

NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
August 07, 2008

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 811-21153

Nuveen Maryland 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)

Kevin J. McCarthy
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: May 31

Date of reporting period: May 31, 2008

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
May 31, 2008

Nuveen Investments
MUNICIPAL CLOSED-END FUNDS

Photo of: Small child

NUVEEN MARYLAND
PREMIUM INCOME
MUNICIPAL FUND
NMY

NUVEEN MARYLAND
DIVIDEND ADVANTAGE
MUNICIPAL FUND
NFM

NUVEEN MARYLAND
DIVIDEND ADVANTAGE
MUNICIPAL FUND 2
NZR

NUVEEN MARYLAND
DIVIDEND ADVANTAGE
MUNICIPAL FUND 3
NWI

NUVEEN VIRGINIA
PREMIUM INCOME
MUNICIPAL FUND
NPV

NUVEEN VIRGINIA
DIVIDEND ADVANTAGE
MUNICIPAL FUND
NGB

NUVEEN VIRGINIA
DIVIDEND ADVANTAGE
MUNICIPAL FUND 2
NNB

IT'S NOT WHAT YOU EARN, IT'S WHAT YOU KEEP. (R)

Logo: NUVEEN Investments

Photo of: Man working on computer

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Chairman's
LETTER TO SHAREHOLDERS

Photo of: Robert P. Bremner

Robert P. Bremner

Chairman of the Board

I'd like to use my initial letter to you to accomplish several things. First, I want to report that after fourteen years of service on your Fund's Board, including the last twelve as chairman, Tim Schwertfeger retired from the Board in June. The Board has elected me to replace him as the chairman, the first time this role has been filled by someone who is not an employee of Nuveen Investments. Electing an independent chairman marks a significant milestone in the management of your Fund, and it aligns us with what is now considered a "best practice" in the fund industry. Further, it demonstrates the independence with which your Board has always acted on your behalf.

Following Tim will not be easy. During my eleven previous years on the Nuveen Fund Board, I found that Tim always set a very high standard by combining insightful industry and market knowledge and sound, clear judgment. While the Board will miss his wise counsel, I am certain we will retain the primary commitment Tim shared with all of us - an unceasing dedication to creating and retaining value for Nuveen Fund shareholders. This focus on value over time is a touchstone that I and all the other Board members will continue to use when making decisions on your behalf.

Second, I also want to report that we are very fortunate to be welcoming two new Board members to our team. John Amboian, the current chairman and CEO of Nuveen Investments, has agreed to replace Tim as Nuveen's representative on the Board. John's presence will allow the independent Board members to benefit not only from his leadership role at Nuveen but also his broad understanding of the fund

industry and Nuveen's role within it. We also are adding Terry Toth as an independent director. A former CEO of the Northern Trust Company's asset management group, Terry will bring extensive experience in the fund industry to our deliberations.

Third, on behalf of the entire Board, I would like to acknowledge the effort the whole Nuveen organization is making to resolve the auction rate preferred share situation in a satisfactory manner. As you know, we are actively pursuing a number of possible solutions, all with the goal of providing liquidity for preferred shareholders while preserving the potential benefits of leverage for common shareholders. We appreciate the patience you have shown as we've worked through the many details involved.

Finally, I urge you to take the time to review the Portfolio Manager's Comments, the Common Share Dividend and Share Price Information, and the Performance Overview sections of this report. All of us are grateful that you have chosen Nuveen Investments as a partner as you pursue your financial goals, and, on behalf of myself and the other members of your Fund's Board, let me say we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Robert P. Bremner

Robert P. Bremner
Chairman of the Board
July 15, 2008

Portfolio Managers' COMMENTS

Nuveen Investments Municipal Closed-End Funds | NMY, NFM, NZR, NWI,
NPV, NGB, NNB

Portfolio manager Cathryn Steeves reviews economic and municipal market conditions at both the national and state levels, key investment strategies, and the annual performance of the Nuveen Maryland and Virginia Funds. Cathryn, who joined Nuveen in 1996, has managed these seven Funds since 2006.

WHAT FACTORS AFFECTED THE U.S. ECONOMIC AND MUNICIPAL MARKET ENVIRONMENTS DURING THE TWELVE-MONTH REPORTING PERIOD ENDED MAY 31, 2008?

During this period, developments in the credit markets led to increased price volatility and tightening liquidity, causing a flight to quality. These developments, which began to take shape last summer, became particularly evident in August 2007 when market concerns about defaults on sub-prime mortgages resulted in a liquidity crisis across all fixed income asset classes. In September 2007, the Federal Reserve (Fed) responded to credit market volatility by launching a series of interest rate cuts that lowered the fed funds rate by 325 basis points--from 5.25% to 2.00%--in eight months, including reductions of 125 basis points in January 2008 alone.

The Fed's actions also were a response to increased signs of weakness in the U.S. economy, as evidenced by the slowing growth of the U.S. gross domestic product (GDP), a closely watched measure of economic performance. While GDP expanded at 3.8% in the second quarter of 2007 and 4.9% in the third quarter. This measure dropped sharply to 0.6% in the fourth quarter of 2007 (all GDP numbers annualized). In the first quarter of 2008, GDP grew at an annual rate of

1.0%, restrained by a 25% decline in residential investment and the weakest consumer spending since 2001. Driven largely by increased energy and food prices, the Consumer Price Index (CPI) registered a 4.2% year-over-year gain as of May 2008. The core CPI (which excludes food and energy prices) rose 2.3% between June 2007 and May 2008, remaining above the Fed's unofficial target of 2.0% or lower. In the labor markets, January 2008 marked the first decline in new jobs creation since 2003, breaking the longest string of employment growth (fifty-two months) in U.S. history. The national unemployment rate for May 2008 was 5.5%, its highest level since October 2004, compared with 4.5% in May 2007. The 0.5% increase in this rate between April and May 2008 represented the biggest one-month jump in more than twenty-two years.

In the municipal bond market, factors related to the sub-prime mortgage crisis had an indirect, but important, influence on performance. General concerns about the credit markets as well as more specific concerns about municipal bond insurers with exposure to sub-prime mortgages caused some investors to curtail purchases. As a result, in February 2008, hedge funds and other non-traditional buyers of municipal bonds were forced to sell holdings of long-maturity bonds into a market already

Discussions of specific investments are for illustrative purposes only and are not intended as recommendations of individual investments. The views expressed in this commentary represent those of the portfolio manager as of the date of this report and are subject to change at any time, based on market conditions and other factors. The Funds disclaim any obligation to advise shareholders of such changes.

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experiencing a lack of liquidity. Combined with the Fed rate cuts, this selling produced a sharp steepening of the municipal yield curve, as longer-term interest rates rose and short-term interest rates declined. In this environment, bonds with shorter maturities generally outperformed longer maturity bonds and higher quality bonds tended to outperform lower quality issues.

Also of note in the municipal market, the U.S. Supreme Court in May 2008 ruled that individual states could continue to offer their residents special tax treatment on municipal bonds issued within their borders. The high court's decision in Department of Revenue of the Commonwealth of Kentucky vs. Davis preserved tax rules in forty-two states, allowing them to continue to exempt from taxation the income their residents earn on in-state municipal bonds while taxing the income earned on municipal bonds issued in other states.

Over the twelve months ended May 2008, municipal bond issuance nationwide totaled \$467.0 billion, an increase of 2% from the previous twelve months. As of May 31, 2008, insured bonds comprised 25% of new supply, compared with the recent historical figure of approximately 50%. Despite disruptions in the markets, new municipal issuance continued to be met with solid demand by institutional and retail investors as well as nontraditional buyers returning to the market in the last few months.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN MARYLAND AND VIRGINIA DURING THIS PERIOD?

Maryland's economic growth continued to be driven by education and health services, professional and business services, and the government sector, with Fort George G. Meade ranking as the state's largest employer (military and civilian). Maryland's 2007 economic growth expanded at a rate of 2.0%, which

placed 22nd in the nation in terms of state GDP. Maryland continued to make efforts to diversify its economy, and promising developments in the aerospace, medical research, security, and distribution industries should help to increase the state's long-term growth potential. While Maryland's old-line manufacturing sector continued to shed jobs, employment in this sector was about half the national average, which was a positive factor over the past few years. Housing activity in Maryland continued to deteriorate, although not to the extent seen in some other states. However, the consequences were felt in housing-related industries such as construction and financial services. In May 2008, Maryland's jobless rate was 4.0%, up from 3.5% in May 2007, putting unemployment in the state at its highest level since November 2005. For fiscal 2009, the \$31 billion Maryland state budget included \$340 million for school construction, \$100 million for future retiree health costs, increased funding for the environment and public safety, and expansion of health care coverage. The budget also called for adding \$739 million to the state's rainy day fund by the end of fiscal 2009. As of May 2008, Moody's and Standard & Poor's (S&P) maintained their ratings on Maryland general obligation debt at Aaa/AAA with stable outlooks. During the twelve months ended May 31, 2008, issuance in the state totaled \$7.6 billion, an increase of 9% over the previous twelve-month period. From January-May 2008, Maryland saw \$2.9 billion in new municipal paper, down 2% from the first five months of 2007.

Virginia's economy continued to be led by government, education and health services, and professional and business services. Further growth in the government sector may be hampered by deficits, which are weighing on all levels of government, as well as by

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military cutbacks. The commonwealth's manufacturing sector, beleaguered by the disappearance of textile, furniture, and apparel factories over the past few years, continued to decline, negatively affecting employment, especially in rural areas. Virginia has not been immune to the impact of the housing market slump nationwide, and the related construction and financial services sectors also weakened. In 2007, Virginia's 2007 economic growth rate of 1.9%, ranked the state 25th in the country according to state GDP. Over the long term, low business costs, a highly skilled labor force, and a favorable regulatory environment should help Virginia continue to attract new businesses, including high-tech industries and back-office operations. Although unemployment in the commonwealth rose from 3.0% in May 2007 to 3.9% in May 2008, Virginia's jobless rate ranked as the 10th lowest in the nation. As of May 2008, Moody's and S&P rated Virginia general obligation debt at Aaa/AAA with stable outlooks. During the twelve months ended May 31, 2008, issuance in Virginia totaled \$8.1 billion, a decrease of 19% from the previous twelve months. The first five months of 2008 saw issuance decline more sharply to \$3.4 billion, down 29% from the first five months of 2007. Some of this decrease reflected the fact that issuance totals for the previous periods included a \$1.1 billion Virginia tobacco bond refinancing deal in April 2007.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THIS REPORTING PERIOD?

During this twelve-month period, as the municipal market was characterized by volatility and a steepening yield curve, we sought to capitalize on the turbulent environment by continuing to focus on relative value, using a fundamental approach to find undervalued sectors and individual credits with the potential to perform well over the long term.

When August's liquidity crisis led the market to discount lower-quality and

higher-yielding bonds we took advantage of opportunities that we considered undervalued to selectively add some of these types of bonds to our portfolios. Among the issues we added to the Maryland and Virginia Funds were health care and long-term care/retirement facilities bonds. The Virginia Funds also added housing credits, while the Maryland Funds purchased some lower-rated convention center bonds. All of the Maryland Funds also added exposure to the short end of the yield curve by purchasing small positions in auction rate bonds. Because of their extremely short durations, auction rate securities traditionally have been far more popular with money market fund managers than municipal bond fund managers. But demand for these issues evaporated when the credit markets became relatively illiquid, and their yields rose to unprecedented levels. We saw an opportunity to buy these bonds at attractive prices relative to their income.

To generate cash for purchases, we selectively sold some holdings with shorter durations(1). Selling shorter duration bonds and reinvesting further out on the yield curve also helped to improve the Funds' overall call protection profiles. We also took advantage of strong bids to sell bonds that were attractive to the retail market.

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

As part of our disciplined approach to duration management, we used inverse floating rate securities, (2) a type of derivative financial instrument, in all seven of the Maryland and Virginia Funds throughout the reporting period. In addition, we added new inverse floating rate securities to all of these Funds during the last half of this period. Inverse floaters typically provide the dual benefit of bringing the durations of the Funds closer to our strategic target and enhancing their income-generation capabilities. NMY, NFM, NZR, and NPV also used forward interest rate swaps, another type of derivative financial instrument. The goal of this strategy was to help us manage the common share net asset value (NAV) volatility of these Funds without having a negative impact on their income streams or common share dividends over the short term. Given the market environment, we thought it prudent to remove the forward interest rate swaps from these four Funds, and as of May 31, 2008, there were no forward interest rate swaps held in any of the Maryland or Virginia Funds.

HOW DID THE FUNDS PERFORM?

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

Total Returns on Common Share Net Asset Value*
For periods ended 5/31/08

	1-Year	5-Year	10-Year
Maryland Funds			
NMY	1.63%	4.15%	5.45%
NFM	1.25%	3.88%	N/A
NZR	1.54%	3.75%	N/A
NWI	1.24%	3.83%	N/A

Virginia Funds

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NPV	1.56%	3.68%	5.46%
NGB	0.23%	4.21%	N/A
NNB	0.63%	3.80%	N/A
Lipper Other States Municipal Debt Funds Average(3)			
	0.84%	3.75%	5.25%
Lehman Brothers Municipal Bond Index(4)			
	3.87%	3.67%	5.06%

For the twelve months ended May 31, 2008, the total returns on common share NAV for the performance of NMY, NFM, NZR, NWI, and NPV exceeded the average return for the Lipper Other States peer group, while NGB and NNB trailed the Lipper average. All seven of the Funds underperformed the return on the national Lehman Brothers Municipal Bond Index.

* 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.

- (2) An inverse floating rate security is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in This Report sections of this report.
- (3) The Lipper Other States Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1 year, 43; 5 years, 43; and 10 years, 18. Fund and Lipper returns assume reinvestment of dividends.
- (4) The Lehman Brothers Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.

One of the more significant factors impacting the performance of these Funds in relation to that of the unleveraged Lehman Brothers Municipal Bond Index was the use of financial leverage. While leverage provides opportunities for additional income and total returns for common shareholders, the benefits of leveraging are impacted by the general price movements of the bonds in each Fund's portfolio. During this period, as the yields on longer-term bonds rose and their prices correspondingly fell, declining valuations had a negative effect on performance that was magnified by the use of leverage. In addition, the Funds' borrowing

costs remained relatively high, negatively impacting their total returns.

Other key factors that influenced the Funds' returns included yield curve and duration positioning, the use of derivatives, credit exposure and sector allocations and holdings of bonds backed by lower-rated municipal bond insurers.

Bonds in the Lehman Brothers Municipal Bond Index with maturities of less than eight years, especially those maturing in approximately four to six years, benefited the most from changes in the interest rate environment. As a result, these bonds generally outperformed credits with longer maturities. Bonds having the longest maturities (twenty-two years and longer) posted the worst returns. For the most part, the duration positioning of these seven Funds was a net positive for performance during this period. Although the Maryland Funds were underexposed to the outperforming shorter maturity categories, this was generally offset by the Fund's heavier allocations to the intermediate part of the yield curve, which performed relatively well, and lower weightings in the underperforming long part of the curve. The story was generally the same among the Virginia Funds, except their weightings in longer maturity bonds were more in line with that of the overall municipal market, which meant that this exposure had a neutral effect on performance.

As mentioned earlier, NMY, NFM, NZR, and NPV used forward interest rate swaps during part of this period to synthetically extend the Funds' durations and move them closer to our strategic duration target. Despite the fact that longer duration municipal bonds generally underperformed those with shorter durations, the use of forward interest rate swaps had a positive impact on the return performance of these four Funds. This was due to the fact that these interest rate swaps provided exposure to taxable markets during a period when, in contrast to recent historical trends, the taxable markets and the municipal market moved in the opposite directions. As municipal market performance lagged the gains in the taxable markets, the interest rate swaps performed very well. After the removal of the forward interest rate swaps, the durations of these four Funds remained slightly short of our strategic target, which helped their performances as shorter duration bonds outperformed.

In addition, the inverse floaters used by all seven of these Funds throughout the period generally had a negative impact on performance. This resulted from the fact that the inverse floaters effectively increased the Funds' exposure to longer maturity bonds during a period when shorter maturities were in favor in the market. However,

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the new inverse floating rate securities we added to the Maryland and Virginia Funds late in this period performed well, due mainly to market conditions following their establishment and, secondarily, to the high credit quality of the bonds used to establish these trusts. All of the inverse floaters also benefited these Funds by helping to support their income streams.

Bonds rated BBB or lower posted poor returns. The underperformance of the lower credit quality sectors was largely the result of risk-averse investors' flight to quality as disruptions in the financial and housing markets deepened. The Funds' allocations to these credit quality sectors were generally higher than that of the Lehman Brothers Municipal Bond Index, and the negative impact of this greater exposure to credit risk accounted for some of the performance differential between these Funds and the index. In addition, the Dividend Advantage Funds, NFM, NZR, NWI, NGB, and NNB can invest up to 20% of their assets in below-investment-grade securities (bonds rated BB or below) or in non-rated bonds judged to be in the same credit quality category. The greater

exposure of these five Funds to this segment of the market detracted from the performance of these Funds relative to NMY and NPV, which overall represented higher credit quality. As of May 31, 2008, NMY and NPV had allocated 15% and 14%, respectively, to bonds rated BBB or lower and non-rated bonds, while the allocations of the five Maryland and Virginia Dividend Advantage Funds ranged from approximately 17% in NNB to 24% in NFM and NWI.

In general, bonds that carried any credit risk, regardless of sector, tended to perform poorly. Revenue bonds as a whole, and especially the industrial development and health care (including hospitals and long-term care) sectors that had ranked among the top performers in the Lehman Brothers Municipal Bond Index over the past few years, underperformed the general municipal market. The housing sector also performed poorly, as did lower-rated bonds backed by the 1998 master tobacco settlement agreement, which comprised approximately 1% to 2% of the portfolios of the Maryland Funds and approximately 3% of the Virginia Funds as of May 31, 2008.

Sectors of the market that generally contributed positively to the Funds' performances included general obligation bonds, water and sewer, special tax issues, and education. Pre-refunded bonds⁽⁵⁾ performed exceptionally well, due primarily to their shorter effective maturities and higher credit quality.

Another factor that had an impact on the performance of these Funds was their position in bonds backed by municipal bond insurers that experienced downgrades in their credit ratings. As concern increased about the balance sheets of these insurers, prices on bonds insured by these companies declined, detracting from the Funds' performance. On the whole, the holdings of all of our Funds continued to be well diversified not only between insured and uninsured bonds, but also within the insured bond category.

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

RECENT DEVELOPMENTS REGARDING BOND INSURANCE COMPANIES

The portfolios of investments reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. During the period covered by this report, each of these insurers experienced one or more rating reductions by at least one or more rating agencies. Subsequent to May 31, 2008, at least one rating agency further reduced their rating and at least one rating agency had withdrawn their rating for AMBAC-insured and MBIA-insured bonds. At the time this report was prepared, at least one rating agency has placed each of these insurers on "negative credit watch", which may presage one or more rating reductions for such insurer or insurers in the future. If one or more insurers' ratings are reduced by these rating agencies, it would likely reduce the effective rating of many of the bonds insured by that insurer or insurers. It is important to note that municipal bonds historically have had a very low rate of default.

RECENT DEVELOPMENTS IN THE AUCTION RATE PREFERRED SECURITIES (ARPS) MARKETS

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the preferred shares issued by these Funds than there were offers to buy. This meant that these auctions "failed to clear" and that

many or all auction preferred shareholders who wanted to sell their shares in these auctions were unable to do so. This decline in liquidity in auction preferred shares did not lower the credit quality of these shares, and auction preferred shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the auction preferred shares. At the time this report was prepared, the Funds' managers could not predict when future auctions might succeed in attracting sufficient buyers for the shares offered, if ever. The Funds' managers are working diligently to refund the auction preferred shares, and have made progress in these efforts, but at present there is no assurance that these efforts will succeed. These developments generally do not affect the management or investment policies of these Funds. However, one implication of these auction failures for common shareholders is that the Funds' cost of leverage will likely be higher, at least temporarily, than it otherwise would have been had the auctions continued to be successful. As a result, the Funds' future common share earnings may be lower than they otherwise would have been.

On June 11, 2008, Nuveen announced the Fund Board's approval of plans to use tender option bonds (TOBs), also known as floating rate securities, to refinance a portion of the municipal funds' outstanding ARPS, whose auctions have been failing for several months, including an initial phase of approximately \$1 billion in forty-one funds. On June 26, 2008, thirteen municipal funds (none of which are included in this shareholder report) issued par redemption notices for a portion of their auction-rate securities aggregating approximately \$580 million.

For current, up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at:
<http://www.nuveen.com/ResourceCenter/AuctionRatePreferred.aspx>.

Common Share
 Dividend and Share Price
 INFORMATION

As previously noted, all of the Funds in this report use leverage to potentially enhance opportunities for additional income for common shareholders. While this strategy continued to provide incremental income, the extent of this benefit was reduced to some degree by the borrowing costs associated with leverage, which remained relatively high. Some of the Funds' income streams were also impacted as the proceeds from older, higher-yielding bonds that matured or were called were reinvested into bonds currently available in the market, which generally offered lower yields than the maturing or called bonds. These factors resulted in one monthly dividend reduction in NMY and NGB during this reporting period. Over the twelve-month reporting period ended May 31, 2008, the dividends, NFM, NZR, NWI, NPV, and NNB remained stable.

Due to normal portfolio activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2007 as follows:

Long-Term Capital Gains (per share)	Short-Term Capital Gains and/or Ordinary Income (per share)
----------------------------------------	-------------------------------------------------------------------

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NMY	--	\$0.0074
NZR	\$0.0327	\$0.0016
NPV	\$0.0863	\$0.0007
NGB	\$0.0977	\$0.0069
NNB	\$0.0570	\$0.0029

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 common share 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 common share NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of May 31, 2008, all of the Funds in this report had positive UNII balances for tax purposes. NMY, NWI, NPV and NGB had positive UNII balances and NFM, NZR and NNB had negative UNII balances for financial statement purposes.

