 | 599,887 | 1.17 | 6.48 | .8 |
| 2004 | 613,328 | 1.14 | 6.69 | .7 |
| 2003 | 595,266 | 1.35 | 6.78 | .8 |
| 2002 | 586,045 | 1.25 | 7.24 | .8 |
| 2001 | 581,089 | 1.26 | 7.56 | .7 |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | | |
|-------------------|---------|-------|-------|----|
| Year Ended 10/31: | | | | |
| 2005 | 462,862 | 1.12 | 6.66 | .6 |
| 2004 | 457,552 | 1.14 | 6.87 | .6 |
| 2003 | 443,101 | 1.17 | 7.20 | .7 |
| 2002 | 435,907 | 1.17 | 7.32 | .7 |
| 2001 (a) | 441,308 | 1.13* | 5.56* | .6 |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | | |
|-------------------|---------|------|-------|----|
| Year Ended 10/31: | | | | |
| 2005 | 617,358 | 1.13 | 6.39 | .6 |
| 2004 | 619,118 | 1.15 | 6.64 | .6 |
| 2003 | 594,154 | 1.17 | 6.80 | .7 |
| 2002 | 586,799 | 1.17 | 6.78 | .7 |
| 2001 (b) | 583,100 | .72* | 2.05* | .4 |

Preferred Shares at End of Period

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

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PERFORMANCE PLUS (NPP)

| ----- | | | |
|-------------------|-----------|----------|----------|
| Year Ended 10/31: | | | |
| 2005 | \$479,000 | \$25,000 | \$73,515 |
| 2004 | 479,000 | 25,000 | 74,634 |
| 2003 | 479,000 | 25,000 | 73,305 |
| 2002 | 479,000 | 25,000 | 73,089 |
| 2001 | 444,000 | 25,000 | 77,530 |

MUNICIPAL ADVANTAGE (NMA)

| ----- | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2005 | 358,000 | 25,000 | 72,184 |
| 2004 | 358,000 | 25,000 | 73,128 |
| 2003 | 358,000 | 25,000 | 71,868 |
| 2002 | 358,000 | 25,000 | 71,248 |
| 2001 | 358,000 | 25,000 | 71,974 |

MARKET OPPORTUNITY (NMO)

| ----- | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2005 | 380,000 | 25,000 | 70,374 |
| 2004 | 380,000 | 25,000 | 71,366 |
| 2003 | 380,000 | 25,000 | 70,260 |
| 2002 | 380,000 | 25,000 | 68,744 |
| 2001 | 380,000 | 25,000 | 70,660 |

DIVIDEND ADVANTAGE (NAD)

| ----- | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2005 | 295,000 | 25,000 | 75,838 |
| 2004 | 295,000 | 25,000 | 76,977 |
| 2003 | 295,000 | 25,000 | 75,446 |
| 2002 | 295,000 | 25,000 | 74,665 |
| 2001 | 295,000 | 25,000 | 74,245 |

DIVIDEND ADVANTAGE 2 (NXZ)

| ----- | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2005 | 222,000 | 25,000 | 77,124 |
| 2004 | 222,000 | 25,000 | 76,526 |
| 2003 | 222,000 | 25,000 | 74,899 |
| 2002 | 222,000 | 25,000 | 74,089 |
| 2001 (a) | 222,000 | 25,000 | 74,697 |

DIVIDEND ADVANTAGE 3 (NZF)

| ----- | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2005 | 312,000 | 25,000 | 74,468 |
| 2004 | 312,000 | 25,000 | 74,609 |
| 2003 | 312,000 | 25,000 | 72,608 |
| 2002 | 312,000 | 25,000 | 72,019 |
| 2001 (b) | -- | -- | -- |
| ===== | | | |

* Annualized.

** Total Investment 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,

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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, expense reimbursement, and legal fee refund, where applicable.

+ The amounts shown are based on Common share equivalents.

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

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

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

See accompanying notes to financial statements.