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As of May 31, 2008, the Funds' common share prices were trading at premiums or discounts to their common share NAVs as shown in the accompanying chart:

	5/31/08 Premium/Discount	Twelve-Month Average Premium/Discount
NMY	-7.68%	-8.20%
NFM	+0.50%	-2.66%
NZR	-0.28%	-4.38%
NWI	-7.20%	-8.06%
NPV	-2.43%	-4.93%
NGB	+4.22%	+0.20%
NNB	+1.81%	+0.09%

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NMY
Performance
OVERVIEW

Nuveen Maryland Premium Income Municipal Fund
as of May 31, 2008

Pie Chart:
Credit Quality (as a % of total investments) (1)

AAA/U.S. Guaranteed	56%
AA	18%
A	11%
BBB	12%
BB or Lower	1%
N/R	2%

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Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share (3)

Jun	0.0515
Jul	0.0515
Aug	0.0515
Sep	0.0515
Oct	0.0495
Nov	0.0495
Dec	0.0495
Jan	0.0495
Feb	0.0495
Mar	0.0495
Apr	0.0495
May	0.0495

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	14.73
	14.47
	14.12
	13.94
	13.76
	13.7
	13.46
	13.37
	13.1984
	13.42
	13.3
	12.95
	13.2401
	13.68
	13.57
	13.59
	13.23
	13.22
	13.23
	13.08
	13.07
	13.1399
	13.14
	12.8
	12.42
	12.48
	12.71
	12.94
	12.76
	12.46
	12.63
	13.18
	13.47
	13.31
	13.42
	13.48
	13.53
	12.75
	12.7
	12.25
	12.67
	12.46
	12.48
	12.685
	12.9

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	12.8
	12.8
	12.83
	12.92
	12.82
	12.78
	12.92
	13.1
5/31/08	13.1

FUND SNAPSHOT

Common Share Price	\$13.10
Common Share Net Asset Value	\$14.19
Premium/(Discount) to NAV	-7.68%
Market Yield	4.53%
Taxable-Equivalent Yield(2)	6.62%
Net Assets Applicable to Common Shares (\$000)	\$150,994
Average Effective Maturity on Securities (Years)	15.79
Leverage-Adjusted Duration	10.23

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

	ON SHARE PRICE	ON NAV
1-Year	-7.55%	1.63%
5-Year	-0.19%	4.15%
10-Year	3.98%	5.45%

INDUSTRIES
(as a % of total investments)

Tax Obligation/General	22.8%
Health Care	14.5%
U.S. Guaranteed	14.3%
Education and Civic Organizations	11.4%
Tax Obligation/Limited	10.1%
Housing/Multifamily	8.1%
Housing/Single Family	5.0%

 Other 13.8%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders a net ordinary income distribution in December 2007 of \$0.0074 per share.

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NFM
 Performance
 OVERVIEW

Nuveen Maryland Dividend Advantage Municipal Fund
 as of May 31, 2008

Pie Chart:

Credit Quality (as a % of total investments)(1)	
AAA/U.S. Guaranteed	46%
AA	14%
A	16%
BBB	16%
BB or Lower	1%
N/R	7%

Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share	
Jun	0.0585
Jul	0.0585
Aug	0.0585
Sep	0.0585
Oct	0.0585
Nov	0.0585
Dec	0.0585
Jan	0.0585
Feb	0.0585
Mar	0.0585
Apr	0.0585
May	0.0585

Line Chart:

Common Share Price Performance -- Weekly Closing Price	
6/01/07	15.16
	14.94
	15

14.9
 14.62
 14.7199
 14.51
 14.42
 14.3
 14.68
 14.3
 13.5
 13.78
 13.9
 14.38
 14.06
 13.8
 14
 13.8101
 13.73
 13.67
 13.65
 13.36
 13.2401
 13.07
 13.14
 13.017
 13.35
 13
 13.01
 13.13
 13.76
 13.89
 14
 13.96
 13.95
 13.936
 13.74
 13.33
 12.65
 13.13
 13.11
 13.85
 14
 14.1
 13.72
 13.6
 13.9
 13.95
 14.03
 14.25
 13.91
 14.19
 14.19

5/31/08

FUND SNAPSHOT

Common Share Price	\$14.19
Common Share Net Asset Value	\$14.12
Premium/(Discount) to NAV	0.50%

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Market Yield	4.95%
Taxable-Equivalent Yield(2)	7.24%
Net Assets Applicable to Common Shares (\$000)	\$59,100
Average Effective Maturity on Securities (Years)	18.53
Leverage-Adjusted Duration	9.90

AVERAGE ANNUAL TOTAL RETURN
(Inception 1/23/01)

	ON SHARE PRICE	ON NAV
1-Year	-2.31%	1.25%
5-Year	2.94%	3.88%
Since Inception	4.68%	5.57%

INDUSTRIES
(as a % of total investments)

Health Care	20.9%
Tax Obligation/General	15.1%
U.S. Guaranteed	13.7%
Housing/Multifamily	12.3%
Tax Obligation/Limited	10.6%
Education and Civic Organizations	8.3%
Housing/Single Family	5.4%
Other	13.7%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

NZR
Performance
OVERVIEW

Nuveen Maryland Dividend Advantage Municipal Fund 2
as of May 31, 2008

Pie Chart:

Credit Quality (as a % of total investments) (1)

AAA/U.S. Guaranteed	45%
AA	22%
A	12%
BBB	14%
BB or Lower	2%
N/R	5%

Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share (3)

Jun	0.0585
Jul	0.0585
Aug	0.0585
Sep	0.0585
Oct	0.0585
Nov	0.0585
Dec	0.0585
Jan	0.0585
Feb	0.0585
Mar	0.0585
Apr	0.0585
May	0.0585

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	15.31
	14.97
	14.75
	14.5
	14.52
	14.5
	14.33
	14.28
	14.08
	14.35
	14.04
	13.68
	13.85
	13.86
	14.37
	14.05
	13.9
	14.04
	13.85
	13.95
	13.7
	13.78
	13.52

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13.54
 13.05
 13.04
 13.26
 13.39
 13.19
 12.86
 13.17
 13.83
 14.19
 13.95
 13.8001
 13.8
 13.99
 13.24
 13.43
 12.73
 13.26
 12.94
 13.03
 13.11
 13.355
 13.49
 13.31
 13.75
 14
 14.05
 13.98
 14.21
 14.25
 14.25

5/31/08

FUND SNAPSHOT

Common Share Price	\$14.25
Common Share Net Asset Value	\$14.29
Premium/(Discount) to NAV	-0.28%
Market Yield	4.93%
Taxable-Equivalent Yield(2)	7.21%
Net Assets Applicable to Common Shares (\$000)	\$59,921
Average Effective Maturity on Securities (Years)	17.42
Leverage-Adjusted Duration	9.80

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

	ON SHARE PRICE	ON NAV
1-Year	-2.30%	1.54%
5-Year	3.77%	3.75%

Since		
Inception	4.74%	5.58%

INDUSTRIES

(as a % of total investments)

Tax Obligation/General	18.7%
Health Care	17.0%
U.S. Guaranteed	14.9%
Tax Obligation/Limited	11.8%
Education and Civic Organizations	9.7%
Housing/Multifamily	6.2%
Housing/Single Family	5.5%
Transportation	3.8%
Other	12.4%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2007 of \$.0343 per share.

NWI
Performance
OVERVIEW

Nuveen Maryland Dividend Advantage Municipal Fund 3
as of May 31, 2008

Pie Chart:

Credit Quality (as a % of total investments)(1)

AAA/U.S. Guaranteed	40%
AA	25%
A	11%

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BBB	17%
BB or Lower	2%
N/R	5%

Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share

Jun	0.0525
Jul	0.0525
Aug	0.0525
Sep	0.0525
Oct	0.0525
Nov	0.0525
Dec	0.0525
Jan	0.0525
Feb	0.0525
Mar	0.0525
Apr	0.0525
May	0.0525

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	14.6
	14.51
	13.76
	13.57
	13.56
	13.61
	13.29
	13.16
	13.39
	13.3
	13.2
	12.79
	12.86
	13.39
	13.52
	13.44
	13.04
	13.4
	13.09
	13.06
	12.9799
	12.95
	12.92
	12.61
	12.21
	12.34
	12.63
	12.56
	12.31
	12.21
	12.38
	13.02
	13.19
	13.04
	13.06
	13.2
	13.32
	12.71
	12.6

	12.5099
	12.7
	12.29
	12.65
	12.69
	12.76
	12.62
	12.72
	12.7
	12.9
	12.88
	13
	13.14
	13.01
5/31/08	13.01

FUND SNAPSHOT

Common Share Price	\$13.01
Common Share Net Asset Value	\$14.02
Premium/(Discount) to NAV	-7.20%
Market Yield	4.84%
Taxable-Equivalent Yield(2)	7.08%
Net Assets Applicable to Common Shares (\$000)	\$75,205
Average Effective Maturity on Securities (Years)	17.57
Leverage-Adjusted Duration	10.81

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/25/02)

	ON SHARE PRICE	ON NAV
1-Year	-7.38%	1.24%
5-Year	2.44%	3.83%
Since Inception	2.60%	4.65%

INDUSTRIES
(as a % of total investments)

Tax Obligation/Limited	20.7%
Health Care	17.2%
Tax Obligation/General	14.4%
U.S. Guaranteed	11.2%

Housing/Multifamily	9.5%
Education and Civic Organizations	8.0%
Housing/Single Family	3.9%
Water and Sewer	3.6%
Other	11.5%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

NPV
Performance
OVERVIEW

Nuveen Virginia Premium Income Municipal Fund
as of May 31, 2008

Pie Chart:
Credit Quality (as a % of total investments) (1)

AAA/U.S. Guaranteed	52%
AA	25%
A	9%
BBB	9%
BB or Lower	1%
N/R	4%

Bar Chart:
2007-2008 Monthly Tax-Free Dividends Per Common Share (3)

Jun	0.053
Jul	0.053
Aug	0.053
Sep	0.053
Oct	0.053
Nov	0.053
Dec	0.053
Jan	0.053
Feb	0.053
Mar	0.053
Apr	0.053

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May 0.053

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	15.25
	14.91
	14.6
	14.62
	14.6699
	14.87
	14.43
	14.21
	14.11
	14.1
	13.87
	13.98
	14.28
	14.08
	14.41
	14.38
	14.14
	14.27
	13.94
	13.83
	13.7
	13.94
	13.68
	13.57
	13.1199
	13.38
	13.29
	13.43
	13
	13
	13.17
	13.83
	13.93
	13.88
	13.8
	14.07
	14.1
	13.24
	13.33
	12.95
	13.4701
	13.08
	13
	13.33
	13.39
	13.51
	13.35
	13.46
	13.47
	13.8
	13.75
	13.993
	14.04
5/31/08	14.04

FUND SNAPSHOT

Common Share Price	\$14.04
Common Share Net Asset Value	\$14.39
Premium/(Discount) to NAV	-2.43%
Market Yield	4.53%
Taxable-Equivalent Yield(2)	6.67%
Net Assets Applicable to Common Shares (\$000)	\$128,512
Average Effective Maturity on Securities (Years)	16.03
Leverage-Adjusted Duration	10.45

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

	ON SHARE PRICE	ON NAV
1-Year	-2.94%	1.56%
5-Year	0.82%	3.68%
10-Year	4.09%	5.46%

INDUSTRIES
(as a % of total investments)

Tax Obligation/Limited	21.0%
Health Care	16.5%
Tax Obligation/General	14.4%
U.S. Guaranteed	11.6%
Transportation	7.0%
Water and Sewer	6.5%
Housing/Single Family	5.3%
Utilities	4.8%
Other	12.9%

(1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

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- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2007 of \$.0870 per share.

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NGB
Performance
OVERVIEW

Nuveen Virginia Dividend Advantage Municipal Fund
as of May 31, 2008

Pie Chart:

Credit Quality (as a % of total investments) (1)

AAA/U.S. Guaranteed	54%
AA	17%
A	9%
BBB	9%
BB or Lower	1%
N/R	10%

Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share (3)

Jun	0.0595
Jul	0.0595
Aug	0.0595
Sep	0.0595
Oct	0.0565
Nov	0.0565
Dec	0.0565
Jan	0.0565
Feb	0.0565
Mar	0.0565
Apr	0.0565
May	0.0565

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	17.52
	17.15
	17.04
	16.6
	16.45
	15.99
	15.289
	15.2799
	15.06
	14.38
	14.52
	14.47

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	14.11
	14.901
	14.8678
	15
	14.21
	14.252
	14.29
	14.1225
	14.45
	14.3
	14.19
	14.0799
	13.95
	13.51
	13.4
	13.8506
	13.33
	13.36
	13.4
	14.04
	14.5
	14.4801
	14.67
	14.32
	14.082
	13.45
	13.42
	13.23
	13.2
	13.41
	13.3
	13.5
	13.67
	14.09
	14.5499
	14.57
	14.8
	14.65
	14.98
	14.6804
	14.81
5/31/08	14.81

FUND SNAPSHOT

Common Share Price	\$14.81

Common Share Net Asset Value	\$14.21

Premium/(Discount) to NAV	4.22%

Market Yield	4.58%

Taxable-Equivalent Yield(2)	6.75%

Net Assets Applicable to Common Shares (\$000)	\$44,512

Average Effective Maturity on Securities (Years)	17.05

 Leverage-Adjusted Duration 10.85

AVERAGE ANNUAL TOTAL RETURN
 (Inception 1/26/01)

	ON SHARE PRICE	ON NAV
1-Year	-10.58%	0.23%
5-Year	2.13%	4.21%
Since Inception	5.24%	5.78%

INDUSTRIES
 (as a % of total investments)

U.S. Guaranteed	17.0%
Transportation	16.1%
Tax Obligation/General	12.7%
Tax Obligation/Limited	12.5%
Health Care	10.6%
Long-Term Care	7.9%
Housing/Single Family	6.2%
Water and Sewer	4.7%
Other	12.3%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2007 of \$0.1046 per share.

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OVERVIEW

Nuveen Virginia Dividend Advantage Municipal Fund 2
as of May 31, 2008

Pie Chart:

Credit Quality (as a % of total investments) (1)

AAA/U.S. Guaranteed	51%
AA	25%
A	7%
BBB	7%
BB or Lower	1%
N/R	9%

Bar Chart:

2007-2008 Monthly Tax-Free Dividends Per Common Share (3)

Jun	0.0595
Jul	0.0595
Aug	0.0595
Sep	0.0595
Oct	0.0595
Nov	0.0595
Dec	0.0595
Jan	0.0595
Feb	0.0595
Mar	0.0595
Apr	0.0595
May	0.0595

Line Chart:

Common Share Price Performance -- Weekly Closing Price

6/01/07	16.9
	16.65
	15.92
	15.94
	15.9
	15.9
	15.85
	15.665
	15.139
	15.4699
	15.5
	15
	14.9
	14.69
	15.1
	14.6
	14.7
	14.4
	14.46
	14.41
	14.6
	14.56
	14.59
	14.2499
	13.8999
	13.9899
	13.9

	14.01
	13.68
	13.06
	13.34
	13.83
	14.46
	14.3299
	14.44
	14.52
	14.65
	13.68
	13.8475
	13.4
	13.95
	13.45
	13.5
	14.35
	14.6
	14.62
	14.55
	14.45
	14.7
	15
	14.61
	14.33
	14.65
5/31/08	14.65

FUND SNAPSHOT

Common Share Price	\$14.65
Common Share Net Asset Value	\$14.39
Premium/(Discount) to NAV	1.81%
Market Yield	4.87%
Taxable-Equivalent Yield(2)	7.17%
Net Assets Applicable to Common Shares (\$000)	\$82,472
Average Effective Maturity on Securities (Years)	16.94
Leverage-Adjusted Duration	9.98

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/15/01)

	ON SHARE PRICE	ON NAV
1-Year	-7.58%	0.63%
5-Year	3.71%	3.80%
Since Inception	5.26%	5.96%

INDUSTRIES
(as a % of total investments)

Tax Obligation/General	17.9%
-----	-----
Health Care	15.9%
-----	-----
Tax Obligation/Limited	13.1%
-----	-----
Water and Sewer	12.1%
-----	-----
U.S. Guaranteed	12.1%
-----	-----
Housing/Single Family	8.9%
-----	-----
Long-Term Care	7.6%
-----	-----
Other	12.4%
-----	-----

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2007 of \$0.0599 per share.

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Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF TRUSTEES AND SHAREHOLDERS
NUVEEN MARYLAND PREMIUM INCOME MUNICIPAL FUND
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NUVEEN VIRGINIA PREMIUM INCOME MUNICIPAL FUND
NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Maryland Premium Income Municipal Fund,

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Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund and Nuveen Virginia Dividend Advantage Municipal Fund 2 (the Funds) as of May 31, 2008, 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 five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. 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 May 31, 2008, by correspondence with the custodian and brokers or by 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 Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund and Nuveen Virginia Dividend Advantage Municipal Fund 2 at May 31, 2008, 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 five years in the period then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
July 21, 2008

NMY
Nuveen Maryland Premium Income Municipal Fund
Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL
AMOUNT (000) DESCRIPTION (1)

OPTIONAL
PROVISION

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CONSUMER DISCRETIONARY - 3.0% (2.0% OF TOTAL INVESTMENTS)

\$	4,825	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - XLCA Insured	9/16 at 10
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CONSUMER STAPLES - 1.8% (1.2% OF TOTAL INVESTMENTS)

	2,885	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 10
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EDUCATION AND CIVIC ORGANIZATIONS - 17.1% (11.4% OF TOTAL INVESTMENTS)

	1,250	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 10
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	1,000	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 10
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Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park, Series 2001:

	980	5.375%, 7/01/15 - AMBAC Insured	7/11 at 10
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	980	5.375%, 7/01/16 - AMBAC Insured	7/11 at 10
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Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000:

	750	5.250%, 7/01/25 - FSA Insured	1/11 at 10
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	500	5.250%, 7/01/30 - FSA Insured	1/11 at 10
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	1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 10
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	1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Johns Hopkins University, Series 1997, 5.625%, 7/01/27	7/08 at 10
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	1,365	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/19	5/15 at 10
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	9,445	Morgan State University, Maryland, Student Tuition and Fee Revenue Refunding Bonds, Academic Fees and Auxiliary Facilities, Series 1993, 6.100%, 7/01/20 - MBIA Insured	No Opt.
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	1,685	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16 at 10
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Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006:

	2,735	5.000%, 11/01/31	11/16 at 10
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	850	4.500%, 11/01/36	11/16 at 10
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	24,290	Total Education and Civic Organizations	
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HEALTH CARE - 21.8% (14.5% OF TOTAL INVESTMENTS)

1,525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36	7/14 at 10
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 5.800%, 7/01/32	7/12 at 10
400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16 at 10
1,665	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 10

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NMY

Nuveen Maryland Premium Income Municipal Fund (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
HEALTH CARE (continued)		
\$ 1,740	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 10
1,400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 10
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34 - MBIA Insured	7/11 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Howard County General Hospital Acquisition, Series 1998, 5.000%, 7/01/19 - MBIA Insured	7/08 at 10
1,430	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2004, Inverse 1003, 11.325%, 7/01/33 (IF)	7/14 at 10
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15	6/09 at 10
3,800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 10
1,175	Maryland Health and Higher Educational Facilities Authority,	7/17 at 10

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	Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	
1,750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 10
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A:	
1,010	5.000%, 7/01/37	7/17 at 10
670	5.500%, 7/01/42	7/17 at 10
1,700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 10
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2002, 5.625%, 7/01/32	7/12 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2004B, 5.000%, 7/01/24 - AMBAC Insured	7/13 at 10
2,395	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 10
	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994:	
420	5.375%, 7/01/14	7/08 at 10
295	5.300%, 7/01/24	7/08 at 10

33,375	Total Health Care	

HOUSING/MULTIFAMILY - 12.1% (8.1% OF TOTAL INVESTMENTS)

1,450	Maryland Community Development Administration, FNMA Multifamily Development Revenue Bonds, Edgewater Village Apartments, Series 2000B, 5.800%, 8/01/20 (Alternative Minimum Tax)	2/11 at 10
2,500	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999A, 5.350%, 7/01/41 (Alternative Minimum Tax)	1/09 at 10
880	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999B, 6.250%, 7/01/32 (Alternative Minimum Tax)	1/10 at 10
1,000	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 10
1,000	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Collegiate Housing Foundation - Salisbury State University, Series 1999A, 6.000%, 6/01/19	6/09 at 10
1,145	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park	6/16 at 10

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Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured

3,830 Montgomery County Housing Opportunities Commission, Maryland, 7/08 at 10
 FNMA/FHA-Insured Multifamily Housing Development Bonds,
 Series 1998A, 5.200%, 7/01/30

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
HOUSING/MULTIFAMILY (continued)		
\$ 360	Montgomery County Housing Opportunities Commission, Maryland, GNMA/FHA-Insured Multifamily Housing Revenue Bonds, Series 1995A, 5.900%, 7/01/15	7/08 at 10
2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000A, 6.100%, 7/01/30	7/10 at 10
540	Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Bonds, University Landing Apartments, Series 1999, 6.100%, 3/20/41 (Alternative Minimum Tax)	9/09 at 10
2,000	Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Refunding Bonds, Overlook Apartments, Series 1995A: 5.700%, 12/20/15	6/08 at 10
1,670	5.750%, 12/20/19	6/08 at 10
18,375	Total Housing/Multifamily	

HOUSING/SINGLE FAMILY - 7.5% (5.0% OF TOTAL INVESTMENTS)

650 Maryland Community Development Administration Department of
 Housing and Community Development, Residential Revenue
 Bonds, Series 2007H, 5.000%, 9/01/27
 (Alternative Minimum Tax) 3/17 at 10

1,195 Maryland Community Development Administration, Department
 of Housing and Community Development, Residential Revenue
 Bonds, Series 2006F, 4.900%, 9/01/26 (Alternative Minimum Tax) 9/15 at 10

4,100 Maryland Community Development Administration, Department
 of Housing and Community Development, Residential Revenue
 Bonds, Series 2006I, 4.875%, 9/01/26 (Alternative Minimum Tax) 3/16 at 10

1,630 Maryland Community Development Administration, Department
 of Housing and Community Development, Residential Revenue
 Bonds, Series 2006L, 4.900%, 9/01/31 (Alternative Minimum Tax) 9/16 at 10

1,200 Maryland Community Development Administration, Department
 of Housing and Community Development, Residential Revenue 3/17 at 10

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Bonds, Series 2007D, 4.850%, 9/01/37 (Alternative Minimum Tax)

2,330	Maryland Community Development Administration, Residential Revenue Bonds, Series 2005E, 4.900%, 9/01/36 (Alternative Minimum Tax)	9/14 at 10
600	Maryland Community Development Administration, Residential Revenue Bonds, Series 2006B, 4.750%, 9/01/25 (Alternative Minimum Tax)	9/15 at 10
5	Prince George's County Housing Authority, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2000A, 6.150%, 8/01/19 (Alternative Minimum Tax)	8/10 at 10
320	Puerto Rico Housing Finance Authority, Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 2003A, 4.875%, 6/01/34 (Alternative Minimum Tax)	6/13 at 10

12,030 Total Housing/Single Family

INDUSTRIALS - 1.3% (0.8% OF TOTAL INVESTMENTS)

2,010	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 10
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LONG-TERM CARE - 2.8% (1.9% OF TOTAL INVESTMENTS)

2,455	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 10
1,000	Carroll County, Maryland, Revenue Refunding Bonds, EMA Obligated Group, Series 1999A, 5.625%, 1/01/25 - RAAI Insured	1/09 at 10
1,065	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 10

4,520 Total Long-Term Care

TAX OBLIGATION/GENERAL - 34.2% (22.8% OF TOTAL INVESTMENTS)

2,030	Anne Arundel County, Maryland, General Obligation Bonds, Series 2004, 5.000%, 4/01/16	4/14 at 10
	Anne Arundel County, Maryland, General Obligation Bonds, Series 2006:	
1,310	5.000%, 3/01/21	3/16 at 10
1,000	5.000%, 3/01/21	3/16 at 10
685	Anne Arundel County, Maryland, Water and Sewer Revenue Bonds, Series 2006, 5.000%, 3/01/17	3/16 at 10

NMY
 Nuveen Maryland Premium Income Municipal Fund (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

TAX OBLIGATION/GENERAL (continued)		
	Baltimore County, Maryland, Metropolitan District Special Assessment Bonds, 67th Issue:	
\$ 2,500	5.000%, 6/01/25	6/11 at 10
3,500	5.000%, 6/01/26	6/11 at 10
1,000	Baltimore, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 1989B, 7.150%, 10/15/08	No Opt.
1,540	Baltimore, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004A, 5.000%, 10/15/22 - AMBAC Insured	10/14 at 10
700	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 10
	Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006:	
2,185	5.000%, 3/01/14	No Opt.
820	5.000%, 3/01/16	No Opt.
1,500	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2006, 5.000%, 11/01/20	No Opt.
	Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2004B:	
1,625	5.000%, 8/15/17	2/14 at 10
1,180	5.000%, 8/15/19	2/14 at 10
1,725	Howard County, Maryland, Metropolitan District Refunding Bonds, Series 2002A, 5.250%, 8/15/18	2/12 at 10
1,190	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17	1/14 at 10
3,000	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15	No Opt.
3,520	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006, 5.000%, 5/01/16	No Opt.
	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Refunding Bonds, Series 2001:	
1,750	5.250%, 10/01/13	10/11 at 10
2,000	5.250%, 10/01/18	10/11 at 10
2,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 4.100%, 9/15/19	9/12 at 10

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5,770	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/18	10/13 at 10
Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005:		
2,000	5.000%, 6/01/16	6/15 at 10
1,235	5.000%, 6/01/23	6/15 at 10
1,235	5.000%, 6/01/24	6/15 at 10
1,235	5.000%, 6/01/25	6/15 at 10

48,235	Total Tax Obligation/General	

TAX OBLIGATION/LIMITED - 15.2% (10.1% OF TOTAL INVESTMENTS)

300	Baltimore, Maryland, Special Obligation Bonds, North Locust Point Project, Series 2005, 5.500%, 9/01/34	9/15 at 10
340	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 - RAAI Insured	7/10 at 10
900	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34	7/14 at 10
Maryland Department of Transportation, Certificates of Participation, Mass Transit Administration Project, Series 2000:		
875	5.500%, 10/15/19 (Alternative Minimum Tax)	10/10 at 10
925	5.500%, 10/15/20 (Alternative Minimum Tax)	10/10 at 10
4,250	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

TAX OBLIGATION/LIMITED (continued)

\$ 1,875	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19	6/12 at 10
1,700	Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003, 5.000%, 6/15/24	6/13 at 10
1,000	Montgomery County, Maryland, Lease Revenue Bonds, Metrorail Garage, Series 2002, 5.000%, 6/01/21	6/12 at 10
675	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27 - RAAI Insured	7/12 at 10
635	New Baltimore City Board of School Commissioners, Maryland,	11/10 at 10

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School System Revenue Bonds, Series 2000, 5.125%, 11/01/15

	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N:	
1,000	5.500%, 7/01/29 - AMBAC Insured	No Opt.
2,500	5.250%, 7/01/31 - AMBAC Insured	No Opt.
1,000	5.250%, 7/01/33 - MBIA Insured	No Opt.
2,100	Puerto Rico Municipal Finance Agency, Series 2002A, 5.250%, 8/01/21 - FSA Insured	8/12 at 10
1,500	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured	No Opt.

21,575 Total Tax Obligation/Limited

TRANSPORTATION - 4.6% (3.1% OF TOTAL INVESTMENTS)

1,060	Baltimore, Maryland, Revenue Refunding Bonds, Parking System Facilities, Series 1998A, 5.250%, 7/01/17 - FGIC Insured	No Opt.
4,335	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - FSA Insured (UB)	7/17 at 10
2,075	Puerto Rico Ports Authority, Special Facilities Revenue Bonds, American Airlines Inc., Series 1996A, 6.250%, 6/01/26 (Alternative Minimum Tax)	6/08 at 10

7,470 Total Transportation

U.S. GUARANTEED - 21.4% (14.3% OF TOTAL INVESTMENTS) (4)

2,000	Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured (ETM)	No Opt.
2,000	Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured (ETM)	No Opt.
1,245	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured	7/16 at 10
	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A:	
200	5.750%, 9/01/25 (Pre-refunded 3/01/10)	3/10 at 10
200	5.800%, 9/01/30 (Pre-refunded 3/01/10)	3/10 at 10
3,000	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 1999, 5.250%, 7/01/18 (Pre-refunded 7/01/09)	7/09 at 10
275	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 (Pre-refunded 7/01/10) - RAAI Insured	7/10 at 10
2,255	Gaithersburg, Maryland, Hospital Facilities Revenue Refunding and Improvement Bonds, Shady Grove Adventist Hospital, Series 1995,	No Opt.

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	6.500%, 9/01/12 - FSA Insured (ETM)	
575	Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2002A, 5.250%, 8/15/18 (Pre-refunded 2/15/12)	2/12 at 10
	Maryland Economic Development Corporation, Health and Mental Hygiene Providers Revenue Bonds, Series 1996A:	
870	7.625%, 4/01/21 (Pre-refunded 4/01/11)	4/11 at 10
660	7.625%, 4/01/21 (Pre-refunded 4/01/11)	4/11 at 10

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NMY
 Nuveen Maryland Premium Income Municipal Fund (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	U.S. GUARANTEED (4) (continued)	
\$ 2,250	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Collegiate Housing Foundation - College Park, Series 1999A, 5.750%, 6/01/24 (Pre-refunded 6/01/09)	6/09 at 10
3,200	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/27 - AMBAC Insured (ETM)	No Opt.
3,125	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Howard County General Hospital, Series 1993, 5.500%, 7/01/25 (ETM)	7/08 at 10
2,040	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 10
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2002, 6.000%, 7/01/22 (Pre-refunded 7/01/12)	7/12 at 10
210	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt.
1,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/20	10/10 at 10
1,000	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 1996Y, 5.500%, 7/01/36 (Pre-refunded 7/01/16)	7/16 at 10
385	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 10
2,000	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 (Pre-refunded 10/01/10)	10/10 at 10

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29,990	Total U.S. Guaranteed	
UTILITIES - 4.0% (2.6% OF TOTAL INVESTMENTS)		
2,500	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	7/08 at 10
3,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2004PP, 5.000%, 7/01/22 - FGIC Insured	7/14 at 10
6,000	Total Utilities	

WATER AND SEWER - 3.3% (2.2% OF TOTAL INVESTMENTS)		
1,045	Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured	No Opt.
1,655	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 10
1,260	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
WATER AND SEWER (continued)		
\$ 860	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt.
4,820	Total Water and Sewer	
\$ 220,400	Total Investments (cost \$223,871,270) - 150.1%	
Floating Rate Obligations - (2.2)%		
Other Assets Less Liabilities - 4.5%		
Preferred Shares, at Liquidation Value - (52.4)% (5)		
Net Assets Applicable to Common Shares - 100%		

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

(2) Optional Call Provisions (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.

(3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CFIG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

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

(5) Preferred Shares, at Liquidation Value as a percentage of total investments is (34.9)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

NFM
 Nuveen Maryland Dividend Advantage Municipal Fund
 Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
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CONSUMER DISCRETIONARY - 4.7% (3.1% OF TOTAL INVESTMENTS)

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\$	2,115	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - XLCA Insured	9/16 at 10
	310	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 10
	650	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 10

	3,075	Total Consumer Discretionary	

CONSUMER STAPLES - 2.3% (1.5% OF TOTAL INVESTMENTS)

	1,440	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 10

EDUCATION AND CIVIC ORGANIZATIONS - 12.7% (8.3% OF TOTAL INVESTMENTS)

	645	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 10
	980	Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park, Series 2001, 5.000%, 7/01/19 - AMBAC Insured	7/11 at 10
	1,500	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31	7/08 at 10
	500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 10
	565	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2007, 5.000%, 6/01/36	6/17 at 10
	475	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 10
	615	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/20	5/15 at 10
	215	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999: 5.375%, 2/01/19	2/09 at 10
	410	5.375%, 2/01/29	2/09 at 10
	800	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16 at 10
	900	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006, 4.500%, 11/01/36	11/16 at 10

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7,605	Total Education and Civic Organizations	
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HEALTH CARE - 32.0% (20.9% OF TOTAL INVESTMENTS)

1,325	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2006, 5.000%, 7/01/36	7/16 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/28 - FSA Insured	7/08 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
HEALTH CARE (continued)		
\$ 1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 1998, 5.000%, 7/01/28	7/08 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 6.000%, 7/01/26	7/12 at 10
400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16 at 10
750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 10
710	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 10
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 10
650	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34 - MBIA Insured	7/11 at 10
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 5/15/21	5/11 at 10
585	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2004, Inverse 1003, 11.325%, 7/01/33 (IF)	7/14 at 10

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2,225	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15	6/09 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 10
485	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	7/17 at 10
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 10
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A:	
415	5.000%, 7/01/37	7/17 at 10
270	5.500%, 7/01/42	7/17 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 10
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2005, 5.000%, 7/01/35	7/15 at 10
980	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 10
570	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Union Hospital of Cecil County, Series 1998, 5.100%, 7/01/22	7/08 at 10
700	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24	7/08 at 10

19,215	Total Health Care	

HOUSING/MULTIFAMILY - 18.7% (12.3% OF TOTAL INVESTMENTS)

750	Baltimore County, Maryland, GNMA Collateralized Revenue Refunding Bonds, Cross Creek Apartments, Series 1998A, 5.250%, 10/20/33	10/08 at 10
2,000	Maryland Community Development Administration, Housing Revenue Bonds, Series 1998A, 5.625%, 1/01/40 (Alternative Minimum Tax)	7/08 at 10

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Nuveen Maryland Dividend Advantage Municipal Fund (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

HOUSING/MULTIFAMILY (continued)		
\$ 1,000	Maryland Community Development Administration, Multifamily Housing Revenue Bonds, Princess Anne Apartments, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 10
	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A:	
215	4.250%, 10/01/10	No Opt.
50	5.000%, 10/01/15	10/13 at 10
210	5.625%, 10/01/23	10/13 at 10
1,800	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Sheppard Pratt University Village, Series 2001, 6.000%, 7/01/33 - ACA Insured	7/11 at 10
475	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 10
750	Montgomery County Housing Opportunities Commission, Maryland, FNMA/FHA-Insured Multifamily Housing Development Bonds, Series 1998A, 5.250%, 7/01/29 (Alternative Minimum Tax)	7/08 at 10
2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.200%, 7/01/30 (Alternative Minimum Tax)	7/10 at 10
2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2001A, 5.600%, 7/01/42 (Alternative Minimum Tax)	7/11 at 10

11,250	Total Housing/Multifamily	

HOUSING/SINGLE FAMILY - 8.2% (5.4% OF TOTAL INVESTMENTS)

250	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2007H, 5.000%, 9/01/27 (Alternative Minimum Tax)	3/17 at 10
300	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006F, 4.900%, 9/01/26 (Alternative Minimum Tax)	9/15 at 10
1,200	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006I, 4.875%, 9/01/26 (Alternative Minimum Tax)	3/16 at 10
815	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds,	9/16 at 10

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Series 2006L, 4.900%, 9/01/31 (Alternative Minimum Tax)

500	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007D, 4.850%, 9/01/37 (Alternative Minimum Tax)	3/17 at 10
470	Maryland Community Development Administration, Residential Revenue Bonds, Series 2001B, 5.450%, 9/01/32 (Alternative Minimum Tax)	9/10 at 10
970	Maryland Community Development Administration, Residential Revenue Bonds, Series 2005E, 4.900%, 9/01/36 (Alternative Minimum Tax)	9/14 at 10
600	Maryland Community Development Administration, Residential Revenue Bonds, Series 2006B, 4.750%, 9/01/25 (Alternative Minimum Tax)	9/15 at 10

5,105 Total Housing/Single Family

INDUSTRIALS - 2.4% (1.5% OF TOTAL INVESTMENTS)

410	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 10
1,000	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	1/09 at 10

1,410 Total Industrials

LONG-TERM CARE - 3.5% (2.3% OF TOTAL INVESTMENTS)

850	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 10
300	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31	7/16 at 10
720	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A, 5.250%, 1/01/27	1/17 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
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LONG-TERM CARE (continued)

\$ 440	Maryland Health and Higher Educational Facilities Authority,	7/17 at 10
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Revenue Bonds, Mercy Ridge Retirement Community,
Series 2007, 4.750%, 7/01/34

2,310	Total Long-Term Care	
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TAX OBLIGATION/GENERAL - 23.1% (15.1% OF TOTAL INVESTMENTS)

	Anne Arundel County, Maryland, General Obligation Bonds, Series 2006:	
730	5.000%, 3/01/21	3/16 at 10
565	5.000%, 3/01/21	3/16 at 10
3,500	Baltimore County, Maryland, Metropolitan District Special Assessment Bonds, 67th Issue, 5.000%, 6/01/27	6/11 at 10
300	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 10
500	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2006, 5.000%, 11/01/20	No Opt.
	Frederick, Maryland, General Obligation Bonds, Series 2005:	
600	5.000%, 8/01/16 - MBIA Insured	8/15 at 10
500	5.000%, 8/01/17 - MBIA Insured	8/15 at 10
1,360	Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2001A, 4.750%, 2/15/21	2/09 at 10
1,000	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17	1/14 at 10
1,360	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006, 5.000%, 5/01/16	No Opt.
740	Ocean City, Maryland, General Obligation Bonds, Series 2001, 4.875%, 3/01/19 - FGIC Insured	3/11 at 10
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/17	10/13 at 10
700	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 10

12,855	Total Tax Obligation/General	
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TAX OBLIGATION/LIMITED - 16.1% (10.6% OF TOTAL INVESTMENTS)

625	Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34	1/15 at 10
465	Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002,	No Opt.

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	5.000%, 7/01/12		
350	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34	7/14 at 10	
1,500	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.	
1,405	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19	6/12 at 10	
370	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Town Square Parking Garage, Series 2002A, 5.000%, 9/15/13	9/12 at 10	
740	Prince George's County, Maryland, Lease Revenue Bonds, Upper Marlboro Justice Center, Series 2003A, 5.000%, 6/30/14 - MBIA Insured	6/13 at 10	
270	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34	7/15 at 10	
450	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35	7/13 at 10	
1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.	
700	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured	No Opt.	

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NFM

Nuveen Maryland Dividend Advantage Municipal Fund (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	TAX OBLIGATION/LIMITED (continued)	
\$ 1,290	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19	10/10 at 10

9,165	Total Tax Obligation/Limited	

TRANSPORTATION - 4.3% (2.8% OF TOTAL INVESTMENTS)

650	Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 7/01/27 - AMBAC Insured	7/11 at 10
1,785	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 -	7/17 at 10

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FSA Insured (UB)

2,435	Total Transportation	
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U.S. GUARANTEED - 21.0% (13.7% OF TOTAL INVESTMENTS) (4)

1,015	Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured (ETM)	No Opt.
215	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured	7/16 at 10
	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A:	
465	5.700%, 9/01/20 (Pre-refunded 3/01/10)	3/10 at 10
500	5.750%, 9/01/25 (Pre-refunded 3/01/10)	3/10 at 10
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 (Pre-refunded 4/01/11)	4/11 at 10
585	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 10
625	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 (Pre-refunded 6/01/11)	6/11 at 10
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 (Pre-refunded 7/01/11)	7/11 at 10
775	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt.
	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A:	
2,300	5.500%, 10/01/32	10/10 at 10
1,700	5.500%, 10/01/40	10/10 at 10
960	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 10

11,640	Total U.S. Guaranteed	
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UTILITIES - 1.7% (1.1% OF TOTAL INVESTMENTS)

1,000	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	7/08 at 10
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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	WATER AND SEWER - 2.1% (1.4% OF TOTAL INVESTMENTS)	
\$ 285	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 10
540	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 10
355	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt.

1,180	Total Water and Sewer	

\$ 89,685	Total Investments (cost \$90,410,738) - 152.8%	
=====		
	Floating Rate Obligations - (2.3)%	

	Other Assets Less Liabilities - 3.6%	

	Preferred Shares, at Liquidation Value - (54.1)% (5)	

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (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.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure

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the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) Preferred Shares, at Liquidation Value as a percentage of total investments is (35.4)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

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NZR
Nuveen Maryland Dividend Advantage Municipal Fund 2
Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	CONSUMER DISCRETIONARY - 5.0% (3.3% OF TOTAL INVESTMENTS)	
\$ 2,320	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - XLCA Insured	9/16 at 10
310	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 10
650	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 10

3,280	Total Consumer Discretionary	

	CONSUMER STAPLES - 2.3% (1.5% OF TOTAL INVESTMENTS)	
725	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 10
800	Tobacco Settlement Financing Corporation, Virgin Islands, Tobacco Settlement Asset-Backed Bonds, Series 2001, 5.000%, 5/15/31	5/11 at 10

1,525	Total Consumer Staples	

EDUCATION AND CIVIC ORGANIZATIONS - 14.8% (9.7% OF TOTAL INVESTMENTS)

1,100	Anne Arundel County, Maryland, Economic Development Revenue Bonds, Community College Project, Series 2002, 5.125%, 9/01/22	9/12 at 10
500	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 10
645	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 10
250	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31	7/08 at 10
415	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000, 5.250%, 7/01/30 - FSA Insured	1/11 at 10
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 10
565	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2007, 5.000%, 6/01/36	6/17 at 10
500	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 10
590	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/18	5/15 at 10
500	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2001, 4.900%, 7/01/21 - FGIC Insured	7/12 at 10
500	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2003A, 5.000%, 7/01/20 - FGIC Insured	7/13 at 10
1,140	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B, 4.500%, 4/01/19	4/11 at 10
650	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16 at 10

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
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EDUCATION AND CIVIC ORGANIZATIONS (continued)

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\$ 950 Westminster, Maryland, Educational Facilities Revenue Bonds, 11/16 at 10
 McDaniel College, Series 2006, 5.000%, 11/01/31

 8,805 Total Education and Civic Organizations

HEALTH CARE - 25.9% (17.0% OF TOTAL INVESTMENTS)

1,000 Maryland Health and Higher Educational Facilities Authority, 7/08 at 10
 Revenue Bonds, Anne Arundel Medical Center, Series 1998,
 5.125%, 7/01/33 - FSA Insured

775 Maryland Health and Higher Educational Facilities Authority, 7/14 at 10
 Revenue Bonds, Calvert Memorial Hospital, Series 2004,
 5.500%, 7/01/36

1,000 Maryland Health and Higher Educational Facilities Authority, 7/12 at 10
 Revenue Bonds, Carroll County General Hospital, Series 2002,
 6.000%, 7/01/26

750 Maryland Health and Higher Educational Facilities Authority, 7/14 at 10
 Revenue Bonds, Civista Medical Center, Series 2005,
 5.000%, 7/01/37 - RAAI Insured

715 Maryland Health and Higher Educational Facilities Authority, 7/17 at 10
 Revenue Bonds, Doctors Community Hospital, Series 2007A,
 5.000%, 7/01/29

500 Maryland Health and Higher Educational Facilities Authority, 7/12 at 10
 Revenue Bonds, Frederick Memorial Hospital, Series 2002,
 5.125%, 7/01/35

650 Maryland Health and Higher Educational Facilities Authority, 7/11 at 10
 Revenue Bonds, Greater Baltimore Medical Center, Series 2001,
 5.000%, 7/01/34 - MBIA Insured

585 Maryland Health and Higher Educational Facilities Authority, 7/14 at 10
 Revenue Bonds, Johns Hopkins Hospital, Series 2004,
 Inverse 1003, 11.325%, 7/01/33 (IF)

1,000 Maryland Health and Higher Educational Facilities Authority, 7/13 at 10
 Revenue Bonds, Kennedy Krieger Institute, Series 2003,
 5.500%, 7/01/33

480 Maryland Health and Higher Educational Facilities Authority, 7/17 at 10
 Revenue Bonds, LifeBridge Health System, Series 2008,
 5.000%, 7/01/28 - AGC Insured

700 Maryland Health and Higher Educational Facilities Authority, 8/14 at 10
 Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24

Maryland Health and Higher Educational Facilities Authority,
 Revenue Bonds, Mercy Medical Center Project, Series 2007A:
 415 5.000%, 7/01/37 7/17 at 10
 280 5.500%, 7/01/42 7/17 at 10

1,500 Maryland Health and Higher Educational Facilities Authority, 7/11 at 10
 Revenue Bonds, Mercy Medical Center, Series 2001,
 5.625%, 7/01/31

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700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 10
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2005, 5.000%, 7/01/40	7/15 at 10
980	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 10
1,610	Montgomery County, Maryland, Economic Development Revenue Bonds, Trinity Healthcare Group, Series 2001, 5.125%, 12/01/22	12/11 at 10
700	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24	7/08 at 10

15,840	Total Health Care	

HOUSING/MULTIFAMILY - 9.4% (6.2% OF TOTAL INVESTMENTS)