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Board Members AND OFFICERS

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

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS:

| | | | |
|---|---|------|--|
| Timothy R. Schwertfeger(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Trustee | 1994 | Chairman (since 1996) and Director of N Inc., Nuveen Investments, LLC, Nuveen A Nuveen Institutional Advisory Corp. (3); of Institutional Capital Corporation; C (since 1997) of Nuveen Asset Management Director of Rittenhouse Asset Managemen Chairman of Nuveen Investments Advisers |
|---|---|------|--|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | |
|---|--------------|------|---|
| Robert P. Bremner 8/22/40 333 W. Wacker Drive | Board member | 1997 | Private Investor and Management Consult |
|---|--------------|------|---|

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Chicago, IL 60606

| | | | |
|--|--------------|------|--|
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1993 | Retired (since 1989) as Senior Vice Pre Northern Trust Company; Director (since Advisory Board for Highland Park and Hi Way of the North Shore. |
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director and Fire Group, a publicly held company; Ad University of Iowa; Director, Gazette C of Coe College; Director, Iowa College Director, Alliant Energy; formerly, Dir Bank of Chicago; formerly, President an SCI Financial Group, Inc., a regional f |
| William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2004 | Dean and Distinguished Professor of Fin Business at the University of Connectic previously, Senior Vice President and D at the Federal Reserve Bank of Chicago (since 1997), Credit Research Center at Director (since 2004) of Xerox Corporat |
| David J. Kundert 10/28/42 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 | Retired (since 2004) as Chairman, JPMor Management, President and CEO, Banc One Advisors Corporation, and President, On Funds; prior thereto, Executive Vice Pr Corporation and Chairman and CEO, Banc Management Group; Board of Regents, Lut currently a member of the American and Associations. |

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|--------------|------|--|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Chairman of Miller-Valentine Partners L investment company; formerly, Senior Pa Operating Officer (retired, December 20 Group; formerly, Vice President, Miller construction company; Board Member, Cha and member of the Audit Committee of Pr not-for-profit company of Miami Valley Dayton Philharmonic Orchestra Associati Leaders Forum, which promotes cooperati issues; Director, Dayton Development Co Community Advisory Board, National City |
|---|--------------|------|--|

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Business Advisory Council, Cleveland Fe

| | | | |
|---|--------------|------|--|
| Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Executive Director, Gaylord and Dorothy Foundation (since 1994); prior thereto, Great Lakes Protection Fund (from 1990 |
|---|--------------|------|--|

| | | | |
|---|--------------|------|---|
| Eugene S. Sunshine 1/22/50 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 | Senior Vice President for Business and Northwestern University (since 1997); D Chicago Board Options Exchange; Director National Mentor Holdings, a privately-h of home and community-based services; C 1997), Board of Directors, Rubicon, a p company owned by Northwestern Universit 1997), Evanston Chamber of Commerce and Inventure, a business development organ |
|---|--------------|------|---|

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUND:

| | | | |
|--|------------------------------------|------|--|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assista Associate General Counsel, formerly, Vi Assistant General Counsel, of Nuveen In Managing Director (2002-2004), General and Assistant Secretary, formerly, Vice Advisory Corp. and Nuveen Institutional Managing Director (since 2002) and Assi Associate General Counsel, formerly, Vi 1997), of Nuveen Asset Management; Mana (since 2004) and Assistant Secretary (s Investments, Inc.; Assistant Secretary Management Company, LLC. (since 2002); Assistant Secretary of Nuveen Investmen (since 2002); Managing Director, Associ and Assistant Secretary of Rittenhouse Inc. (since 2003); Chartered Financial |
|--|------------------------------------|------|--|

Board Members
AND OFFICERS (CONTINUED)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|--------------------|----------------|------|---|
| Julia L. Antonatos | Vice President | 2004 | Managing Director (since 2005), formerl |
|--------------------|----------------|------|---|

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9/22/63
333 W. Wacker Drive
Chicago, IL 60606

(since 2002); formerly, Assistant Vice
of Nuveen Investments, LLC; Chartered F

Michael T. Atkinson
2/3/66
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Assistant
Secretary

2000

Vice President (since 2002), formerly,
President (since 2000) of Nuveen Invest

Peter H. D'Arrigo
11/28/67
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Treasurer

1999

Vice President of Nuveen Investments, L
President and Treasurer (since 1999) of
Inc.; Vice President and Treasurer (199
Advisory Corp. and Nuveen Institutional
Vice President and Treasurer of Nuveen
(since 2002) and of Nuveen Investments
2002); Assistant Treasurer of NWQ Inves
Company, LLC. (since 2002); Vice Presid
Nuveen Rittenhouse Asset Management, In
Chartered Financial Analyst.