10	Maryland Community Development Administration, Insured Multifamily Housing Mortgage Loan Revenue Bonds, Series 2001A, 5.100%, 5/15/28	5/11 at 10
3,145	Maryland Community Development Administration, Multifamily Development Revenue Bonds, Waters Towers Senior Apartments, Series 2001F, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 10

NZR
Nuveen Maryland Dividend Advantage Municipal Fund 2 (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

HOUSING/MULTIFAMILY (continued)		
\$ 1,110	Maryland Community Development Administration, Multifamily Housing Revenue Bonds, Princess Anne Apartments, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 10
1,000	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 10
520	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 10

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5,785 Total Housing/Multifamily

HOUSING/SINGLE FAMILY - 8.4% (5.5% OF TOTAL INVESTMENTS)

250	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2007H, 5.000%, 9/01/27 (Alternative Minimum Tax)	3/17 at 10
300	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006F, 4.900%, 9/01/26 (Alternative Minimum Tax)	9/15 at 10
1,000	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006I, 4.875%, 9/01/26 (Alternative Minimum Tax)	3/16 at 10
815	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006L, 4.900%, 9/01/31 (Alternative Minimum Tax)	9/16 at 10
500	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007D, 4.850%, 9/01/37 (Alternative Minimum Tax)	3/17 at 10
845	Maryland Community Development Administration, Residential Revenue Bonds, Series 2001H, 5.350%, 9/01/32 (Alternative Minimum Tax)	9/10 at 10
970	Maryland Community Development Administration, Residential Revenue Bonds, Series 2005E, 4.900%, 9/01/36 (Alternative Minimum Tax)	9/14 at 10
600	Maryland Community Development Administration, Residential Revenue Bonds, Series 2006B, 4.750%, 9/01/25 (Alternative Minimum Tax)	9/15 at 10

5,280 Total Housing/Single Family

INDUSTRIALS - 2.6% (1.7% OF TOTAL INVESTMENTS)

410	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 10
1,150	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	1/09 at 10

1,560 Total Industrials

LONG-TERM CARE - 3.5% (2.3% OF TOTAL INVESTMENTS)

860	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 10
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300	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31	7/16 at 10
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A:	
500	5.000%, 1/01/17	No Opt.
220	5.250%, 1/01/27	1/17 at 10
435	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 10

 2,315 Total Long-Term Care

TAX OBLIGATION/GENERAL - 28.4% (18.7% OF TOTAL INVESTMENTS)

750	Anne Arundel County, Maryland, General Obligation Bonds, Consolidated Water and Sewerage, Series 1999, 4.500%, 8/01/19	8/09 at 10
	Anne Arundel County, Maryland, General Obligation Bonds, Series 2006:	
845	5.000%, 3/01/21	3/16 at 10
650	5.000%, 3/01/21	3/16 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	TAX OBLIGATION/GENERAL (continued)	
\$ 750	Baltimore, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004A, 5.000%, 10/15/22 - AMBAC Insured	10/14 at 10
300	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 10
	Cecil County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2001B:	
975	4.600%, 8/01/18	8/11 at 10
1,020	4.600%, 8/01/19	8/11 at 10
750	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2006, 5.000%, 11/01/20	No Opt.
	Frederick, Maryland, General Obligation Bonds, Series 2005:	
600	5.000%, 8/01/16 - MBIA Insured	8/15 at 10
500	5.000%, 8/01/17 - MBIA Insured	8/15 at 10
510	Frederick, Maryland, General Obligation Refunding and Improvement Bonds, Series 2001, 4.750%, 12/01/19	12/11 at 10

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1,000	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15	No Opt.
4,730	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Refunding Bonds, Series 2001, 5.250%, 10/01/18	10/11 at 10
770	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured	7/11 at 10
800	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 10
1,000	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 10

15,950	Total Tax Obligation/General	

TAX OBLIGATION/LIMITED - 17.9% (11.8% OF TOTAL INVESTMENTS)

625	Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34	1/15 at 10
465	Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002, 5.000%, 7/01/12	No Opt.
530	Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/15	5/13 at 10
	Baltimore County, Maryland, Certificates of Participation, Health and Social Services Building Project, Series 2001:	
1,580	5.000%, 8/01/20	8/11 at 10
1,660	5.000%, 8/01/21	8/11 at 10
110	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 - RAAI Insured	7/10 at 10
350	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34	7/14 at 10
1,000	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.
1,405	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19	6/12 at 10
1,000	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27 - RAAI Insured	7/12 at 10
270	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34	7/15 at 10
475	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35	7/13 at 10

NZR

Nuveen Maryland Dividend Advantage Municipal Fund 2 (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

TAX OBLIGATION/LIMITED (continued)		
\$ 1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.

10,470	Total Tax Obligation/Limited	

TRANSPORTATION - 5.9% (3.8% OF TOTAL INVESTMENTS)		
Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Hospital, Series 2001:		
650	5.000%, 7/01/27 - AMBAC Insured	7/11 at 10
1,000	5.000%, 7/01/34 - AMBAC Insured	7/11 at 10
1,780	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - FSA Insured (UB)	7/17 at 10

3,430	Total Transportation	

U.S. GUARANTEED - 22.7% (14.9% OF TOTAL INVESTMENTS) (4)		
1,000	Baltimore County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2002, 5.000%, 8/01/18 (Pre-refunded 8/01/12)	8/12 at 10
215	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured	7/16 at 10
Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A:		
100	5.750%, 9/01/25 (Pre-refunded 3/01/10)	3/10 at 10
100	5.800%, 9/01/30 (Pre-refunded 3/01/10)	3/10 at 10
90	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 (Pre-refunded 7/01/10) - RAAI Insured	7/10 at 10
Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A:		
31	6.750%, 4/01/20 (Pre-refunded 4/01/09)	4/09 at 10
25	6.750%, 4/01/23 (Pre-refunded 4/01/11)	4/11 at 10

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1,260	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 - AMBAC Insured (ETM)	No Opt.
525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 10
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 (Pre-refunded 6/01/11)	6/11 at 10
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 (Pre-refunded 7/01/11)	7/11 at 10
1,090	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt.
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20 (Pre-refunded 12/01/11) - FGIC Insured	12/11 at 10
3,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10 at 10
1,000	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.000%, 7/01/26 (Pre-refunded 7/01/10)	7/10 at 10

12,686	Total U.S. Guaranteed	

UTILITIES - 3.3% (2.2% OF TOTAL INVESTMENTS)

1,000	Guam Power Authority, Revenue Bonds, Series 1999A, 5.250%, 10/01/34 - MBIA Insured	10/09 at 10
1,000	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	7/08 at 10

2,000	Total Utilities	

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

WATER AND SEWER - 2.1% (1.4% OF TOTAL INVESTMENTS)		
\$ 285	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 10

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540	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 10
355	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt.

1,180	Total Water and Sewer
<hr/>	
\$ 90,106	Total Investments (cost \$90,958,298) - 152.2%
<hr/>	
	Floating Rate Obligations - (2.2)%
	Other Assets Less Liabilities - 3.4%
	Preferred Shares, at Liquidation Value - (53.4)% (5)
	Net Assets Applicable to Common Shares - 100%
<hr/>	

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (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.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Preferred Shares, at Liquidation Value as a percentage of total investments is (35.1)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

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NWI
Nuveen Maryland Dividend Advantage Municipal Fund 3
Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	CONSUMER DISCRETIONARY - 4.2% (2.8% OF TOTAL INVESTMENTS)	
\$ 2,385	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - XLCA Insured	9/16 at 10
380	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 10
700	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 10

3,465	Total Consumer Discretionary	

	CONSUMER STAPLES - 3.2% (2.1% OF TOTAL INVESTMENTS)	
2,515	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 10

	EDUCATION AND CIVIC ORGANIZATIONS - 12.2% (8.0% OF TOTAL INVESTMENTS)	
225	Anne Arundel County, Maryland, Economic Development Revenue Bonds, Community College Project, Series 2002, 5.125%, 9/01/22	9/12 at 10
625	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 10
690	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 10
625	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2002A,	7/12 at 10

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	5.000%, 7/01/32		
625	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15	at 10
710	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/18	5/15	at 10
1,000	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2003A, 5.000%, 7/01/32 - FGIC Insured	7/13	at 10
985	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B, 4.625%, 4/01/21	4/11	at 10
800	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16	at 10
1,815	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006, 5.000%, 11/01/31	11/16	at 10

9,100	Total Education and Civic Organizations		

HEALTH CARE - 26.0% (17.2% OF TOTAL INVESTMENTS)

700	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2006, 5.000%, 7/01/31	7/16	at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/33 - FSA Insured	7/08	at 10
775	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36	7/14	at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)		OPTIONAL PROVISION

	HEALTH CARE (continued)		
\$ 1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 5.800%, 7/01/32	7/12	at 10
1,750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16	at 10

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870	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 10
885	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 10
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 10
800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34 - MBIA Insured	7/11 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 5/15/21	5/11 at 10
735	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2004, Inverse 1003, 11.325%, 7/01/33 (IF)	7/14 at 10
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 10
595	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	7/17 at 10
900	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 10
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A:	
525	5.000%, 7/01/37	7/17 at 10
340	5.500%, 7/01/42	7/17 at 10
650	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 10
850	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 10
1,845	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2002, 5.625%, 7/01/32	7/12 at 10
1,220	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 10
775	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Adventist Healthcare, Series 2003A, 5.750%, 1/01/25	1/13 at 10
900	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24	7/08 at 10

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20,065	Total Health Care	
HOUSING/MULTIFAMILY - 14.4% (9.5% OF TOTAL INVESTMENTS)		
980	Maryland Community Development Administration, Housing Revenue Bonds, Series 2002B, 4.950%, 7/01/32 (Alternative Minimum Tax)	7/12 at 10
1,250	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 10
20	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Sheppard Pratt University Village, Series 2001: 5.875%, 7/01/21 - ACA Insured	7/11 at 10
150	6.000%, 7/01/33 - ACA Insured	7/11 at 10
475	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 10

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NWI
 Nuveen Maryland Dividend Advantage Municipal Fund 3 (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
HOUSING/MULTIFAMILY (continued)		
\$ 515	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2002B: 5.100%, 7/01/33 (Alternative Minimum Tax)	7/12 at 10
3,000	5.200%, 7/01/44 (Alternative Minimum Tax)	7/12 at 10
4,860	Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Bonds, Fairview and Hillside Projects, Series 2002A, 4.700%, 11/20/22	11/12 at 10
11,250	Total Housing/Multifamily	

HOUSING/SINGLE FAMILY - 5.9% (3.9% OF TOTAL INVESTMENTS)		
350	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2007H, 5.000%, 9/01/27 (Alternative Minimum Tax)	3/17 at 10
595	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006F, 4.900%, 9/01/26 (Alternative Minimum Tax)	9/15 at 10

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1,200	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006I, 4.875%, 9/01/26 (Alternative Minimum Tax)	3/16 at 10
815	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006L, 4.900%, 9/01/31 (Alternative Minimum Tax)	9/16 at 10
620	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007D, 4.850%, 9/01/37 (Alternative Minimum Tax)	3/17 at 10
1,160	Maryland Community Development Administration, Residential Revenue Bonds, Series 2005E, 4.900%, 9/01/36 (Alternative Minimum Tax)	9/14 at 10
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4,740	Total Housing/Single Family	
<hr/>		
INDUSTRIALS - 2.0% (1.3% OF TOTAL INVESTMENTS)		
510	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 10
1,000	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	1/09 at 10
<hr/>		
1,510	Total Industrials	
<hr/>		
LONG-TERM CARE - 3.4% (2.2% OF TOTAL INVESTMENTS)		
1,050	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 10
400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31	7/16 at 10
280	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A: 5.000%, 1/01/17	No Opt.
520	5.250%, 1/01/27	1/17 at 10
540	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 10
<hr/>		
2,790	Total Long-Term Care	
<hr/>		
TAX OBLIGATION/GENERAL - 21.9% (14.4% OF TOTAL INVESTMENTS)		
1,000	Annapolis, Maryland, General Obligation Public Improvement	4/12 at 10

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Refunding Bonds, Series 2002, 4.375%, 4/01/17

Anne Arundel County, Maryland, General Obligation Bonds,
Series 2006:

845	5.000%, 3/01/21	3/16 at 10
650	5.000%, 3/01/21	3/16 at 10
380	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 10
1,260	Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2002, 4.400%, 1/15/16	1/12 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	TAX OBLIGATION/GENERAL (continued)	
\$ 500	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2006, 5.000%, 11/01/20	No Opt.
	Frederick, Maryland, General Obligation Bonds, Series 2005:	
710	5.000%, 8/01/16 - MBIA Insured	8/15 at 10
535	5.000%, 8/01/17 - MBIA Insured	8/15 at 10
1,000	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17	1/14 at 10
1,850	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15	No Opt.
1,440	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006, 5.000%, 5/01/16	No Opt.
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/17	10/13 at 10
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11	No Opt.
1,000	St. Mary's County, Maryland, General Obligation Hospital Bonds, Series 2002, 5.000%, 10/01/12	No Opt.
1,000	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 10
1,000	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 10

15,170	Total Tax Obligation/General	

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TAX OBLIGATION/LIMITED - 31.2% (20.7% OF TOTAL INVESTMENTS)		
750	Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34	1/15 at 10
1,000	Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/15	5/13 at 10
135	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.600%, 7/01/20 - RAAI Insured	7/10 at 10
450	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34	7/14 at 10
5,000	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.
2,200	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 4.750%, 6/01/22	6/12 at 10
450	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Town Square Parking Garage, Series 2002A, 5.000%, 9/15/13	9/12 at 10
2,935	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Wayne Avenue Parking Project, Series 2002A, 5.250%, 9/15/16	9/12 at 10
	Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003:	
1,465	5.000%, 6/15/21	6/13 at 10
1,620	5.000%, 6/15/23	6/13 at 10
460	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34	7/15 at 10
575	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35	7/13 at 10
1,200	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.

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NWI

Nuveen Maryland Dividend Advantage Municipal Fund 3 (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
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TAX OBLIGATION/LIMITED (continued)

Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Bonds, Series 2002G:

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\$	1,000	5.250%, 7/01/17	7/12 at 10
	1,205	5.250%, 7/01/20	7/12 at 10
	1,275	5.250%, 7/01/21	7/12 at 10
	700	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured	No Opt.

	22,420	Total Tax Obligation/Limited	
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TRANSPORTATION - 3.1% (2.0% OF TOTAL INVESTMENTS)

	2,210	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - FSA Insured (UB)	7/17 at 10
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U.S. GUARANTEED - 17.0% (11.2% OF TOTAL INVESTMENTS) (4)

	10	Anne Arundel County, Maryland, General Obligation Bonds, Consolidated General Improvements, Series 1999, 5.000%, 5/15/19 (Pre-refunded 5/15/09)	5/09 at 10
	255	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured	7/16 at 10
		Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A:	
	100	5.750%, 9/01/25 (Pre-refunded 3/01/10)	3/10 at 10
	100	5.800%, 9/01/30 (Pre-refunded 3/01/10)	3/10 at 10
	100	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 1999, 5.250%, 7/01/17 (Pre-refunded 7/01/09)	7/09 at 10
	110	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.600%, 7/01/20 (Pre-refunded 7/01/10) - RAAI Insured	7/10 at 10
	280	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 (Pre-refunded 4/01/11)	4/11 at 10
	285	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 - AMBAC Insured (ETM)	No Opt.
	725	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 10
	935	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt.
	1,525	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2000HH, 5.250%, 7/01/29 (Pre-refunded 7/01/10) - FSA Insured	7/10 at 10

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3,500	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10 at 10
1,000	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 1998A, 5.125%, 6/01/24 - AMBAC Insured (ETM)	No Opt.
	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E:	
700	5.500%, 8/01/29 (Pre-refunded 2/01/12)	2/12 at 10
235	5.500%, 8/01/29 (Pre-refunded 2/01/12)	2/12 at 10
2,000	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2002A, 5.125%, 4/01/22 (Pre-refunded 4/01/12)	4/12 at 10
25	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, General Obligation Construction Bonds, Second Series 2001, 5.000%, 6/01/17 (Pre-refunded 6/01/11)	6/11 at 10

11,885	Total U.S. Guaranteed	

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
	UTILITIES - 1.6% (1.1% OF TOTAL INVESTMENTS)	
\$ 1,250	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	7/08 at 10

	WATER AND SEWER - 5.4% (3.6% OF TOTAL INVESTMENTS)	
2,570	Baltimore, Maryland, Revenue Refunding Bonds, Wastewater Projects, Series 2002A, 5.125%, 7/01/42 - FGIC Insured	7/12 at 10
345	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 10
660	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 10
430	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt.

4,005	Total Water and Sewer	

\$ 112,375	Total Investments (cost \$114,618,167) - 151.5%	
=====		
	Floating Rate Obligations - (2.2)%	

Other Assets Less Liabilities - 2.6%

 Preferred Shares, at Liquidation Value - (51.9)% (5)

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (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.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CFIG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Preferred Shares, at Liquidation Value as a percentage of total investments is (34.2)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

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May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

CONSUMER STAPLES - 4.0% (2.6% OF TOTAL INVESTMENTS)		
\$ 6,640	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 10

EDUCATION AND CIVIC ORGANIZATIONS - 4.8% (3.2% OF TOTAL INVESTMENTS)		
1,000	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 10
500	Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28	10/09 at 10
700	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System, Series 2002, 5.375%, 12/01/21	12/12 at 10
2,120	Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2001A, 5.000%, 9/01/26 - MBIA Insured	9/11 at 10
1,635	Virginia Commonwealth University, Revenue Bonds, Series 2004A, 5.000%, 5/01/17 - AMBAC Insured	5/14 at 10

5,955	Total Education and Civic Organizations	

HEALTH CARE - 24.6% (16.5% OF TOTAL INVESTMENTS)		
2,000	Albemarle County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Martha Jefferson Hospital, Series 2002, 5.250%, 10/01/35	10/12 at 10
650	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/27	9/17 at 10
4,850	Fairfax County Industrial Development Authority, Virginia, Hospital Revenue Refunding Bonds, Inova Health System, Series 1993A, 5.000%, 8/15/23	No Opt.
1,000	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt.
1,250	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 10

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1,000	Hanover County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Memorial Regional Medical Center, Series 1995, 6.375%, 8/15/18 - MBIA Insured	No Opt.
2,300	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 10
1,440	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 10
1,500	Henrico County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Bon Secours Health System, Series 1996, 6.250%, 8/15/20 - MBIA Insured	No Opt.
1,500	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 10
4,750	Medical College of Virginia Hospital Authority, General Revenue Bonds, Series 1998, 5.125%, 7/01/23 - MBIA Insured	7/08 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	HEALTH CARE (continued)	
\$ 3,000	Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/19 - MBIA Insured	7/12 at 10
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
2,000	5.250%, 6/15/26	6/16 at 10
1,010	5.250%, 6/15/31	6/16 at 10
1,210	Virginia Small Business Financing Authority, Wellmont Health System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37	9/17 at 10
1,425	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 10

30,885	Total Health Care	

HOUSING/MULTIFAMILY - 3.5% (2.3% OF TOTAL INVESTMENTS)

1,395	Arlington County Industrial Development Authority, Virginia, Multifamily Housing Revenue Bonds, Patrick Henry Apartments,	5/10 at 10
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Series 2000, 6.050%, 11/01/32 (Mandatory put 11/01/20)
(Alternative Minimum Tax)

	Danville Industrial Development Authority, Virginia, Student Housing Revenue Bonds, Collegiate Housing Foundation, Averett College, Series 1999A:	
500	6.875%, 6/01/20	6/09 at 10
1,500	7.000%, 6/01/30	6/09 at 10
1,000	Lynchburg Redevelopment and Housing Authority, Virginia, Vistas GNMA Mortgage-Backed Revenue Bonds, Series 2000A, 6.200%, 1/20/40 (Alternative Minimum Tax)	4/10 at 10

4,395 Total Housing/Multifamily

HOUSING/SINGLE FAMILY - 7.8% (5.3% OF TOTAL INVESTMENTS)

335	Puerto Rico Housing Finance Authority, Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 2003A, 4.875%, 6/01/34 (Alternative Minimum Tax)	6/13 at 10
1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured	7/11 at 10
1,500	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 10
2,740	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006 D1, 4.900%, 1/01/33 (Alternative Minimum Tax)	7/15 at 10
1,340	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 10
3,900	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 10

10,815 Total Housing/Single Family

INDUSTRIALS - 1.6% (1.0% OF TOTAL INVESTMENTS)

2,000	Charles County Industrial Development Authority, Virginia, Solid Waste Disposal Facility Revenue Refunding Bonds, USA Waste of Virginia Inc., Series 1999, 4.875%, 2/01/09 (Alternative Minimum Tax)	No Opt.
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LONG-TERM CARE - 4.7% (3.2% OF TOTAL INVESTMENTS)

2,765	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 10
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NPV
 Nuveen Virginia Premium Income Municipal Fund (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	LONG-TERM CARE (continued)	
\$ 800	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.875%, 10/01/36	10/16 at 10
1,495	Henrico County Economic Development Authority, Virginia, GNMA Mortgage-Backed Securities Program Assisted Living Revenue Bonds, Beth Sholom, Series 1999A, 5.900%, 7/20/29	7/09 at 10
100	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006: 5.000%, 10/01/27	10/11 at 10
1,345	5.000%, 10/01/35	No Opt.