John N. Desmond
8/24/61
333 W. Wacker Drive
Chicago, IL 60606

Vice President

2005

Vice President, Director of Investment
Investments, LLC (since January 2005);
Business Manager, Deutsche Asset Manage
Director, Business Development and Tran
Trust Bank Japan (2002-2003); previousl
of Investment Operations and Systems, S
(2000-2002), Senior Vice President, Hea
Participant Services, Scudder Investmen

Jessica R. Droeger
9/24/64
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Secretary

1998

Vice President (since 2002), Assistant
Assistant General Counsel (since 1998)
Vice President (since 1998) of Nuveen I
Vice President (2002-2004) and Assistan
formerly, Assistant Vice President of N
and Nuveen Institutional Advisory Corp.
Assistant Secretary (since 2005) of Nuv

Lorna C. Ferguson
10/24/45
333 W. Wacker Drive
Chicago, IL 60606

Vice President

1998

Managing Director (since 2004), formerl
Nuveen Investments, LLC, Managing Direc
Vice President (1998-2004) of Nuveen Ad
Nuveen Institutional Advisory Corp.(3);
(since 2005) of Nuveen Asset Management

William M. Fitzgerald
3/2/64
333 W. Wacker Drive
Chicago, IL 60606

Vice President

1995

Managing Director (since 2002), formerl
Nuveen Investments; Managing Director (N
Nuveen Advisory Corp. and Nuveen Instit
Corp.(3); Managing Director of Nuveen A
(since 2001); Vice President of Nuveen
Inc. (since 2002); Chartered Financial

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|---|----------------------------------|------|--|
| Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | Vice President (since 1993) and Funds Controller of Nuveen Investments, LLC; formerly, Funds Controller (1998-2004) of Nuveen Investments, LLC; Certified Public Accountant. |
|---|----------------------------------|------|--|

| | | | |
|--|--|------|---|
| James D. Grassi 4/13/56 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Chief Compliance Officer | 2004 | Vice President and Deputy Director of Operations of Nuveen Investments, LLC, Nuveen Investments, LLC, Nuveen Asset Management and Rittenhouse Institutional Advisory Corp. (3); previously, Vice President and Deputy Director of Operations (2004) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. (3); formerly, Senior Attorney (1998-2004) of Trust Company. |
|--|--|------|---|

| | | | |
|--|----------------|------|--|
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen Investments, LLC; Certified Public Accountant. |
|--|----------------|------|--|

| | | | |
|--|----------------|------|---|
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President of Nuveen Investments, LLC |
|--|----------------|------|---|

| | | | |
|--|--|------|--|
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vice President and Assistant Secretary of Nuveen Institutional Advisory Corp. (3); Vice President and Assistant Secretary of Nuveen Investments, LLC (since 2005) and Assistant Secretary of Nuveen Asset Management; Vice President and Assistant Secretary (1998-2002) of Rittenhouse Asset Management, LLC; and Assistant Secretary of Nuveen Investments, LLC (since 2002); Assistant Secretary of Nuveen Institutional Advisory Corp. (since 2002); Assistant Secretary of Nuveen Asset Management Company, LLC (since 2002). |
|--|--|------|--|

- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.
- (2) Board members serve an indefinite term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

ANNUAL INVESTMENT
MANAGEMENT AGREEMENT
APPROVAL PROCESS

At a meeting held on May 10-12, 2005, the Board of Trustees of the Funds, including the independent Trustees, unanimously approved the Investment Management Agreement between each Fund and NAM.

THE APPROVAL PROCESS

To assist the Board in its evaluation of an advisory contract with NAM, the independent Trustees received a report in adequate time in advance of their meeting which outlined, among other things, the services provided by NAM; the organization of NAM, including the responsibilities of various departments and key personnel; the Fund's past performance as well as the Fund's performance compared to funds of similar investment objectives compiled by an independent third party (a "Peer Group"); the profitability of NAM and certain industry profitability analyses for advisers to unaffiliated investment companies; the expenses of NAM in providing the various services; the management fees of NAM, including comparisons of such fees with the management fees of comparable funds in its Peer Group as well as comparisons of NAM's management fees with the fees NAM assesses to other types of investment products or accounts, if any; the soft dollar practices of NAM; and the expenses of each Fund, including comparisons of the Fund's expense ratios (after any fee waivers) with the expense ratios of its Peer Group. This information supplements that received by the Board throughout the year regarding Fund performance, expense ratios, portfolio composition, trade execution and sales activity.

In addition to the foregoing materials, independent legal counsel to the independent Trustees provided, in advance of the meeting, a legal memorandum outlining, among other things, the duties of the Trustees under the 1940 Act as well as the general principles of relevant state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; an adviser's fiduciary duty with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards of directors have fulfilled their duties and factors to be considered by the board in voting on advisory agreements.

At the Board meeting, NAM made a presentation to and responded to questions from the Board. After the presentations and after reviewing the written materials, the independent Trustees met privately with their legal counsel to review the Board's duties in reviewing advisory contracts and consider the renewal of the advisory contracts. It is with this background that the Trustees considered each Investment Management Agreement with NAM. The independent Trustees, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC directives relating to the renewal of advisory contracts. As outlined in more detail below, the Trustees considered all factors they believed relevant with respect to each Fund, including the following: (a) the nature, extent and quality of the services to be provided by NAM; (b) the investment performance of the Fund and NAM; (c) the costs of the services to be provided and profits to be realized by NAM and its affiliates from the relationship with the Fund; (d) the extent to which economies of scale would be realized as the Fund grows; and (e) whether fee levels reflect these economies of scale for the benefit of Fund investors.

A. NATURE, EXTENT AND QUALITY OF SERVICES

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In evaluating the nature, extent and quality of NAM's services, the Trustees reviewed information concerning the types of services that NAM or its affiliates provide and are expected to provide to the Nuveen Funds; narrative and statistical information concerning the Fund's performance record and how such performance compares to the Fund's Peer Group; information describing NAM's organization and its various departments, the experience and responsibilities of key personnel, and available resources. In the discussion of key personnel, the Trustees received materials regarding the changes or additions in personnel of NAM. The Trustees further noted the willingness of the personnel of NAM to engage in open, candid discussions with the Board. The Trustees further considered the quality of NAM's investment process in making portfolio management decisions, including any refinements or improvements to the portfolio management processes, enhancements to technology and systems that are available to portfolio managers, and any additions of new personnel which may strengthen or expand the research and investment capabilities of NAM. In their review of the advisory contracts for the fixed income funds, such as the Funds, the Trustees also noted that Nuveen won the Lipper Award for Best Fund Family: Fixed Income-Large Asset Class, for 2004. Given the Trustees' experience with the Funds, other Nuveen funds and NAM, the Trustees noted that they were familiar with and continue to have a good understanding of the organization, operations and personnel of NAM.

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In addition to advisory services, the independent Trustees considered the quality of the administrative or non-advisory services provided. In this regard, NAM provides the Funds with such administrative and other services (exclusive of, and in addition to, any such services provided by others for the Funds) and officers and other personnel as are necessary for the operations of the respective Fund. In addition to investment management services, NAM and its affiliates provide each Fund with a wide range of services, including: preparing shareholder reports; providing daily accounting; providing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support (such as helping to prepare registration statements, amendments thereto and proxy statements and responding to regulatory inquiries); and performing other Fund administrative tasks necessary for the operation of the respective Fund (such as tax reporting and fulfilling regulatory filing requirements). In addition, in evaluating the administrative services, the Trustees considered, in particular, NAM's policies and procedures for assuring compliance with applicable laws and regulations in light of the new SEC regulations governing compliance. The Trustees noted NAM's focus on compliance and its compliance systems. In their review, the Trustees considered, among other things, the additions of experienced personnel to NAM's compliance group and modifications and other enhancements to NAM's computer systems. In addition to the foregoing, the Trustees also noted that NAM outsources certain services that cannot be replicated without significant costs or at the same level of expertise. Such outsourcing has been a beneficial and efficient use of resources by keeping expenses low while obtaining quality services.

In addition to the above, in reviewing the variety of additional services that NAM or its affiliates must provide to closed-end funds, such as the Funds, the independent Trustees determined that Nuveen's commitment to supporting the secondary market for the common shares of its closed-end funds is particularly noteworthy. In this regard, the Trustees noted Nuveen's efforts to sponsor numerous forums for analysts and specialists regarding the various Nuveen closed-end funds, its creation of a new senior position dedicated to providing secondary market support services and enhancing communications with investors

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and analysts, and its advertising and media relations efforts designed to raise investor and analyst awareness of the closed-end funds.