6,505	Total Long-Term Care	

	MATERIALS - 1.0% (0.6% OF TOTAL INVESTMENTS)	
500	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax) (4)	8/08 at 10
1,000	Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation Project, Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax) (4)	12/08 at 10

1,500	Total Materials	

	TAX OBLIGATION/GENERAL - 21.5% (14.4% OF TOTAL INVESTMENTS)	
	Chesapeake, Virginia, General Obligation Bonds, Water and Sewerage Series 2003B:	
1,880	5.000%, 6/01/21	6/13 at 10
2,060	5.000%, 6/01/23	6/13 at 10
1,355	Harrisonburg, Virginia, General Obligation Bonds, Public Safety and Steam Plant, Series 2002, 5.000%, 7/15/19 - FGIC Insured	7/12 at 10
2,105	Loudoun County, Virginia, General Obligation Bonds, Series 2006, 5.000%, 12/01/25	12/16 at 10
105	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22	5/12 at 10

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1,435	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005B, 5.000%, 6/01/18	6/15 at 10
1,185	Lynchburg, Virginia, General Obligation Bonds, Series 2004, 5.000%, 6/01/21	6/14 at 10
1,350	Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16	5/14 at 10
1,280	Portsmouth, Virginia, General Obligation Bonds, Series 2005A, 5.000%, 4/01/15 - MBIA Insured	No Opt.
1,480	Richmond, Virginia, General Obligation Bonds, Series 2004A, 5.000%, 7/15/21 - FSA Insured	7/14 at 10
1,430	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.000%, 10/01/17	10/12 at 10
1,135	Suffolk, Virginia, General Obligation Bonds, Series 2005, 5.000%, 12/01/15	No Opt.
2,155	Virginia Beach, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 5/01/15	5/13 at 10
1,100	Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 10
4,500	Virginia Beach, Virginia, General Obligation Bonds, 5.000%, 10/01/27 (UB)	10/17 at 10
1,425	Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/20	6/11 at 10
25,980	Total Tax Obligation/General	

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION	
TAX OBLIGATION/LIMITED - 31.4% (21.0% OF TOTAL INVESTMENTS)			
\$	335	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A: 5.250%, 7/15/25 - ACA Insured	7/15 at 10
	260	5.500%, 7/15/35 - ACA Insured	7/15 at 10
	1,340	Culpeper Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities Project, Series 2005, 5.000%, 1/01/20 - MBIA Insured	1/15 at 10
	1,075	Cumberland County, Virginia, Certificates of Participation, Series 1997: 6.200%, 7/15/12	No Opt.
	1,375	6.375%, 7/15/17	No Opt.

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1,000	Dinwiddie County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.125%, 2/15/16 - MBIA Insured	2/14 at 10
1,000	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18	5/16 at 10
	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Laurel Hill Public Facilities Projects, Series 2003:	
2,260	5.000%, 6/01/14	6/13 at 10
1,165	5.000%, 6/01/22	6/13 at 10
1,660	Front Royal and Warren County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.000%, 4/01/18 - FSA Insured	4/14 at 10
1,270	James City County Economic Development Authority, Virginia, Revenue Bonds, County Government Projects, Series 2005, 5.000%, 7/15/19	7/15 at 10
1,930	Prince William County, Virginia, Certificates of Participation, County Facilities, Series 2005, 5.000%, 6/01/18 - AMBAC Insured	6/15 at 10
1,185	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.000%, 7/01/32 - FSA Insured	7/12 at 10
2,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.
5,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/43 - AMBAC Insured	No Opt.
5,875	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005C, 0.000%, 7/01/28 - AMBAC Insured	No Opt.
	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D:	
265	5.250%, 7/01/27	7/12 at 10
320	5.250%, 7/01/36	7/12 at 10
1,110	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 4.375%, 8/01/20 - AMBAC Insured	8/13 at 10
1,600	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - MBIA Insured	8/16 at 10
2,500	Stafford County Economic Development Authority, Virginia, Public Project Lease Revenue Bonds, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	TAX OBLIGATION/LIMITED (continued)	
\$ 1,400	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 10
2,000	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2000B, 5.000%, 8/01/18 - MBIA Insured	8/10 at 10
1,625	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 10
	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2000B:	
95	5.500%, 5/01/20 - FSA Insured	5/10 at 10
550	5.500%, 5/01/30 - FSA Insured	5/10 at 10
1,740	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2002A, 5.000%, 5/01/19	5/11 at 10
2,815	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2006C, 5.000%, 11/01/36	11/16 at 10
2,000	Virginia Transportation Board, Transportation Revenue Bonds, U.S. Route 58 Corridor Development Program, Series 2004B, 5.000%, 5/15/15	5/14 at 10

46,750	Total Tax Obligation/Limited	

	TRANSPORTATION - 10.4% (7.0% OF TOTAL INVESTMENTS)	
2,500	Metropolitan Washington D.C. Airports Authority, System Revenue Bonds, Series 2007B, 5.000%, 10/01/35 - AMBAC Insured (Alternative Minimum Tax)	10/17 at 10
4,000	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured	7/11 at 10
1,000	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - MBIA Insured	2/15 at 10
2,500	Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured	No Opt.
1,260	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 10
2,000	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11 at 10

13,260	Total Transportation	

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	U.S. GUARANTEED - 17.3% (11.6% OF TOTAL INVESTMENTS) (5)		
3,500	Alexandria Industrial Development Authority, Virginia, Fixed Rate Revenue Bonds, Institute for Defense Analyses, Series 2000A, 5.900%, 10/01/30 (Pre-refunded 10/01/10) - AMBAC Insured		10/10 at 10
750	Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - FSA Insured (ETM)		No Opt.
925	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.375%, 4/01/19 (Pre-refunded 4/01/12)		4/12 at 10
600	Greater Richmond Convention Center Authority, Virginia, Hotel Tax Revenue Bonds, Convention Center Expansion Project, Series 2000, 6.125%, 6/15/25 (Pre-refunded 6/15/10)		6/10 at 10
60	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)		11/12 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	U.S. GUARANTEED (5) (continued)	
\$	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A:	
375	6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 10
800	6.100%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 10
815	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.000%, 7/01/32 (Pre-refunded 7/01/12) - FSA Insured	7/12 at 10
2,500	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10 at 10
	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D:	
735	5.250%, 7/01/27 (Pre-refunded 7/01/12)	7/12 at 10
880	5.250%, 7/01/36 (Pre-refunded 7/01/12)	7/12 at 10
625	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 10
475	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 10
	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005:	
1,575	5.250%, 6/01/19 (Pre-refunded 6/01/12)	6/12 at 10
3,850	5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 10

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2,000	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 (Pre-refunded 10/01/10)	10/10 at 10

20,465	Total U.S. Guaranteed	

UTILITIES - 7.2% (4.8% OF TOTAL INVESTMENTS)

Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2003:		
1,705	5.250%, 7/15/14 - MBIA Insured	7/13 at 10
1,800	5.250%, 7/15/15 - MBIA Insured	7/13 at 10
2,775	5.250%, 7/15/23 - MBIA Insured	7/13 at 10
2,500	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 10

8,780	Total Utilities	

WATER AND SEWER - 9.7% (6.5% OF TOTAL INVESTMENTS)

Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002:		
105	5.375%, 4/01/19	4/12 at 10
800	5.000%, 4/01/27	4/12 at 10
1,770	Henrico County, Virginia, Water and Sewer System Revenue Refunding Bonds, Series 1999, 5.000%, 5/01/28	5/09 at 10
1,000	Loudoun County Sanitation Authority, Virginia, Water and Sewerage System Revenue Bonds, Series 2004, 5.000%, 1/01/26	1/15 at 10

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NPV

Nuveen Virginia Premium Income Municipal Fund (continued)
Portfolio of INVESTMENTS May 31, 2008

	PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

WATER AND SEWER (continued)			
Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001:			
\$	1,310	5.000%, 11/01/21 - FGIC Insured	11/11 at 10
	1,380	5.000%, 11/01/22 - FGIC Insured	11/11 at 10
	2,250	Virginia Beach, Virginia, Storm Water Utility Revenue Bonds, Series 2000, 6.000%, 9/01/24	9/10 at 10
	1,800	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 10
	1,660	Virginia Resources Authority, Clean Water State Revolving Fund	10/17 at 10

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Revenue Bonds, Series 2007, Residuals 1006, 9.690%, 10/01/29 (IF)

12,075	Total Water and Sewer
\$ 196,005	Total Investments (cost \$190,378,324) - 149.5%
	Floating Rate Obligations - (4.1)%
	Other Assets Less Liabilities - 4.2%
	Preferred Shares, at Liquidation Value - (49.6)% (6)
	Net Assets Applicable to Common Shares - 100%

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) 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.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) The issuer has received a formal 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.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (6) Preferred Shares, at Liquidation Value as a percentage of total investments is (33.2)%.

N/R Not rated.

(ETM) Escrowed to maturity.

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(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

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NGB
Nuveen Virginia Dividend Advantage Municipal Fund
Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	CONSUMER STAPLES - 3.8% (2.5% OF TOTAL INVESTMENTS)	
\$ 1,660	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 10
715	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46	6/17 at 10

2,375	Total Consumer Staples	

	EDUCATION AND CIVIC ORGANIZATIONS - 6.4% (4.2% OF TOTAL INVESTMENTS)	
500	Danville Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Averett University, Series 2001, 6.000%, 3/15/22	3/11 at 10
500	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 10
850	Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28	10/09 at 10
	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999:	
160	5.375%, 2/01/19	2/09 at 10
320	5.375%, 2/01/29	2/09 at 10
500	Virginia College Building Authority, Educational Facilities Revenue Refunding Bonds, Marymount University, Series 1998, 5.100%, 7/01/18 - RAAI Insured	7/08 at 10

2,830	Total Education and Civic Organizations	

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HEALTH CARE - 16.3% (10.6% OF TOTAL INVESTMENTS)		
250	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/37	9/17 at 10
100	Fairfax County Industrial Development Authority, Virginia, Hospital Revenue Refunding Bonds, Inova Health System, Series 1993A, 5.000%, 8/15/23	No Opt.
1,000	Fauquier County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25 - RAAI Insured	10/12 at 10
500	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt.
500	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 10
820	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 10
480	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 10
525	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 10
800	Norton Industrial Development Authority, Virginia, Hospital Revenue Refunding and Improvement Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22 - ACA Insured	12/11 at 10

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NGB
 Nuveen Virginia Dividend Advantage Municipal Fund (continued)
 Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

HEALTH CARE (continued)		
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
\$ 750	5.250%, 6/15/25	6/16 at 10
360	5.250%, 6/15/31	6/16 at 10
430	Virginia Small Business Financing Authority, Wellmont Health	9/17 at 10

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System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37

715	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 10
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7,230 Total Health Care

HOUSING/MULTIFAMILY - 4.6% (3.0% OF TOTAL INVESTMENTS)

1,000	Arlington County Industrial Development Authority, Virginia, Multifamily Housing Mortgage Revenue Bonds, Arlington View Terrace Apartments, Series 2001, 5.150%, 11/01/31 (Mandatory put 11/01/19) (Alternative Minimum Tax)	11/11 at 10
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1,000	Virginia Housing Development Authority, Rental Housing Bonds, Series 2000G, 5.625%, 10/01/20 (Alternative Minimum Tax)	10/10 at 10
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2,000 Total Housing/Multifamily

HOUSING/SINGLE FAMILY - 9.4% (6.2% OF TOTAL INVESTMENTS)

1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured	7/11 at 10
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600	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 10
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960	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006 D1, 4.900%, 1/01/33 (Alternative Minimum Tax)	7/15 at 10
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480	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 10
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1,400	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 10
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4,440 Total Housing/Single Family

INDUSTRIALS - 0.1% (0.1% OF TOTAL INVESTMENTS)

50	Charles County Industrial Development Authority, Virginia, Solid Waste Disposal Facility Revenue Refunding Bonds, USA Waste of Virginia Inc., Series 1999, 4.875%, 2/01/09 (Alternative Minimum Tax)	No Opt.
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LONG-TERM CARE - 12.0% (7.9% OF TOTAL INVESTMENTS)

700	Albemarle County Industrial Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Westminster-Cantebury of the Blue Ridge, Series 2007, 5.000%, 1/01/31	1/17 at 10
350	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39	12/15 at 10
1,005	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 10
500	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.750%, 10/01/26	10/16 at 10
540	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35	No Opt.

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	LONG-TERM CARE (continued)	
\$ 700	Industrial Development Authority of the County of Prince William, Virginia, Residential Care Facility Revenue Bonds, Westminster at Lake, First Mortgage, Series 2006, 5.125%, 1/01/26	1/17 at 10
650	James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamsburg Landing Inc., Series 2003A, 6.000%, 3/01/23	3/12 at 10
530	Roanoke Industrial Development Authority, Virginia, Residential Revenue Bonds, Virginia Lutheran Homes Incorporated, Series 2006, 5.000%, 12/01/39	12/16 at 10
350	Suffolk Industrial Development Authority, Virginia, Retirement Facilities First Mortgage Revenue Bonds, Lake Prince Center, Series 2006, 5.300%, 9/01/31	9/16 at 10
350	Virginia Beach Development Authority, Virginia, Residential Care Facility Mortgage Revenue Bonds, Westminster Canterbury on Chesapeake Bay, Series 2005, 5.000%, 11/01/22	11/15 at 10
175	Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27	1/15 at 10

5,850	Total Long-Term Care	

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MATERIALS - 1.6% (1.0% OF TOTAL INVESTMENTS)

100	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax) (4)	8/08 at 10
20	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1999A, 6.550%, 12/01/25 (Alternative Minimum Tax) (4)	12/09 at 10
220	Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation Project, Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax) (4)	12/08 at 10
500	Hopewell Industrial Development Authority, Virginia, Environmental Improvement Revenue Bonds, Smurfit Stone Container Corporation, Series 2005, 5.250%, 6/01/15	No Opt.

840 Total Materials

TAX OBLIGATION/GENERAL - 19.4% (12.7% OF TOTAL INVESTMENTS)

600	Arlington County, Virginia, General Obligation Bonds, Series 2006, 5.000%, 8/01/20	8/16 at 10
700	Loudoun County, Virginia, General Obligation Bonds, Series 2006, 5.000%, 12/01/25	12/16 at 10
500	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005B, 5.000%, 6/01/18	6/15 at 10
845	Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16	5/14 at 10
620	Richmond, Virginia, General Obligation Bonds, Series 2005A, 5.000%, 7/15/17 - FSA Insured	7/15 at 10
400	Suffolk, Virginia, General Obligation Bonds, Series 2005, 5.000%, 12/01/15	No Opt.
400	Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 10
1,600	Virginia Beach, Virginia, General Obligation Bonds, 5.000%, 10/01/26 (UB)	10/17 at 10
2,425	Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/21	6/11 at 10

8,090 Total Tax Obligation/General

NGB

Nuveen Virginia Dividend Advantage Municipal Fund (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
	TAX OBLIGATION/LIMITED - 19.1% (12.5% OF TOTAL INVESTMENTS)	
\$ 100	Bell Creek Community Development Authority, Virginia, Special Assessment Bonds, Series 2003A, 6.750%, 3/01/22	3/13 at 10
500	Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33	6/13 at 10
	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A:	
120	5.250%, 7/15/25 - ACA Insured	7/15 at 10
95	5.500%, 7/15/35 - ACA Insured	7/15 at 10
500	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18	5/16 at 10
580	Prince William County, Virginia, Certificates of Participation, County Facilities, Series 2005, 5.000%, 6/01/20 - AMBAC Insured	6/15 at 10
700	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.
3,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/29 - AMBAC Insured	No Opt.
1,000	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 5.125%, 8/01/23 - AMBAC Insured	8/13 at 10
600	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - MBIA Insured	8/16 at 10
890	Stafford County Economic Development Authority, Virginia, Public Project Lease Revenue Bonds, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 10
960	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19	10/10 at 10
500	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 10
348	Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30	3/13 at 10

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345	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 10

10,238	Total Tax Obligation/Limited	

TRANSPORTATION - 24.7% (16.1% OF TOTAL INVESTMENTS)		
1,000	Capital Region Airport Authority, Richmond, Virginia, Revenue Bonds, Richmond International Airport, Series 2005A, 5.000%, 7/01/18 - FSA Insured	7/15 at 10
1,000	Chesapeake Bay Bridge and Tunnel Commission, Virginia, General Resolution Revenue Refunding Bonds, Series 1998, 5.500%, 7/01/25 - MBIA Insured	No Opt.
3,000	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/27 - MBIA Insured (Alternative Minimum Tax)	10/11 at 10
250	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001B, 5.000%, 10/01/21 - MBIA Insured	10/11 at 10
1,500	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured	7/11 at 10
500	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - MBIA Insured	2/15 at 10

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

TRANSPORTATION (continued)		
\$ 500	Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured	No Opt.
455	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 10
1,225	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11 at 10
1,250	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001B, 5.125%, 8/01/27 (Alternative Minimum Tax)	2/11 at 10

10,680	Total Transportation	

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U.S. GUARANTEED - 26.1% (17.0% OF TOTAL INVESTMENTS) (5)		
500	Albemarle County Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of the Blue Ridge First Mortgage, Series 2001, 6.200%, 1/01/31 (Pre-refunded 1/01/12)	1/12 at 10
1,000	Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 7/15/21 - FSA Insured (ETM)	No Opt.
Guam Economic Development Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A:		
30	5.000%, 5/15/22 (Pre-refunded 5/15/11)	5/11 at 10
850	5.400%, 5/15/31 (Pre-refunded 5/15/11)	5/11 at 10
20	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)	11/12 at 10
2,310	Leesburg, Virginia, General Obligation Public Improvement Bonds, Series 2000, 5.125%, 1/15/21 (Pre-refunded 1/15/11) - FGIC Insured	1/11 at 10
425	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A, 6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 10
Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A:		
1,500	5.500%, 10/01/32	10/10 at 10
1,500	5.500%, 10/01/40	10/10 at 10
250	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 10
230	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001B, 6.125%, 7/15/11 (ETM)	No Opt.
950	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 10
725	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005, 5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 10
500	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2002A, 5.000%, 2/01/22 (Pre-refunded 2/01/12)	2/12 at 10

10,790	Total U.S. Guaranteed	

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Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
UTILITIES - 2.4% (1.5% OF TOTAL INVESTMENTS)		
\$ 1,000	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 10
WATER AND SEWER - 7.1% (4.7% OF TOTAL INVESTMENTS)		
2,000	Henrico County, Virginia, Water and Sewer System Revenue Refunding Bonds, Series 1999, 5.000%, 5/01/22	5/09 at 10
500	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 10
595	Virginia Resources Authority, Clean Water State Revolving Fund Revenue Bonds, Series 2007, Residuals 1006, 9.690%, 10/01/29 (IF)	10/17 at 10
3,095	Total Water and Sewer	
\$ 69,508	Total Investments (cost \$68,166,095) - 153.0%	
Floating Rate Obligations - (4.2)%		
Other Assets Less Liabilities - 5.1%		
Preferred Shares, at Liquidation Value - (53.9)% (6)		
Net Assets Applicable to Common Shares - 100%		

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) 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.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio

Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) The issuer has received a formal 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.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (6) Preferred Shares, at Liquidation Value as a percentage of total investments is (35.2)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

NNB
Nuveen Virginia Dividend Advantage Municipal Fund 2
Portfolio of INVESTMENTS

May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	CONSUMER STAPLES - 4.0% (2.6% OF TOTAL INVESTMENTS)	
\$ 3,100	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 10
1,430	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46	6/17 at 10
4,530	Total Consumer Staples	

EDUCATION AND CIVIC ORGANIZATIONS - 6.8% (4.4% OF TOTAL INVESTMENTS)

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1,000	Fairfax County Economic Development Authority, Virginia, Revenue Bonds, National Wildlife Federation, Series 1999, 5.375%, 9/01/29 - MBIA Insured	9/09 at 10
1,000	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 10
1,500	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System, Series 2002, 5.375%, 12/01/21	12/12 at 10
2,000	Winchester Industrial Development Authority, Virginia, Educational Facilities First Mortgage Revenue Bonds, Shenandoah University, Series 1998, 5.250%, 10/01/28 - MBIA Insured	10/08 at 10

5,500	Total Education and Civic Organizations	

HEALTH CARE - 24.3% (15.9% OF TOTAL INVESTMENTS)

1,500	Albemarle County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Martha Jefferson Hospital, Series 2002, 5.250%, 10/01/35	10/12 at 10
450	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/27	9/17 at 10
3,000	Fauquier County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25 - RAAI Insured	10/12 at 10
1,000	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt.
675	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 10
1,500	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 10
960	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 10
1,155	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 10
1,200	Norton Industrial Development Authority, Virginia, Hospital Revenue Refunding and Improvement Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22 - ACA Insured	12/11 at 10
1,000	Prince William County Industrial Development Authority,	10/08 at 10

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Virginia, Hospital Facility Revenue Refunding Bonds, Potomac Hospital Corporation of Prince William, Series 1998, 5.000%, 10/01/18 - FSA Insured

3,915 Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/20 - MBIA Insured 7/12 at 10

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NNB

Nuveen Virginia Dividend Advantage Municipal Fund 2 (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
HEALTH CARE (continued)		
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
\$ 1,250	5.250%, 6/15/25	6/16 at 10
655	5.250%, 6/15/31	6/16 at 10
785	Virginia Small Business Financing Authority, Wellmont Health System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37	9/17 at 10
715	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 10
19,760	Total Health Care	
HOUSING/SINGLE FAMILY - 13.6% (8.9% OF TOTAL INVESTMENTS)		
7,485	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured	7/11 at 10
500	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 10
870	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 10
2,600	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 10
11,455	Total Housing/Single Family	

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LONG-TERM CARE - 11.5% (7.6% OF TOTAL INVESTMENTS)

1,300	Albemarle County Industrial Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Westminster-Cantebury of the Blue Ridge, Series 2007, 5.000%, 1/01/31	1/17 at 10
650	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39	12/15 at 10
1,815	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 10
500	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.750%, 10/01/26	10/16 at 10
855	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35	No Opt.
1,300	Industrial Development Authority of the County of Prince William, Virginia, Residential Care Facility Revenue Bonds, Westminster at Lake, First Mortgage, Series 2006, 5.125%, 1/01/26	1/17 at 10
1,350	James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamsburg Landing Inc., Series 2003A, 6.000%, 3/01/23	3/12 at 10
970	Roanoke Industrial Development Authority, Virginia, Residential Revenue Bonds, Virginia Lutheran Homes Incorporated, Series 2006, 5.000%, 12/01/39	12/16 at 10
650	Suffolk Industrial Development Authority, Virginia, Retirement Facilities First Mortgage Revenue Bonds, Lake Prince Center, Series 2006, 5.300%, 9/01/31	9/16 at 10
650	Virginia Beach Development Authority, Virginia, Residential Care Facility Mortgage Revenue Bonds, Westminster Canterbury on Chesapeake Bay, Series 2005, 5.000%, 11/01/22	11/15 at 10
325	Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27	1/15 at 10
10,365	Total Long-Term Care	

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
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MATERIALS - 1.7% (1.1% OF TOTAL INVESTMENTS)

\$	165	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax) (4)	8/08 at 10
	460	Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation Project, Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax) (4)	12/08 at 10
	1,000	Hopewell Industrial Development Authority, Virginia, Environmental Improvement Revenue Bonds, Smurfit Stone Container Corporation, Series 2005, 5.250%, 6/01/15	No Opt.