With respect to services provided to municipal funds, including the Funds, the Trustees also noted, among other things, the enhancements NAM implemented to its municipal portfolio management processes (e.g., the increased use of benchmarks to guide and assess the performance of its portfolio managers); the implementation of a risk management program; and the various initiatives being undertaken to enhance or modify NAM's computer systems as necessary to support the innovations of the municipal investment team (such as, the ability to assess certain historical data in order to create customized benchmarks, perform attribution analysis and facilitate the use of derivatives as hedging instruments). With respect to certain of the Nuveen funds with a less seasoned portfolio, the Trustees also noted the hedging program implemented for such funds and the team responsible for developing, implementing and monitoring the hedging procedures. The hedging program was designed to help maintain the applicable fund's duration with certain benchmarks.

Based on their review, the Trustees concluded that, overall, they were satisfied with the nature, extent and quality of services provided (and expected to be provided) to the Funds under the Investment Management Agreements.

B. THE INVESTMENT PERFORMANCE OF THE FUND AND ADVISER

As previously noted, the Board received a myriad of performance information regarding each Fund and its Peer Group. Among other things, the Board received materials reflecting a Fund's historic performance and the Fund's performance compared to its Peer Group. In evaluating the performance information, in certain limited instances, the Trustees noted that the closest Peer Group for a Fund still would not adequately reflect such Fund's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such Fund's performance with that of the Peer Group.

As noted above, the performance data included, among other things, the respective Fund's performance relative to its peers. More specifically, a Fund's one-, three- and five-year total returns (as applicable) for the periods ending December 31, 2004 were evaluated relative to the unaffiliated funds in its respective Peer Group (including the returns of individual peers as well as the Peer Group average) as well as additional performance information with respect to all funds in the Peer Group. Based on their review, the Trustees determined that the respective Fund's absolute and relative investment performance over time had been satisfactory.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

In evaluating the management fees and expenses that a Fund is expected to bear, the Trustees considered the respective Fund's current management fee structure and the Fund's expected expense ratios in absolute terms as well as compared with the fees and expense ratios of the unaffiliated funds in its Peer Group. The Trustees reviewed the financial information of NAM, including its respective revenues, expenses and profitability. In reviewing fees, the Trustees, among other things, reviewed comparisons of the Fund's gross management fees (fees after fund-level and complex-wide level breakpoints but before reimbursement and fee waivers), net management fees (after breakpoints and reimbursements and fee waivers) and total expense ratios (before and after waivers) with those of the unaffiliated funds in the Peer Group and peer averages. In this regard, the Trustees noted that the relative ranking of the Nuveen funds on fees and expenses was aided by the significant level of fee reductions provided by the fund-level and complex-wide breakpoint schedules, and the fee waivers and reimbursements provided by Nuveen for certain funds launched since 1999. The complex-wide breakpoint schedule was instituted in 2004 and is described in further detail below in Section D entitled "Economies of Scale and Whether Fee Levels Reflect these Economies

of Scale." In their review of the fee and expense information provided, including, in particular, the expense ratios of the unaffiliated funds in the respective Peer Group, the Trustees determined that each Fund's net total expense ratio was within an acceptable range compared to such peers.

ANNUAL INVESTMENT MANAGEMENT
AGREEMENT APPROVAL PROCESS (continued)

2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Trustees further compared the fees of NAM to the fees NAM assessed for other types of clients investing in municipal funds (such as municipal managed accounts). With respect to such separately managed accounts, the advisory fees for such accounts are generally lower than those charged to the comparable Funds. The Trustees noted, however, the additional services that are provided and the costs incurred by Nuveen in managing and operating registered investment companies, such as the Funds, compared to individually managed separate accounts. For instance, as described above, NAM and its affiliates provide numerous services to the Funds including, but not limited to, preparing shareholder reports; providing daily accounting; preparing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support; and administering all other aspects of the Fund's operations. Further, the Trustees noted the increased compliance requirements for funds in light of new SEC regulations and other legislation. These services are generally not required to the same extent, if at all, for separate accounts. In addition to the differences in services, the Trustees also considered, among other things, the differences in product distribution, investment policies, investor profiles and account sizes. Accordingly, the Trustees believe that the nature and number of services provided to operate a Fund merit the higher fees than those to separate managed accounts.