	1,625	Total Materials	

TAX OBLIGATION/GENERAL - 27.3% (17.9% OF TOTAL INVESTMENTS)

	500	Arlington County, Virginia, General Obligation Bonds, Series 2006, 5.000%, 8/01/20	8/16 at 10
	1,750	Chesapeake, Virginia, General Obligation Bonds, Series 2001, 5.500%, 12/01/16	12/11 at 10
	1,000	Loudoun County, Virginia, General Obligation Bonds, Series 2006, 5.000%, 12/01/25	12/16 at 10
	1,730	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2001C, 4.500%, 11/01/17	11/11 at 10
	95	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22	5/12 at 10
	1,000	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005B, 5.000%, 6/01/18	6/15 at 10
	40	Portsmouth, Virginia, General Obligation Public Utility Refunding Bonds, Series 2001B, 5.000%, 6/01/21 - FGIC Insured	6/08 at 10
	660	Powhatan County, Virginia, General Obligation Bonds, Series 2001: 5.000%, 1/15/23 - AMBAC Insured	1/11 at 10
	1,000	5.000%, 1/15/27 - AMBAC Insured	1/11 at 10
	1,000	Richmond, Virginia, General Obligation Bonds, Series 2004A, 5.000%, 7/15/21 - FSA Insured	7/14 at 10
	2,400	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A: 5.000%, 10/01/18	10/12 at 10
	2,435	5.000%, 10/01/19	10/12 at 10
	1,280	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 10/01/15 - FGIC Insured (Alternative Minimum Tax)	10/12 at 10
	600	Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 10

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2,900	Virginia Beach, Virginia, General Obligation Bonds, 5.000%, 10/01/26 (UB)	10/17 at 10
1,500	Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/19	6/11 at 10
1,420	Virginia Beach, Virginia, General Obligation Refunding and Public Improvement Bonds, Series 2002, 5.000%, 3/01/21	3/12 at 10

21,310	Total Tax Obligation/General	

TAX OBLIGATION/LIMITED - 20.0% (13.1% OF TOTAL INVESTMENTS)

130	Bell Creek Community Development Authority, Virginia, Special Assessment Bonds, Series 2003A, 6.750%, 3/01/22	3/13 at 10
1,000	Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33	6/13 at 10

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Nuveen Virginia Dividend Advantage Municipal Fund 2 (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

TAX OBLIGATION/LIMITED (continued)		
\$ 210	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A: 5.250%, 7/15/25 - ACA Insured	7/15 at 10
165	5.500%, 7/15/35 - ACA Insured	7/15 at 10
800	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18	5/16 at 10
1,800	Loudoun County Industrial Development Authority, Virginia, Lease Revenue Refunding Bonds, Public Facility Project, Series 2003, 5.000%, 3/01/19	3/13 at 10
1,300	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt.
2,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/29 - AMBAC Insured	No Opt.
400	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27	7/12 at 10

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1,000	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 5.125%, 8/01/23 - AMBAC Insured	8/13 at 10
1,000	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - MBIA Insured	8/16 at 10
1,610	Stafford County Economic Development Authority, Virginia, Public Project Lease Revenue Bonds, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 10
800	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 10
679	Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30	3/13 at 10
2,540	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2001B, 5.000%, 8/01/19	8/11 at 10
570	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 10
1,265	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2001D, 5.000%, 5/01/26	5/10 at 10

17,269	Total Tax Obligation/Limited	
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TRANSPORTATION - 4.0% (2.6% OF TOTAL INVESTMENTS)

1,000	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2002A, 5.125%, 10/01/26 - FGIC Insured (Alternative Minimum Tax)	10/12 at 10
1,500	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - MBIA Insured	2/15 at 10
825	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 10

3,325	Total Transportation	
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U.S. GUARANTEED - 18.4% (12.1% OF TOTAL INVESTMENTS) (5)

165	Albemarle County Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of the Blue Ridge First Mortgage, Series 2001, 6.200%, 1/01/31 (Pre-refunded 1/01/12)	1/12 at 10
1,000	Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - FSA Insured (ETM)	No Opt.

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	U.S. GUARANTEED (5) (continued)	
\$ 40	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)	11/12 at 10
	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A:	
250	6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 10
600	6.100%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 10
1,000	Newport News, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 11/01/22 (Pre-refunded 11/01/13)	11/13 at 10
2,750	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10 at 10
1,100	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27 (Pre-refunded 7/01/12)	7/12 at 10
	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E:	
545	5.500%, 8/01/29 (Pre-refunded 2/01/12)	2/12 at 10
455	5.500%, 8/01/29 (Pre-refunded 2/01/12)	2/12 at 10
475	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 10
1,260	Salem, Virginia, General Obligation Public Improvement Bonds, Series 2002, 5.375%, 1/01/23 (Pre-refunded 1/01/12)	1/12 at 10
1,000	Staunton, Virginia, General Obligation Bonds, Series 2004, 6.250%, 2/01/25 (Pre-refunded 2/01/14) - AMBAC Insured	2/14 at 10
	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005:	
600	5.250%, 6/01/19 (Pre-refunded 6/01/12)	6/12 at 10
2,700	5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 10

13,940	Total U.S. Guaranteed	

	UTILITIES - 2.5% (1.7% OF TOTAL INVESTMENTS)	
2,000	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 10

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WATER AND SEWER - 18.5% (12.1% OF TOTAL INVESTMENTS)		
805	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.000%, 4/01/27	4/12 at 10
	Henry County Public Service Authority, Virginia, Water and Sewerage Revenue Refunding Bonds, Series 2001:	
1,000	5.500%, 11/15/17 - FSA Insured	No Opt.
3,000	5.500%, 11/15/19 - FSA Insured	No Opt.
	Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001:	
1,130	5.000%, 11/01/18 - FGIC Insured	11/11 at 10
1,190	5.000%, 11/01/19 - FGIC Insured	11/11 at 10
1,450	5.000%, 11/01/23 - FGIC Insured	11/11 at 10
1,525	5.000%, 11/01/24 - FGIC Insured	11/11 at 10
1,000	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 10
1,080	Virginia Resources Authority, Clean Water State Revolving Fund Revenue Bonds, Series 2007, Residuals 1006, 9.690%, 10/01/29 (IF)	10/17 at 10

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Nuveen Virginia Dividend Advantage Municipal Fund 2 (continued)
Portfolio of INVESTMENTS May 31, 2008

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION

	WATER AND SEWER (continued)	
\$ 2,250	Virginia Resources Authority, Water and Sewerage System Revenue Bonds, Caroline County Public Improvements Project, Series 2001, 5.000%, 5/01/32	5/11 at 10

14,430	Total Water and Sewer	

\$ 125,509	Total Investments (cost \$124,718,630) - 152.6%	
=====		
	Floating Rate Obligations - (4.1)%	

	Other Assets Less Liabilities - 2.4%	

	Preferred Shares, at Liquidation Value - (50.9)% (6)	

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

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

(2) 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.

- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade. The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AMBAC, CIFG, FGIC, MBIA, RAAI and XLCA as of May 31, 2008. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (4) The issuer has received a formal 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.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (6) Preferred Shares, at Liquidation Value as a percentage of total investments is (33.4)%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

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Statement of
ASSETS & LIABILITIES
May 31, 2008

MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)
----------------------------------------	--------------------------------------------

ASSETS

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Investments, at value (cost \$223,871,270, \$90,410,738, \$90,958,298 and \$114,618,167, respectively)	\$226,571,270	\$90,287,117
Cash	3,269,228	384,403
Receivables:		
Interest	4,030,251	1,637,451
Investments sold	135,000	425,207
Other assets	7,256	7,955

Total assets	234,013,005	92,742,133

LIABILITIES		
Floating Rate Obligations	3,250,000	1,338,000
Accrued expenses:		
Management fees	122,730	37,460
Other	54,765	26,009
Common share dividends payable	478,184	229,674
Preferred share dividends payable	13,367	11,347

Total liabilities	3,919,046	1,642,490

Preferred shares, at liquidation value	79,100,000	32,000,000
=====		
Net assets applicable to Common shares	\$150,993,959	\$59,099,643
=====		
Common shares outstanding	10,640,076	4,185,344
=====		
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.19	\$ 14.12
=====		
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:		

Common shares, \$.01 par value per share	\$ 106,401	\$ 41,853
Paid-in surplus	147,794,543	59,392,514
Undistributed (Over-distribution of) net investment income	199,876	(27,384)
Accumulated net realized gain (loss) from investments and derivative transactions	193,139	(183,719)
Net unrealized appreciation (depreciation) of investments and derivative transactions	2,700,000	(123,621)

Net assets applicable to Common shares	\$150,993,959	\$59,099,643
=====		
Authorized shares:		
Common	Unlimited	Unlimited
Preferred	Unlimited	Unlimited
=====		

See accompanying notes to financial statements.

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ASSETS	
Investments, at value (cost \$190,378,324, \$68,166,095 and \$124,718,630, respectively)	\$192,171,994
Cash	2,706,979
Receivables:	
Interest	3,029,939
Investments sold	220,000
Other assets	8,956

Total assets	198,137,868

LIABILITIES	
Floating Rate Obligations	5,250,000
Accrued expenses:	
Management fees	102,913
Other	47,898
Common share dividends payable	413,004
Preferred share dividends payable	11,748

Total liabilities	5,825,563

Preferred shares, at liquidation value	63,800,000

Net assets applicable to Common shares	\$128,512,305
=====	
Common shares outstanding	8,933,535
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.39
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	

Common shares, \$.01 par value per share	\$ 89,335
Paid-in surplus	125,791,437
Undistributed (Over-distribution of) net investment income	263,247
Accumulated net realized gain (loss) from investments and derivative transactions	574,616
Net unrealized appreciation (depreciation) of investments and derivative transactions	1,793,670

Net assets applicable to Common shares	\$128,512,305
=====	
Authorized shares:	
Common	Unlimited
Preferred	Unlimited
=====	

See accompanying notes to financial statements.

Statement of
OPERATIONS
Year Ended May 31, 2008

MARYLAND	MARYLAND
PREMIUM	DIVIDEND
INCOME	ADVANTAGE
(NMY)	(NFM)

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INVESTMENT INCOME	\$11,245,471	\$ 4,589,433
EXPENSES		
Management fees	1,455,543	582,153
Preferred shares - auction fees	198,021	80,110
Preferred shares - dividend disbursing agent fees	20,005	10,000
Shareholders' servicing agent fees and expenses	20,890	1,743
Interest expense on floating rate obligations	23,042	9,427
Custodian's fees and expenses	73,238	34,369
Trustees' fees and expenses	4,859	1,941
Professional fees	18,651	12,103
Shareholders' reports - printing and mailing expenses	45,611	20,462
Stock exchange listing fees	9,508	454
Investor relations expense	19,524	8,172
Other expenses	17,228	13,158
Total expenses before custodian fee credit and expense reimbursement		1,906,120
959,255		
Custodian fee credit	(28,906)	(11,482)
Expense reimbursement	--	(168,471)
Net expenses	1,877,214	594,139
Net investment income	9,368,257	3,995,294
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments	(16,478)	306,804
Forward swaps	363,696	115,883
Change in net unrealized appreciation (depreciation) of:		
Investments	(4,721,520)	(2,733,280)
Forward swaps	--	39,197
Net realized and unrealized gain (loss)	(4,374,302)	(2,271,396)
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(2,550,899)	(1,005,532)
From accumulated net realized gains	--	--
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(2,550,899)	(1,005,532)
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 2,443,056	\$ 718,366

See accompanying notes to financial statements.

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Statement of
OPERATIONS (continued)
Year Ended May 31, 2008

VIRGINIA
PREMIUM
INCOME
(NPV)

INVESTMENT INCOME	\$ 9,455,915

EXPENSES	
Management fees	1,221,701
Preferred shares - auction fees	159,719
Preferred shares - dividend disbursing agent fees	20,009
Shareholders' servicing agent fees and expenses	17,525
Interest expense on floating rate obligations	22,168
Custodian's fees and expenses	73,414
Trustees' fees and expenses	4,341
Professional fees	17,755
Shareholders' reports - printing and mailing expenses	38,392
Stock exchange listing fees	9,560
Investor relations expense	21,306
Other expenses	16,692

Total expenses before custodian fee credit and expense reimbursement	1,622,582
Custodian fee credit	(12,144)
Expense reimbursement	--

Net expenses	1,610,438

Net investment income	7,845,477

REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from:	
Investments	831,194
Forward swaps	109,060
Change in net unrealized appreciation (depreciation) of:	
Investments	(4,632,677)
Forward swaps	39,197

Net realized and unrealized gain (loss)	(3,653,226)

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS	
From net investment income	(1,939,555)
From accumulated net realized gains	(258,821)

Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(2,198,376)

Net increase (decrease) in net assets applicable to Common shares from operations	\$ 1,993,875
=====	

See accompanying notes to financial statements.

Statement of
CHANGES in NET ASSETS

MARYLAND PREMIUM INCOME (NMY)		MARYLAND DIVIDEND ADVANTAGE (NFM)	
YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED

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	5/31/08	5/31/07	5/31/08	5/31/07
OPERATIONS				
Net investment income	\$ 9,368,257	\$ 9,341,191	\$ 3,995,294	\$ 3,974,853
Net realized gain (loss) from:				
Investments	(16,478)	19,964	306,804	137,858
Forward swaps	363,696	--	115,883	--
Change in net unrealized appreciation (depreciation) of:				
Investments	(4,721,520)	1,306,051	(2,733,280)	379,809
Forward swaps	--	--	39,197	(39,197)
Distributions to Preferred Shareholders:				
From net investment income	(2,550,899)	(2,475,539)	(1,005,532)	(986,560)
From accumulated net realized gains	--	--	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	2,443,056	8,191,667	718,366	3,466,763
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(6,484,065)	(7,114,011)	(2,936,953)	(3,120,217)
From accumulated net realized gains	--	--	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(6,484,065)	(7,114,011)	(2,936,953)	(3,120,217)
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	30,834	92,621	56,801	152,937
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	30,834	92,621	56,801	152,937
Net increase (decrease) in net assets applicable to Common shares	(4,010,175)	1,170,277	(2,161,786)	499,483
Net assets applicable to Common shares at the beginning of year	155,004,134	153,833,857	61,261,429	60,761,946
Net assets applicable to Common shares at the end of year	\$150,993,959	\$155,004,134	\$59,099,643	\$61,261,429
Undistributed (Over-distribution of) net investment income at the end of year	\$ 199,876	\$ (54,806)	\$ (27,384)	\$ (79,783)

See accompanying notes to financial statements.

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Statement of
CHANGES in NET ASSETS (continued)

	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)		VIRGINIA PREMIUM INCOME (NPV)	
	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07
OPERATIONS				
Net investment income	\$ 4,770,568	\$ 4,702,597	\$ 7,845,477	\$ 7,820,312
Net realized gain (loss) from:				
Investments	203,469	120,873	831,194	662,460
Forward swaps	--	33,256	109,060	--
Change in net unrealized appreciation (depreciation) of:				
Investments	(2,833,522)	907,283	(4,632,677)	53,189
Forward swaps	--	(211,923)	39,197	(39,197)
Distributions to Preferred Shareholders:				
From net investment income	(1,213,876)	(1,185,502)	(1,939,555)	(2,029,334)
From accumulated net realized gains	--	--	(258,821)	(38,016)
Net increase (decrease) in net assets applicable to Common shares from operations	926,639	4,366,584	1,993,875	6,429,414
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(3,379,332)	(3,570,184)	(5,687,847)	(6,247,006)
From accumulated net realized gains	--	--	(770,964)	(191,731)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(3,379,332)	(3,570,184)	(6,458,811)	(6,438,737)
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	17,895	34,058	77,205	282,861
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	17,895	34,058	77,205	282,861
Net increase (decrease) in net assets applicable to Common shares	(2,434,798)	830,458	(4,387,731)	273,538
Net assets applicable to Common shares at the beginning of year	77,639,685	76,809,227	132,900,036	132,626,498
Net assets applicable to Common shares at the end of year	\$75,204,887	\$77,639,685	\$128,512,305	\$132,900,036
Undistributed (Over-distribution of)				

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net investment income at the end of year	\$ 38,423	\$ (138,732)	\$ 263,247	\$ 45,172
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See accompanying notes to financial statements.

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OPERATIONS

Net investment income

Net realized gain (loss) from:

Investments

Forward swaps

Change in net unrealized appreciation (depreciation) of:

Investments

Forward Swaps

Distributions to Preferred Shareholders:

From net investment income

From accumulated net realized gains

Net increase (decrease) in net assets

applicable to Common shares

from operations

DISTRIBUTIONS TO COMMON SHAREHOLDERS

From net investment income

From accumulated net realized gains

Decrease in net assets applicable to

Common shares from distributions

to Common shareholders

CAPITAL SHARE TRANSACTIONS

Net proceeds from Common shares issued

to shareholders due to reinvestment

of distributions

Net increase (decrease) in net assets

applicable to Common shares from

capital share transactions

Net increase (decrease) in net assets

applicable to Common shares

Net assets applicable to Common

shares at the beginning of year

Net assets applicable to Common

shares at the end of year

Undistributed (Over-distribution of)

net investment income at the
end of year

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See accompanying notes to financial statements.

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Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds covered in this report and their corresponding Common share stock exchange symbols are Nuveen Maryland Premium Income Municipal Fund (NMY), Nuveen Maryland Dividend Advantage Municipal Fund (NFM), Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR), Nuveen Maryland Dividend Advantage Municipal Fund 3 (NWI), Nuveen Virginia Premium Income Municipal Fund (NPV), Nuveen Virginia Dividend Advantage Municipal Fund (NGB) and Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB) (collectively, the "Funds"). Common shares of Maryland Premium Income (NMY) and Virginia Premium Income (NPV) are traded on the New York Stock Exchange while Common shares of Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), Maryland Dividend Advantage 3 (NWI), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

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

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

Investment Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Trustees. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service may establish fair value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of forward swap contracts are also provided by an independent pricing service approved by each Fund's Board of Trustees. If the pricing service is unable to supply a price for a municipal bond or forward swap contract, each Fund may use market quotes provided by major broker/dealers in such investments. If it is determined that the market price for an investment or derivative instrument is unavailable or inappropriate, the Board of Trustees of the Funds, or its designee, may establish fair value in accordance with procedures established in good faith by the Board of Trustees. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates market value.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At May 31, 2008, there were no such outstanding purchase commitments in any of the Funds.

Investment Income

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

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Income Taxes

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

Effective November 30, 2007, the Funds adopted Financial Accounting Standards Board (FASB) Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the affirmative evaluation of tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether it is "more-likely-than-not" (i.e., a greater than 50-percent likelihood) of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold may result in a tax benefit or expense in the current year.

Implementation of FIN 48 required management of the Funds to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes federal and certain states. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). The Funds have no examinations in progress.

For all open tax years and all major taxing jurisdictions through the end of the reporting period, management of the Funds has reviewed all tax positions taken or expected to be taken in the preparation of the Funds' tax returns and concluded the adoption of FIN 48 resulted in no impact to the Funds' net assets or results of operations as of and during the fiscal year ended May 31, 2008.

The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

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 at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

Preferred Shares

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

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Number of shares:				
Series M	--	1,280	--	--
Series T	--	--	--	1,560
Series W	1,404	--	--	--
Series TH	1,760	--	--	--
Series F	--	--	1,280	--

Total	3,164	1,280	1,280	1,560
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Notes to
FINANCIAL STATEMENTS (continued)

	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

Number of shares:			
Series M	--	--	1,680
Series T	832	--	--
Series W	--	960	--
Series TH	1,720	--	--
Series F	--	--	--

Total	2,552	960	1,680

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Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the Preferred shares issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many Preferred shareholders who wanted to sell their shares in these auctions were unable to do so. Preferred shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the Preferred shares.

These developments generally do not affect the management or investment policies of the Funds. However, one implication of these auction failures for Common shareholders is that the Funds' cost of leverage will likely be higher, at least temporarily, than it otherwise would have been had the auctions continued to be successful. As a result, the Funds' future Common share earnings may be lower than they otherwise would have been.

Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). A Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse trust" or "credit recovery swap") with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates, as well as any shortfalls in interest cash flows. The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as an "Inverse floating rate investment". An investment in a self-deposited inverse floater, recourse trust or credit

recovery swap is accounted for as a financing transaction in accordance with Statement of Financial Accounting Standards (SFAS) No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as an "Underlying bond of an inverse floating rate trust", with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and accounts for the related interest paid to the holders of the short-term floating rate certificates as "Interest expense on floating rate obligations" in the Statement of Operations.

During the fiscal year ended May 31, 2008, each Fund invested in externally deposited inverse floaters and/or self-deposited inverse floaters.

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended May 31, 2008, were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARY DIVI ADVANTA (
Average floating rate obligations	\$862,432	\$353,546	\$352
Average annual interest rate and fees	2.67%	2.67%	2

	VIRGINIA PREMIUM INCOME (NPV)	VIRG DIVI ADVAN (
Average floating rate obligations	\$982,582	\$349
Average annual interest rate and fees	2.26%	2

Forward Swap Transactions

Each Fund is authorized to invest in forward interest rate swap transactions. Each Fund's use of forward interest rate swap transactions is intended to help the Fund manage its overall interest rate sensitivity, either shorter or longer, generally to more closely align the Fund's interest rate sensitivity with that of the broader municipal market. Forward interest rate swap transactions involve each Fund's agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The amount of the payment obligation is based on the notional amount of the forward swap contract and the termination date of the swap (which is akin to a bond's maturity). The value of the Fund's swap commitment would increase or decrease based primarily on the extent to which long-term interest rates for bonds having a maturity of the swap's termination date increases or decreases. The Funds may terminate a swap contract prior to the effective date, at which point a realized gain or loss is recognized. When a forward swap is terminated, it ordinarily does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash on a net basis. Each Fund intends, but is not obligated, to

terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To reduce such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate, either up or down, by at least the predetermined threshold amount. Maryland Premium Income (NMY), Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR) and Virginia Premium Income (NPV) were the only Funds to invest in forward interest rate swap transactions during the fiscal year ended May 31, 2008.

Zero Coupon Securities

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the Portfolios of Investments with a 0.000% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

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Notes to FINANCIAL STATEMENTS (continued)

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which a Fund overdraws its account at the custodian bank.

Indemnifications

Under the Funds' organizational documents, their Officers and 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

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assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

2. FUND SHARES

Transactions in Common shares were as follows:

	MARYLAND PREMIUM INCOME (NMY)		MARYLAND DIVIDEND ADVANTAGE (NFM)		
	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07	

Common shares issued to shareholders due to reinvestment of distributions	2,122	6,252	3,983	9,782	
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	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)		VIRGINIA PREMIUM INCOME (NPV)		
	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07	YEAR ENDED 5/31/08	YEAR ENDED 5/31/07	

Common shares issued to shareholders due to reinvestment of distributions	1,239	2,324	5,228	18,377	
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Common shares issued to shareholders due to reinvestment of distributions					
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3. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the fiscal year ended May 31, 2008, were as follows:

	MARYLAND PREMIUM	MARYLAND DIVIDEND	MARY DIVI
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	INCOME (NMY)	ADVANTAGE (NFM)	ADVANTA (
Purchases	\$32,021,857	\$10,933,359	\$12,113
Sales and maturities	33,847,662	11,860,939	12,785

		VIRGINIA PREMIUM INCOME (NPV)	VIRG DIVI ADVAN (
Purchases		\$27,724,865	\$7,232
Sales and maturities		29,324,257	6,594

4. INCOME TAX INFORMATION

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

At May 31, 2008, the cost of investments was as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)
Cost of investments	\$220,689,330	\$89,023,167	\$89,574,831	\$112,968,527

		VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)
Cost of investments		\$184,760,632	\$66,288,495	\$121,288,853

Gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2008, were as follows:

	MARYLAND PREMIUM	MARYLAND DIVIDEND	MARYL DIVID
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	INCOME (NMY)	ADVANTAGE (NFM)	ADVANTAG (N

Gross unrealized:			
Appreciation	\$ 6,995,021	\$ 1,817,592	\$ 2,096,
Depreciation	(4,362,877)	(1,891,519)	(1,806,

Net unrealized appreciation (depreciation) of investments	\$ 2,632,144	\$ (73,927)	\$ 290,
=====			

		VIRGINIA PREMIUM INCOME (NPV)	VIRGI DIVID ADVANT (N

Gross unrealized:			
Appreciation		\$ 6,184,522	\$ 1,732,
Depreciation		(4,023,160)	(1,771,

Net unrealized appreciation (depreciation) of investments		\$ 2,161,362	\$ (39,
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Notes to
FINANCIAL STATEMENTS (continued)

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at May 31, 2008, the Funds' tax year end, were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARY DIVI ADVANTA (

Undistributed net tax-exempt income *	\$603,666	\$170,872	\$157
Undistributed net ordinary income **	77,161	8,237	73
Undistributed net long-term capital gains	320,091	--	125
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		VIRGINIA PREMIUM INCOME (NPV)	VIRG DIVI ADVAN (

Undistributed net tax-exempt income *		\$380,781	\$206
Undistributed net ordinary income **		109,298	
Undistributed net long-term capital gains		465,316	54
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* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on May 1, 2008, paid on June 2, 2008.

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

The tax character of distributions paid during the Funds' tax years ended May 31, 2008 and May 31, 2007, was designated for purposes of the dividends paid deduction as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE (NMY)
2008			
Distributions from net tax-exempt income ***	\$9,009,735	\$3,953,181	\$3,960,813
Distributions from net ordinary income **	106,313	--	8,291
Distributions from net long-term capital gains ****	--	--	179,785

		VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NFM)
2008			
Distributions from net tax-exempt income ***		\$7,666,828	\$2,850,813
Distributions from net ordinary income **		8,291	28,291
Distributions from net long-term capital gains ****		1,029,785	403,785

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

*** The Funds hereby designate these amounts paid during the fiscal year ended May 31, 2008, as Exempt Interest Dividends.

**** The Funds designated as a long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended May 31, 2008.

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE (NMY)
2007			
Distributions from net tax-exempt income	\$9,664,847	\$4,128,452	\$4,166,813
Distributions from net ordinary income **	--	--	6,291
Distributions from net long-term capital gains	--	--	179,785

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2007	PREMIUM INCOME (NPV)	DIVI ADVAN (
Distributions from net tax-exempt income	\$8,317,694	\$3,260
Distributions from net ordinary income **	--	
Distributions from net long-term capital gains	229,747	

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

At May 31, 2008, the Funds' tax year end, Maryland Dividend Advantage (NFM) had unused capital loss carryforwards of \$183,719 available for federal income tax purposes to be applied against future capital gains, if any. If not applied, \$106,052, \$15,613 and \$62,504 of the carryforward will expire in the years ended May 31, 2012, 2013 and 2014, respectively.

Virginia Dividend Advantage 2 (NNB) elected to defer net realized losses from investments incurred from November 1, 2007 through May 31, 2008 ("post-October losses") in accordance with federal income tax regulations. Post-October losses of \$6,148 were treated as having arisen on the first day of the following fiscal year.

5. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

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

The annual fund-level fee, payable monthly, for each Fund is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)	MARYLAND PREMIUM INCOME (NMY) VIRGINIA PREMIUM INCOME (NPV) 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

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AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)	MARYLAND DIVIDEND ADVANTAGE (NFM) MARYLAND DIVIDEND ADVANTAGE 2 (NZR) MARYLAND DIVIDEND ADVANTAGE 3 (NWI) VIRGINIA DIVIDEND ADVANTAGE (NGB) VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) 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 tables below. As of May 31, 2008, the complex-level fee rate was .1851%.

Effective August 20, 2007, the complex-level fee schedule is as follows:

COMPLEX-LEVEL ASSET BREAKPOINT LEVEL (1)	EFFECTIVE RATE AT BREAKPOINT LEVEL
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

Prior to August 20, 2007, the complex-level fee schedule was as follows:

COMPLEX-LEVEL ASSET BREAKPOINT LEVEL (1)	EFFECTIVE RATE AT BREAKPOINT LEVEL
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1698
\$125 billion	.1617
\$200 billion	.1536

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\$250 billion .1509
 \$300 billion .1490
 =====

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

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Trustees who are affiliated with the Adviser or to its Officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent Trustees that enables 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 Maryland Dividend Advantage's (NFM) and Virginia Dividend Advantage's (NGB) operations, the Adviser has agreed to reimburse the Funds, 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 JANUARY 31,		YEAR ENDING JANUARY 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.

Notes to
 FINANCIAL STATEMENTS (continued)

The Adviser has not agreed to reimburse Maryland Dividend Advantage (NFM) and Virginia Dividend Advantage (NGB) for any portion of their fees and expenses beyond January 31, 2011.

For the first ten years of Maryland Dividend Advantage 2's (NZR) 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%

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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 Maryland Dividend Advantage 2 (NZR) for any portion of its fees and expenses beyond September 30, 2011.

For the first eight years of Maryland Dividend Advantage 3's (NWI) 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,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

* From the commencement of operations.

The Adviser has not agreed to reimburse Maryland Dividend Advantage 3 (NWI) for any portion of its fees and expenses beyond September 30, 2010.

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

YEAR ENDING NOVEMBER 30,		YEAR ENDING NOVEMBER 30,	
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 Virginia Dividend Advantage 2 (NNB) for any portion of its fees and expenses beyond November 30, 2011.

Agreement and Plan of Merger

On June 20, 2007, Nuveen Investments announced that it had entered into a definitive Agreement and Plan of Merger ("Merger Agreement") with Windy City

Investments, Inc. ("Windy City"), a corporation formed by investors led by Madison Dearborn Partners, LLC ("Madison Dearborn"), pursuant to which Windy City would acquire Nuveen Investments. Madison Dearborn is a private equity investment firm based in Chicago, Illinois. The merger was consummated on November 13, 2007.

The consummation of the merger was deemed to be an "assignment" (as that term is defined in the Investment Company Act of 1940) of the investment management agreement between each Fund and the Adviser, and resulted in the automatic termination of each Fund's agreement. The Board of Trustees of each Fund considered and approved a new investment management agreement with the Adviser on the same terms as the previous agreement. Each new ongoing agreement, was approved by the shareholders of each Fund and took effect on November 13, 2007.

The investors led by Madison Dearborn includes an affiliate of Merrill Lynch. As a result, Merrill Lynch is an indirect "affiliated person" (as that term is defined in the Investment Company Act of 1940) of each Fund. Certain conflicts of interest may arise as a result of such indirect affiliation. For example, the Funds are generally prohibited from entering into principal transactions with Merrill Lynch and its affiliates. The Adviser does not believe that any such prohibitions or limitations as a result of Merrill Lynch's affiliation will significantly impact the ability of the Funds to pursue their investment objectives and policies.

6. NEW ACCOUNTING PRONOUNCEMENTS

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

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this standard relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of May 31, 2008, management does not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements included within the Statement of Operations for the period.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 161

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." This standard is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative instruments, b) how derivative instruments and related hedge items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of May 31, 2008, management does not believe the adoption of SFAS No. 161 will impact the financial statement amounts; however, additional footnote disclosures may be required about the use of derivative instruments and hedging items.

Notes to
FINANCIAL STATEMENTS (continued)

7. SUBSEQUENT EVENTS

Distributions to Common Shareholders

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on July 1, 2008, to shareholders of record on June 15, 2008, as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)
Dividend per share	\$.0495	\$.0585	\$.0585	\$.0525
		VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)
Dividend per share		\$.0530	\$.0565	\$.0595

Auction Rate Preferred Shares (ARPS)

On June 11, 2008, Nuveen announced the Fund Board's approval of plans to use tender option bonds (TOBs), also known as floating rate securities, to refinance a portion of the municipal funds' outstanding ARPS, whose auctions have been failing for several months, including an initial phase of approximately \$1 billion in forty-one funds. On June 26, 2008, thirteen municipal funds (none of which are included in this shareholder report) issued par redemption notices for a portion of their auction-rate securities aggregating approximately \$580 million.

Financial
HIGHLIGHTS

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

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

Year Ended 5/31:						
2008	\$14.57	\$.88	\$ (.41)	\$ (.24)	\$ --	\$.23
2007	14.47	.88	.12	(.23)	--	.77
2006	15.12	.89	(.56)	(.18)	--	.15
2005	14.28	.92	.92	(.10)	--	1.74
2004	15.10	.96	(.81)	(.06)	--	.09
=====						
MARYLAND DIVIDEND ADVANTAGE (NFM)						

Year Ended 5/31:						
2008	14.65	.95	(.54)	(.24)	--	.17
2007	14.57	.95	.12	(.24)	--	.83
2006	15.13	.95	(.47)	(.19)	--	.29
2005	14.43	.98	.75	(.10)	--	1.63
2004	15.47	1.01	(1.07)	(.05)	--	(.11)
=====						

Total Returns				
Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value*	Based on Common Share Net Asset Value*	
=====				
MARYLAND PREMIUM INCOME (NMY)				

Year Ended 5/31:				
2008	\$14.19	\$13.10	(7.55)%	1.63%
2007	14.57	14.84	6.96	5.35
2006	14.47	14.52	(2.94)	1.08
2005	15.12	15.78	15.64	12.52
2004	14.28	14.45	(10.77)	.64
=====				
MARYLAND DIVIDEND ADVANTAGE (NFM)				

Year Ended 5/31:				
2008	14.12	14.19	(2.31)	1.25
2007	14.65	15.28	5.51	5.74
2006	14.57	15.19	2.51	1.95
2005	15.13	15.63	6.22	11.60
2004	14.43	15.62	2.99	(.69)
=====				

Ratios/Supplemental Data

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Ending Net Assets Applicable to Common Shares (000)	Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement	
	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)	Net Investment Income++

MARYLAND PREMIUM INCOME (NMY)

Year Ended 5/31:

2008	\$150,994	1.25%	1.24%	6.13%	1.23%
2007	155,004	1.27	1.23	5.95	1.26
2006	153,834	1.23	1.23	6.05	1.21
2005	160,496	1.24	1.24	6.22	1.23
2004	151,107	1.24	1.24	6.54	1.23

MARYLAND DIVIDEND ADVANTAGE (NFM)

Year Ended 5/31:

2008	59,100	1.30	1.28	6.39	.99
2007	61,261	1.30	1.26	6.06	.93
2006	60,762	1.26	1.26	5.99	.81
2005	63,051	1.26	1.26	6.11	.79
2004	60,041	1.24	1.24	6.34	.78

Preferred Shares at End of Period			Floating Rate Obligations at End of Period		
Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000	

MARYLAND PREMIUM INCOME (NMY)

Year Ended 5/31:

2008	\$79,100	\$25,000	\$72,722	\$3,250	\$71,798
2007	79,100	25,000	73,990	2,800	84,609
2006	79,100	25,000	73,620	--	--
2005	79,100	25,000	75,726	--	--
2004	79,100	25,000	72,758	--	--

MARYLAND DIVIDEND ADVANTAGE (NFM)

Year Ended 5/31:

2008	32,000	25,000	71,172	1,338	69,086
2007	32,000	25,000	72,860	1,133	83,314
2006	32,000	25,000	72,470	--	--
2005	32,000	25,000	74,259	--	--
2004	32,000	25,000	71,907	--	--

* Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at

the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in calculation. Total returns are not annualized.

- ** After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.

See accompanying notes to financial statements.

86-87 spread

Financial
HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total
	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+		
=====							
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)							

Year Ended 5/31:							
2008	\$14.81	\$.94	\$ (.48)	\$(.24)	\$(.01)		\$.21
2007	14.76	.94	.10	(.23)	--		.81
2006	15.45	.94	(.59)	(.18)	--		.17
2005	14.64	.94	.90	(.09)	--		1.75
2004	15.71	.96	(1.08)	(.06)	--		(.18)

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MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Year Ended 5/31:

2008	14.48	.89	(.49)	(.23)	--	.17
2007	14.33	.88	.16	(.22)	--	.82
2006	14.82	.86	(.46)	(.18)	--	.22
2005	13.88	.86	.97	(.10)	--	1.73
2004	14.89	.87	(1.03)	(.06)	--	(.22)

Total Returns

Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value*	Based on Common Share Net Asset Value*
-------------------------------------------------	---------------------------	---------------------------------	-------------------------------------------------------

MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

Year Ended 5/31:

2008	\$14.29	\$14.25	(2.30)%	1.54%
2007	14.81	15.38	9.32	5.56
2006	14.76	14.76	1.13	1.14
2005	15.45	15.41	14.71	12.22
2004	14.64	14.28	(2.90)	(1.16)

MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Year Ended 5/31:

2008	14.02	13.01	(7.38)	1.24
2007	14.48	14.74	11.47	5.75
2006	14.33	13.85	1.09	1.55
2005	14.82	14.40	14.98	12.67
2004	13.88	13.24	(5.97)	(1.51)

Ratios/Supplemental Data

Ending Net Assets Applicable to Common Shares (000)	Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement	
	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)	Net Investment Income++

MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

Year Ended 5/31:

2008	\$59,921	1.29%	1.28%	6.18%	.94%
2007	62,064	1.32	1.28	5.86	.90
2006	61,726	1.25	1.25	5.76	.77
2005	64,500	1.23	1.23	5.74	.77
2004	61,064	1.24	1.24	5.90	.78

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MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Year Ended 5/31:					
2008	75,205	1.26	1.25	5.86	.84
2007	77,640	1.28	1.24	5.52	.79
2006	76,809	1.23	1.23	5.41	.73
2005	79,443	1.23	1.23	5.40	.74
2004	74,369	1.22	1.22	5.59	.73

Preferred Shares at End of Period			Floating Rate Obligations at End of Period	
Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000

MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

Year Ended 5/31:					
2008	\$32,000	\$25,000	\$71,813	\$1,335	\$69,855
2007	32,000	25,000	73,488	1,133	84,022
2006	32,000	25,000	73,224	--	--
2005	32,000	25,000	75,390	--	--
2004	32,000	25,000	72,706	--	--

MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Year Ended 5/31:					
2008	39,000	25,000	73,208	1,657	69,923
2007	39,000	25,000	74,769	1,400	84,314
2006	39,000	25,000	74,237	--	--
2005	39,000	25,000	75,925	--	--
2004	39,000	25,000	72,672	--	--

* Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in calculation. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

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

See accompanying notes to financial statements.

88-89 spread

Financial
HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

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

Year Ended 5/31:							
2008	\$14.89	\$.88	\$ (.40)	\$ (.22)	\$ (.03)	\$.23	
2007	14.89	.88	.07	(.23)	--*	.72	
2006	15.82	.88	(.59)	(.15)	(.03)	.11	
2005	14.95	.93	.93	(.09)	--	1.77	
2004	15.93	.97	(.99)	(.05)	--	(.07)	
=====							
VIRGINIA DIVIDEND ADVANTAGE (NGB)							

Year Ended 5/31:							
2008	14.98	.95	(.67)	(.22)	(.03)	.03	
2007	14.91	.96	.14	(.24)	--	.86	
2006	15.52	.97	(.54)	(.17)	--	.26	
2005	14.42	.99	1.13	(.09)	--	2.03	
2004	15.43	1.02	(1.05)	(.05)	--	(.08)	
=====							

	Total Returns			
	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**
=====				

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VIRGINIA PREMIUM INCOME (NPV)

Year Ended 5/31:				
2008	\$14.39	\$14.04	(2.94)%	1.56%
2007	14.89	15.24	7.18	4.89
2006	14.89	14.91	(9.98)	0.71
2005	15.82	17.65	24.54	12.13
2004	14.95	14.95	(10.70)	(.42)

VIRGINIA DIVIDEND ADVANTAGE (NGB)

Year Ended 5/31:				
2008	14.21	14.81	(10.58)	.23
2007	14.98	17.51	7.24	5.82
2006	14.91	17.10	5.86	1.74
2005	15.52	16.99	19.11	14.46
2004	14.42	15.07	(8.11)	(.50)

Ratios/Supplemental Data

	Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement	
	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)

VIRGINIA PREMIUM INCOME (NPV)

Year Ended 5/31:					
2008	\$128,512	1.25%	1.23%	6.02%	1.24%
2007	132,900	1.20	1.20	5.80	1.19
2006	132,626	1.19	1.19	5.75	1.17
2005	140,340	1.20	1.20	5.98	1.19
2004	132,122	1.20	1.20	6.33	1.19

VIRGINIA DIVIDEND ADVANTAGE (NGB)

Year Ended 5/31:					
2008	44,512	1.30	1.28	6.28	1.00
2007	46,908	1.27	1.27	5.99	.90
2006	46,626	1.26	1.26	5.93	.82
2005	48,474	1.28	1.28	6.13	.81
2004	44,988	1.24	1.24	6.39	.77

Preferred Shares at End of Period			Floating Rate Obligations at End of Period		
Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000	

VIRGINIA PREMIUM INCOME (NPV)

Year Ended 5/31:					
2008	\$63,800	\$25,000	\$75,357	\$5,250	\$37,631
2007	63,800	25,000	77,077	--	--
2006	63,800	25,000	76,970	--	--
2005	63,800	25,000	79,992	--	--
2004	63,800	25,000	76,772	--	--

VIRGINIA DIVIDEND ADVANTAGE (NGB)

Year Ended 5/31:					
2008	24,000	25,000	71,367	1,865	37,736
2007	24,000	25,000	73,862	--	--
2006	24,000	25,000	73,568	--	--
2005	24,000	25,000	75,493	--	--
2004	24,000	25,000	71,863	--	--

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* Distributions from Capital Gains to Preferred Shareholders rounds to less than \$.01 per share.

** Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in calculation. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

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

See accompanying notes to financial statements.

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HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total
	Beginning Common Share Net Asset Value	Net Investment Income	Realized/Unrealized Gain (Loss)	Distributions from Net Investment Income to Preferred Shareholders+	Distributions from Capital Gains to Preferred Shareholders+		
=====							
VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)							

Year Ended 5/31:							
2008	\$15.08	\$.96	\$ (.61)	\$ (.24)	\$ (.02)	\$.09	
2007	15.02	.96	.11	(.24)	--	.83	
2006	15.70	.95	(.52)	(.18)	(.01)	.24	
2005	14.79	.96	1.13	(.09)	(.01)	1.99	
2004	16.02	.99	(1.22)	(.06)	--	(.29)	
=====							

	Total Returns			
	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value*	Based on Common Share Net Asset Value*
=====				
VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)				

Year Ended 5/31:				
2008	\$14.39	\$14.65	(7.58)%	.63%
2007	15.08	16.73	6.96	5.60
2006	15.02	16.40	3.45	1.53
2005	15.70	16.74	21.96	13.75
2004	14.79	14.65	(3.81)	(1.84)
=====				

	Ratios/Supplemental Data					
	Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement		
Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++
=====						
VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)						

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Year Ended 5/31:					
2008	\$82,472	1.24%	1.22%	6.21%	.90%
2007	86,382	1.21	1.21	5.89	.78
2006	85,887	1.19	1.19	5.75	.73
2005	89,626	1.19	1.19	5.74	.74
2004	84,248	1.20	1.20	5.99	.74

Preferred Shares at End of Period			Floating Rate Obligations at End of Period	
Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

Year Ended 5/31:					
2008	\$42,000	\$25,000	\$74.090	\$3,385	\$37,772
2007	42,000	25,000	76,418	--	--
2006	42,000	25,000	76,123	--	--
2005	42,000	25,000	78,349	--	--
2004	42,000	25,000	75,148	--	--

* Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in calculation. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

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

See accompanying notes to financial statements.