3. PROFITABILITY OF NAM

In conjunction with its review of fees, the Trustees also considered NAM's profitability. The Trustees reviewed NAM's revenues, expenses and profitability margins (on both a pre-tax and after-tax basis). In reviewing profitability, the Trustees recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. Accordingly, the Trustees reviewed NAM's assumptions and methodology of allocating expenses. In this regard, the methods of allocation used appeared reasonable but the Board noted the inherent limitations in allocating costs among various advisory products. The Trustees also recognized that individual fund or product line profitability of other advisers is generally not publicly available. Further, profitability may be affected by numerous factors including the types of funds managed, expense allocations, business mix, etc. and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Trustees considered NAM's profit margin compared to the profitability of various publicly-traded investment management companies and/or investment management companies that publicly disclose some or all of their financial results compiled by three independent third-party service providers. The Trustees also reviewed the revenues, expenses and profit margins of various unaffiliated advisory firms with similar amounts of assets under management for the last year prepared by NAM. Based on their review, the Trustees were satisfied that NAM's level of profitability from its relationship with each Fund was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Trustees also considered any other revenues paid to NAM as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates are expected to receive that are directly attributable to their management of the Funds, if any. See Section E below for additional information. Based on their review of the overall fee arrangements of the applicable Fund, the Trustees determined that the advisory fees and expenses of the respective Fund were reasonable.

D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE
In reviewing the compensation, the Trustees have long understood the benefits of economies of scale as the assets of a fund grow and have sought to ensure that shareholders share in these benefits. One method for shareholders to share in economies of scale is to include breakpoints in the advisory fee schedules that reduce fees as fund assets grow. Accordingly, the Trustees received and reviewed the schedules of advisory fees for each Fund, including fund-level breakpoints thereto. In addition, after lengthy negotiations with management, the Board in May, 2004 approved a complex-wide fee arrangement pursuant to which fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement was introduced on August 1, 2004 and the Trustees reviewed data regarding the reductions of fees for the Nuveen funds for the period of August 1, 2004 to December 31, 2004. In evaluating the complex-wide fee arrangement, the Trustees considered, among other things, the historic and expected fee savings to shareholders as assets grow, the amount of fee reductions at various asset levels, and that the arrangement would extend to all funds in the Nuveen complex. The Trustees also considered the impact, if any, the complex-wide fee arrangement may have on the level of services provided. Based on their review, the Trustees concluded that the breakpoint schedule and complex-wide fee arrangement currently were acceptable and desirable in providing benefits from economies of scale to shareholders.

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E. INDIRECT BENEFITS

In evaluating fees, the Trustees also considered any indirect benefits or profits NAM or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Trustees considered any benefits from soft dollar arrangements. The Trustees noted that although NAM manages a large amount of assets, it has very little, if any, brokerage to allocate. This is due to the fact that NAM typically manages the portfolios of the municipal funds in the Nuveen complex and municipal bonds generally trade on a principal basis. Accordingly, NAM does not currently have any soft dollar arrangements and does not pay excess brokerage commissions (or spreads on principal transactions) in order to receive research services. In addition to soft dollar arrangements, the Trustees also considered any other revenues, if any, received by NAM or its affiliates. In this regard, the Trustees considered revenues received by Nuveen for serving as agent for broker-dealers at its preferred trading desk and for acting as co-manager in the initial public offering of new closed-end exchange-traded funds.

F. OTHER CONSIDERATIONS

Nuveen, until recently, was a majority-owned subsidiary of St. Paul Travelers Companies, Inc. ("St. Paul"). As noted, St. Paul earlier this year announced its intention to divest its equity stake in Nuveen. Nuveen is the parent of NAM. Pursuant to a series of transactions, St. Paul had begun to reduce its interest in Nuveen which will ultimately result in a change of control of Nuveen and therefore NAM. As mandated by the 1940 Act, such a change in control would

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result in an assignment of the Investment Management Agreements with NAM and the automatic termination of such agreements. Accordingly, the Board also considered the approval of a New Investment Management Agreement with each Fund in light of, and which would take effect upon, the anticipated change of control. More specifically, the Board considered for each Fund a New Investment Management Agreement on substantially identical terms to the existing Investment Management Agreement, to take effect after the change of control has occurred and the contract has been approved by Fund shareholders. In its review, the Board considered whether the various transactions necessary to divest St. Paul's interest will have an impact on the various factors they considered in approving NAM, such as the scope and quality of services to be provided following the change of control. In reviewing the St. Paul transactions, the Board considered, among other things, the impact, if any, on the operations and organizational structure of NAM; the possible benefits and costs of the transactions to the respective Fund; the potential implications of any arrangements used by Nuveen to finance certain of the transactions; the ability of NAM to perform its duties after the transactions; whether a fee structure or expense ratio would change; any changes to the current practices of the respective Fund; any changes to the terms of the advisory agreement; and any anticipated changes to the respective operations of NAM. Based on its review, the Board determined that St. Paul's divestiture would not affect the nature and quality of services provided by NAM, the terms of the respective Investment Management Agreement, including the fees thereunder, and would not materially affect the organization or operations of NAM. Accordingly, the Board determined that their analysis of the various factors regarding their approval of NAM would continue to apply after the change of control.

G. APPROVAL

The Trustees did not identify any single factor discussed previously as all-important or controlling. The Trustees, including a majority of independent Trustees, concluded that the terms of the Investment Management Agreements were fair and reasonable, that NAM's fees are reasonable in light of the services provided to each Fund, that the renewal of the NAM Investment Management Agreements should be approved and that the new, post-change of control NAM Investment Managements Agreement be approved and recommended to shareholders.

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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 EXCHANGE-TRADED CLOSED-END FUNDS
DIVIDEND REINVESTMENT PLAN

Your Nuveen Exchange-Traded 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.

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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.

Other Useful INFORMATION

In April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers") sold the majority of its controlling equity interest in Nuveen Investments, Inc.

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("Nuveen") to the general public. Nuveen is the parent of Nuveen Asset Management ("NAM"), which is each Fund's investment manager. This sale was deemed to be an "assignment" of the investment management agreement between each Fund and NAM and, if applicable, of the sub-advisory agreement between NAM and the Fund's sub-adviser. As required by law, the shareholders of each Fund were asked to approve a new investment management agreement and, if applicable, a new subadvisory agreement that reflected this change in ownership. The shareholders of each Fund voted this approval at a Shareholders' Meeting on July 26, 2005. There were no changes to the investment objectives or management of any Fund as a result of these actions.

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, 2005, 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

Each Fund's Chief Executive Officer has submitted to the New York Stock 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.

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

LEVERAGE-ADJUSTED DURATION: Duration is a measure of 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.

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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.

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
Eugene S. Sunshine

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT 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.

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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 more than \$131 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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/ETF

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

Logo: NUVEEN Investments

EAN-B-1005D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/etf. (To view the

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code, click on the Investor Resources drop down menu box, click on Fund Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Dividend Advantage Municipal Fund 3

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP entered into on or after May 6, 2003, the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| FISCAL YEAR ENDED | AUDIT FEES BILLED TO FUND | AUDIT-RELATED FEES BILLED TO FUND |
|------------------------------------|------------------------------|--------------------------------------|
| October 31, 2005 | \$ 27,440 | \$ 0 |
| Percentage approved pursuant to | 0% | 0% |

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pre-approval
exception

| | | |
|--|-----------|------|
| October 31, 2004 | \$ 25,825 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% |

The above "All Other Fees" are fees paid to audit firms to perform agreed upon procedures required by the rating agencies to rate fund preferred shares. The above "Tax Fees" were billed for professional services for tax advice, tax compliance, and tax planning.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| FISCAL YEAR ENDED | AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | BI AND SE |
|--|--|--|-----------|
| October 31, 2005 | \$ 0 | \$ 282,575 | |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |
| October 31, 2004 | \$ 0 | \$ 0 | |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |

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The above "Tax Fees" are primarily fees billed to the Adviser for Fund tax return preparation.

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

| FISCAL YEAR ENDED | TOTAL NON-AUDIT FEES BILLED TO FUND | TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND) | TOT BILL AFFI PRO |
|-------------------|--|---|----------------------------|
| October 31, 2005 | \$ 4,195 | \$ 282,575 | |
| October 31, 2004 | \$ 8,046 | \$ 0 | |

The above "Non-Audit Fees billed to Adviser" for 2005 include "Tax-Fees" billed to Adviser in the amount of \$282,575 from previous table.

Audit Committee Pre-Approval Policies and Procedures. Generally, the audit committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans, William J. Schneider and Eugene S. Sunshine.

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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.

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, the Adviser would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

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

Not applicable at this time.

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. Letter or number the exhibits in the sequence indicated.

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(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at www.nuveen.com/etf and there were no amendments during the period covered by this report. (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then Code of Conduct.)

(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 Dividend Advantage Municipal Fund 3

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

Jessica R. Droeger
Vice President and Secretary

Date: January 6, 2006

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

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: January 6, 2006

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

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: January 6, 2006

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