Board Members & 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 (referred to herein as "independent board members") 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 & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATIO INCLUDING DIRECTORS DURING PA
INDEPENDENT BOARD MEMBERS:				
[] ROBERT P. BREMNER 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board member	1997 CLASS III	186	Private I
[] JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board member	1999 CLASS III	186	President private p 1996); Di Fire Grou Member of State of Director, of Coe Co Foundatio Council o the Tippi Universit Alliant E Federal R formerly, Officer, regional
[] WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board member	2004 ANNUAL	186	Dean, Tip Universit formerly, Professor at the Un (2003-200 President Federal R (1995-200 Credit Re Universit Xerox Cor Beta Gamm Society;

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NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATIO INCLUDING DIRECTORS DURING PA
[] DAVID J. KUNDERT 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board member	2005 CLASS II	186	Inc. (May Director, Managemen as Chairm Managemen Investmen President thereto, One Corpo Banc One Member, B member of member of Boerner B Investmen Foundatio
[] WILLIAM J. SCHNEIDER 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board member	1997 ANNUAL	186	Chairman, Chief Ope of Miller estate in Dayton De member, B Cleveland

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NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATIO INCLUDING DIRECTORS DURING PA
INDEPENDENT BOARD MEMBERS:				
[] JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board member	1997 CLASS I	186	Executive Donnelley thereto, Protectio
[] CAROLE E. STONE 6/28/47 333 W. Wacker Drive Chicago, IL 60606	Board member	2007 CLASS I	186	Director, (since 20 Associati Commissio on Public formerly Division Chair, Pu (2000-200 Governmen (2000-200
[] TERENCE J. TOTH(2) 9/29/59 333 W. Wacker Drive Chicago, IL 60606	Board Member	2008 CLASS II	174 (4)	Private I President (2004-200 Quantitat Lending (various p

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Inc. Boar
Hong Kong

INTERESTED BOARD MEMBER:

<p>[] JOHN P. AMBOIAN(2) (3) 6/14/61 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Board Member</p>	<p>2008 CLASS II</p>	<p>174(4)</p>
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formerly,
Advisory
Advisory

OFFICERS OF THE FUND:

<p>[] GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Chief Administrative Officer</p>	<p>1988</p>	<p>186</p>
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Managing
Secretary
formerly,
General C
LLC; Mana
Associate
Secretary
Vice Pres
NWQ Inves
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Inc. (sin
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2007); Ma
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of Ritten
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2004) and
1994) of
formerly,
General C
Secretary
Nuveen In
Chartered

<p>[] WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>2007</p>	<p>120</p>
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Executive
Products
(since 19
Director

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (6)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIPAL OCCUPATIO DURING PA
OFFICERS OF THE FUND:				
[] CEDRIC H. ANTOSIEWICZ 1/11/62 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	120	Managing previousl Nuveen In
[] MICHAEL T. ATKINSON 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	186	Vice Pres Investmen
[] LORNA C. FERGUSON 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	186	Managing Vice Pres LLC, Mana Vice Pres Advisory Advisory (since 20
[] STEPHEN D. FOY 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	186	Vice Pres Controlle Investmen President (1998-200 Certified
[] WALTER M. KELLY 2/24/70 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	186	Senior Vi President Vice Pres Counsel (Investmen 2006) and 2008) of
[] DAVID J. LAMB 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	186	Vice Pres Investmen Accountan
[] TINA M. LAZAR 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	186	Vice Pres (since 19
[] LARRY W. MARTIN 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	186	Vice Pres Assistant Investmen 2005) and Investmen 2005) and 1997) of President

Secretary
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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (6)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIPAL OCCUPATIO DURING PA
OFFICERS OF THE FUND:				
[] KEVIN J. MCCARTHY 3/26/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2007	186	Managing Vice Pres Investmen Assistant Managemen Inc., Nuve Nuveen In Group LLC Company, LLC, NWQ Managemen Managemen LLC and R 2007); Ma formerly, Assistant Investmen Bell, Boy
[] JOHN V. MILLER 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant	2007	186	Managing Vice Pres Investmen Analyst.
[] CHRISTOPHER M. ROHRBACHER 8/1/71 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	186	Vice Pres (since 20 Assistant Managemen and Assis Investmen thereto, Meagher &

[] JAMES F. RUANE 7/3/62 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2007	186
[] MARK L. WINGET 12/21/68 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	186

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- (1) Board Members serve three year terms, except for two board members who are elected by the holders of Preferred Shares. The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Mr. Amboian and Mr. Toth were appointed to the Board of Trustees of certain Nuveen Funds, effective July 1, 2008. In connection with the appointment of Mr. Amboian as trustee, Timothy R. Schwertfeger, an interested trustee, resigned from the Board of Trustees, effective July 1, 2008.
- (3) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (4) Mr. Amboian and Mr. Toth are standing for election to the Boards of twelve Nuveen closed-end funds whose annual meeting on June 30, 2008 was adjourned to July 29, 2008.
- (5) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (6) 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

The Investment Company Act of 1940, as amended (the "1940 Act"), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuance is approved at least annually by the fund's board members, including

by a vote of a majority of the board members who are not parties to the advisory agreement or "interested persons" of any parties (the "Independent Board Members"), cast in person at a meeting called for the purpose of considering such approval. In connection with such approvals, the fund's board members must request and evaluate, and the investment adviser is required to furnish, such information as may be reasonably necessary to evaluate the terms of the advisory agreement. Accordingly, at a meeting held on May 28-29, 2008 (the "May Meeting"), the Boards of Trustees or Directors (as the case may be) (each a "Board" and each Trustee or Director, a "Board Member") of the Funds, including a majority of the Independent Board Members, considered and approved the continuation of the advisory agreement (each, an "Advisory Agreement") between each Fund and Nuveen Asset Management ("NAM") for an additional one-year period. In preparation for their considerations at the May Meeting, the Board also held a separate meeting on April 23, 2008 (the "April Meeting"). Accordingly, the factors considered and determinations made regarding the renewals by the Independent Board Members include those made at the April Meeting.

In addition, in evaluating the Advisory Agreements, as described in further detail below, the Independent Board Members reviewed a broad range of information relating to the Funds and NAM, including absolute performance, fee and expense information for the Funds as well as comparative performance, fee and expense information for a comparable peer group of funds, the performance information of recognized benchmarks (as applicable), the profitability of Nuveen for its advisory activities (which includes its wholly owned subsidiaries), and other information regarding the organization, personnel, and services provided by NAM. The Independent Board Members also met quarterly as well as at other times as the need arose during the year and took into account the information provided at such meetings and the knowledge gained therefrom. Prior to approving the renewal of the Advisory Agreements, the Independent Board Members reviewed the foregoing information with their independent legal counsel and with management, reviewed materials from independent legal counsel describing applicable law and their duties in reviewing advisory contracts, and met with independent legal counsel in private sessions without management present. The Independent Board Members considered the legal advice provided by independent legal counsel and relied upon their knowledge of NAM, its services and the Funds resulting from their meetings and other interactions throughout the year and their own business judgment in determining the factors to be considered in evaluating the Advisory Agreements. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to a Fund's Advisory Agreement. The Independent Board Members did not identify any single factor as all-important or controlling. The Independent Board Members considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of NAM's services, including advisory services and administrative services. The Independent Board Members reviewed materials outlining, among other things, NAM's organization and business; the types of services that NAM or its affiliates provide and are expected to provide to the Funds;

the performance record of the applicable Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line. With respect to personnel, the Independent Board Members evaluated the

background, experience and track record of NAM's investment personnel. In this regard, the Independent Board Members considered the additional investment in personnel to support Nuveen fund advisory activities, including in operations, product management and marketing as well as related fund support functions, including sales, executive, finance, human resources and information technology. The Independent Board Members also reviewed information regarding portfolio manager compensation arrangements to evaluate NAM's ability to attract and retain high quality investment personnel.

In evaluating the services of NAM, the Independent Board Members also considered NAM's ability to supervise the Fund's other service providers and given the importance of compliance, NAM's compliance program. Among other things, the Independent Board Members considered the report of the chief compliance officer regarding the Funds' compliance policies and procedures.

In addition to advisory services, the Independent Board Members considered the quality of administrative services provided by NAM and its affiliates including product management, fund administration, oversight of service providers, shareholder services, administration of Board relations, regulatory and portfolio compliance and legal support.

In addition to the foregoing services, the Independent Board Members also noted the additional services that NAM or its affiliates provide to closed-end funds, including, in particular, its secondary market support activities and the costs of such activities. The Independent Board Members recognized Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a variety of programs designed to raise investor and analyst awareness and understanding of closed-end funds. These efforts include maintaining an investor relations program to timely provide information and education to financial advisers and investors; providing advertising and marketing for the closed-end funds; maintaining its closed-end fund website; and providing educational seminars. With respect to closed-end funds that utilize leverage through the issuance of auction rate preferred securities ("ARPS"), the Board has recognized the unprecedented market conditions in the auction rate market industry with the failure of the auction process. The Independent Board Members noted Nuveen's efforts and the resources and personnel employed to analyze the situation, explore potential alternatives and develop and implement solutions that serve the interests of the respective Fund and all of its shareholders. The Independent Board Members further noted Nuveen's commitment and efforts to keep investors and financial advisers informed as to its progress in addressing the ARPS situation through, among other things, conference calls, press releases, and information posted on its website as well as its refinancing activities. The Independent Board Members also noted Nuveen's continued support for holders of preferred shares of its closed-end funds by, among other things, seeking distribution for preferred shares with new market participants, managing relations with remarketing agents and the broker community, maintaining the leverage and risk management of leverage and maintaining systems necessary to test compliance with rating agency criteria.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the respective Funds under the Advisory Agreements were satisfactory.

B. THE INVESTMENT PERFORMANCE OF THE FUNDS AND NAM

The Board considered the investment performance of each Fund, including the Fund's historic performance as well as its performance compared to funds with similar investment objectives (the "Performance Peer Group") based on data provided by an independent third party (as described below). The Independent Board Members also reviewed portfolio level performance (which does not reflect fund level fees, expenses and leverage), as described in further detail below.

ANNUAL INVESTMENT MANAGEMENT AGREEMENT
APPROVAL PROCESS (continued)

In evaluating the performance information, the Board considered whether the Fund has operated within its investment objectives and parameters and the impact that the investment mandates may have had on performance. In addition, in comparing a Fund's performance with that of its Performance Peer Group, the Independent Board Members took into account that the closest Performance Peer Group in certain instances may not adequately reflect the respective Fund's investment objectives and strategies thereby hindering a meaningful comparison of the Fund's performance with that of the Performance Peer Group.

With respect to state specific municipal funds, the Independent Board Members also recognized that certain funds lack comparable peers in which case their performance is measured against a more general municipal category for various states. The closed-end municipal funds that do not have corresponding state-specific Performance Peer Groups are from states other than New York, California, Florida, New Jersey, Michigan, and Pennsylvania.

With respect to municipal funds, the Independent Board Members reviewed performance information including, among other things, total return information compared with the Fund's Performance Peer Group and recognized benchmarks for the one-, three- and five-year periods (as applicable) ending December 31, 2007 and with the Performance Peer Group for the quarter and same yearly periods ending March 31, 2008. The Independent Board Members also reviewed the Fund's portfolio level performance (which does not reflect fund level fees and expenses (and leverage for closed-end funds)) compared to recognized benchmarks for the one- three, and five-year periods ending December 31, 2007 (as applicable). The analysis was used to assess the efficacy of investment decisions against appropriate measures of risk and total return, within specific market segments. This information supplemented the Fund performance information provided to the Board at each of its quarterly meetings. Based on their review, the Independent Board Members determined that each Fund's investment performance over time had been satisfactory.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

The Board evaluated the management fees and expenses of each Fund reviewing, among other things, such Fund's gross management fees (which take into account breakpoints), net management fees (which take into account fee waivers or reimbursements) and total expense ratios (before and after expense reimbursements and/or waivers) in absolute terms as well as compared to the gross management fees, net management fees (after waivers and/or reimbursements) and total expense ratios (before and after waivers) of a comparable universe of unaffiliated funds based on data provided by an independent data provider (the "Peer Universe") and/or a more focused subset of funds therein (the "Peer Group"). The Independent Board Members further reviewed data regarding the construction of Peer Groups as well as the methods of measurement for the fee and expense analysis and the performance analysis. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as the size of the Fund relative to peers, the size and particular composition of the Peer Group, the investment objectives of the peers, expense anomalies, and the timing of

information used may impact the comparative data, thereby limiting the ability to make a meaningful comparison. With respect to closed-end funds, the Independent Board Members also considered, among other things, the differences in the use of leverage and with respect to municipal funds, the Independent Board Members considered the differences in the use of insurance as well as the states reflected in a respective Peer Group for the state municipal funds (such as the use of a general "other states" category for closed-end state funds (other than New York and California)). In reviewing the fee schedule for a Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain closed-end funds launched

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since 1999). Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund's management fees and net total expense ratio were reasonable in light of the nature, extent and quality of services provided to the Fund.

2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Independent Board Members further reviewed information regarding the nature of services and fee rates offered by NAM to other clients. With respect to municipal funds, such other clients include NAM's municipal separately managed accounts. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Funds and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Funds. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that the range of services provided to the Funds (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the products, particularly the extensive services provided to the Funds, the Independent Board Members believe such facts justify the different levels of fees.

3. PROFITABILITY OF NUVEEN

In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities (which incorporated Nuveen's wholly-owned affiliated sub-advisers) and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last two years and the allocation methodology used in preparing the profitability data. The Independent Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they had also appointed an Independent Board Member as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members considered Nuveen's profitability compared with other fund sponsors prepared by two independent third party service

providers as well as comparisons of the revenues, expenses and profit margins of various unaffiliated management firms with similar amounts of assets under management prepared by Nuveen.

In reviewing profitability, the Independent Board Members recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations.

Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members recognized Nuveen investment in its fund business.

Based on its review, the Independent Board Members concluded that Nuveen's level of profitability for its advisory activities was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to NAM by the Funds as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates receive, or are expected to receive, that are directly attributable to the

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ANNUAL INVESTMENT MANAGEMENT AGREEMENT
APPROVAL PROCESS (continued)

management of the Funds, if any. See Section E below for additional information on indirect benefits NAM may receive as a result of its relationship with the Funds. Based on their review of the overall fee arrangements of each Fund, the Independent Board Members 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

With respect to economies of scale, the Independent Board Members recognized the potential benefits resulting from the costs of a Fund being spread over a larger asset base. The Independent Board Members therefore considered whether the Funds have appropriately benefited from any economies of scale and whether there is potential realization of any further economies of scale. In considering economies of scale, the Independent Board Members have recognized that economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. Notwithstanding the foregoing, one method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Accordingly, the Independent Board Members reviewed and considered the fund-level breakpoints in the advisory fee schedules that reduce advisory fees. In this regard, given that the Funds are closed-end funds, the Independent Board Members recognized that although the Funds may from time to time make additional share offerings, the growth in their assets will occur primarily through appreciation of such Fund's investment portfolio.

In addition to fund-level advisory fee breakpoints, the Board also considered the Funds' complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. In evaluating the complex-wide fee arrangement, the Independent Board Members recognized that the complex-wide fee schedule was recently revised in 2007 to provide for additional fee savings to shareholders and considered the amended schedule. The Independent Board Members further considered that the complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular Fund are unchanged or have decreased. The approach reflects the notion that some of Nuveen's costs are attributable to services provided to all its Funds in the complex and therefore all Funds benefit if these costs are spread over a larger asset base. Based on their review, the Independent Board Members concluded that the breakpoint schedule and complex-wide fee arrangement were acceptable and desirable in providing benefits from economies of scale to shareholders.

E. INDIRECT BENEFITS

In evaluating fees, the Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits NAM or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Independent Board Members considered revenues received by affiliates of NAM for serving as agent at Nuveen's preferred trading desk and for serving as a co-manager in the initial public offering of new closed-end exchange traded funds.

In addition to the above, the Independent Board Members considered whether NAM received any benefits from soft dollar arrangements whereby a portion of the commissions paid by a Fund for brokerage may be used to acquire research that may be useful to NAM in managing the assets of the Funds and other clients. The Independent Board Members noted that NAM does not currently have any soft dollar arrangements; however, to the extent certain bona fide agency transactions that occur on markets that traditionally trade on a principal basis and riskless principal transactions are considered as generating "commissions," NAM intends to comply with the applicable safe harbor provisions.

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Based on their review, the Independent Board Members concluded that any indirect benefits received by NAM as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. OTHER CONSIDERATIONS

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the Advisory Agreements are fair and reasonable, that NAM's fees are reasonable in light of the services provided to each Fund and that the Advisory Agreements be renewed.

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Reinvest Automatically
EASILY and CONVENIENTLY

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

NUVEEN CLOSED-END FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of 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. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. 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.

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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.

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Glossary of
TERMS USED in this REPORT

- [] AUCTION RATE BOND: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed", with current holders receiving a formula-based interest rate until the next scheduled auction.
- [] AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- [] AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.
- [] INVERSE FLOATERS: Inverse floating rate securities are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder

of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

- [] **LEVERAGE-ADJUSTED DURATION:** Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.
- [] **MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD):** An investment's current annualized dividend divided by its current market price.
- [] **NET ASSET VALUE (NAV):** A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any Preferred 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.
- [] **ZERO COUPON BOND:** A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

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Other Useful INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the twelve-month period ended June 30, 2007, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities 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 (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

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References Section at 100 F Street NE, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

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

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

BOARD OF TRUSTEES

John P. Amboian
Robert P. Bremner
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Judith M. Stockdale
Carole E. Stone
Terence J. Toth

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

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

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Chicago, IL

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

SERVING INVESTORS FOR GENERATIONS

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

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

We offer many different investing solutions for our clients' different needs.

Managing \$153 billion in assets, as of March 31, 2008, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under six distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; Symphony, a leading institutional manager of market-neutral alternative investment portfolios; Santa Barbara, a leader in growth equities; and Tradewinds, a leader in global equities.

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

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

EAN-A-0508D

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 code, click on the Shareholder 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, 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 Maryland 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 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 (1)	AUDIT-RELATED FEES BILLED TO FUND (2)	TAX BILLED TO
May 30, 2008	\$ 10,711	\$ 0	\$ 50
Percentage approved pursuant to pre-approval exception	0%	0%	0
May 31, 2007	\$ 9,445	\$ 0	\$

Percentage approved pursuant to pre-approval exception	0%	0%	0%
--------------------------------------------------------	----	----	----

- (1) "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees".
- (3) "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) "All Other Fees" are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.

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	ALL OTHER FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS
May 30, 2008	\$ 0	\$ 0	\$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%

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May 31, 2007	\$ 0	\$ 0	\$
Percentage approved pursuant to pre-approval exception	0%	0%	0

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. 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)	TOTAL NON-AUDIT FEES BILLED TO AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND)
May 30, 2008	\$ 1,300	\$ 0	\$
May 31, 2007	\$ 2,250	\$ 0	\$

"Non-Audit Fees billed to Adviser" for both fiscal year ends represent "Tax Fees" billed to Adviser in their respective amounts from the 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

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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)). As of May 31, 2008, the members of the audit committee are Robert P. Bremner, Jack B. Evans, William J. Schneider and David J. Kundert.

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.

The registrant invests its assets primarily in municipal bonds and cash management securities. On rare occasions the registrant may acquire, directly or through a special purpose vehicle, equity securities of a municipal bond issuer whose bonds the registrant already owns when such bonds have deteriorated or are expected shortly to deteriorate significantly in credit quality. The purpose of acquiring equity securities generally will be to acquire control of the municipal bond issuer and to seek to prevent the credit deterioration or facilitate the liquidation or other workout of the distressed issuer's credit problem. In the course of exercising control of a distressed municipal issuer, NAM may pursue the registrant's interests in a variety of ways, which may entail negotiating and executing consents, agreements and other arrangements, and otherwise influencing the management of the issuer. NAM does not consider such activities proxy voting for purposes of Rule 206(4)-6 under the 1940 Act, but nevertheless provides reports to the registrant's Board of Trustees on its control activities on a quarterly basis.

In the rare event that a municipal issuer were to issue a proxy or that the registrant were to receive a proxy issued by a cash management security, NAM 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 registrant's Board of Trustees or its representative. A member of NAM's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed with the SEC on Form N-PX, and the results provided to the registrant's Board of Trustees and made available to shareholders as required by applicable rules.

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

THE PORTFOLIO MANAGER

The following individual has primary responsibility for the day-to-day implementation of the registrant's investment strategies:

NAME	FUND	
Cathryn P. Steeves	Nuveen Maryland Dividend Advantage Municipal Fund 3	

Other Accounts Managed. In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

PORTFOLIO MANAGER	TYPE OF ACCOUNT MANAGED	NUMBER OF ACCOUNTS	ASSETS
Cathryn P. Steeves	Registered Investment Company	41	\$8.245 billion
	Other Pooled Investment Vehicles	0	\$0
	Other Accounts	0	\$0

* Assets are as of May 31, 2008. None of the assets in these accounts are subject to an advisory fee based on performance.

Compensation. Each portfolio manager's compensation consists of three basic elements--base salary, cash bonus and long-term incentive compensation. The compensation strategy is to annually compare overall compensation to the market in order to create a compensation structure that is competitive and consistent with similar financial services companies. As discussed below, several factors are considered in determining each portfolio manager's total compensation. In any year these factors may include, among others, the effectiveness of the investment strategies recommended by the portfolio manager's investment team, the investment performance of the accounts managed by the portfolio manager, and the overall performance of Nuveen Investments, Inc. (the parent company of NAM). Although investment performance is a factor in determining the portfolio manager's compensation, it is not necessarily a decisive factor. The portfolio manager's performance is evaluated in part by comparing manager's performance against a specified investment benchmark. This fund-specific benchmark is a customized subset (limited to bonds in each Fund's specific state and with certain maturity parameters) of the S&P/Investortools Municipal Bond index, an index comprised of bonds held by managed municipal bond fund customers of Standard & Poor's Securities Pricing, Inc. that are priced daily and whose fund holdings aggregate at least \$2 million. As of June 30, 2008, the S&P/Investortools Municipal Bond index was comprised of 52,385 securities with an aggregate current market value of \$1,052 billion.

Base salary. Each portfolio manager is paid a base salary that is set at a level determined by NAM in accordance with its overall compensation strategy discussed above. NAM is not under any current contractual obligation to increase a portfolio manager's base salary.

Cash bonus. Each portfolio manager is also eligible to receive an annual cash bonus. The level of this bonus is based upon evaluations and determinations made by each portfolio manager's supervisors, along with reviews submitted by his peers. These reviews and evaluations often take into account a number of factors, including the effectiveness of the investment strategies recommended to the NAM's investment team, the performance of the accounts for which he serves as portfolio manager relative to any benchmarks established for those accounts, his effectiveness in communicating investment performance to stockholders and their representatives, and his contribution to the NAM's investment process and to the execution of investment strategies. The cash bonus component is also impacted by the overall performance of Nuveen Investments, Inc. in achieving its business objectives.

Long-term incentive compensation. In connection with the acquisition of Nuveen Investments, Inc., by a group of investors lead by Madison Dearborn Partners in November 2007, certain employees, including portfolio managers, received profit interests in Nuveen's parent. These profit interests entitle the holders to participate in the appreciation in the value of Nuveen beyond the issue date and vest over five to seven years, or earlier in the case of a liquidity event.

Material Conflicts of Interest. Each portfolio manager's simultaneous management of the registrant and the other accounts noted above may present actual or apparent conflicts of interest with respect to the allocation and aggregation of securities orders placed on behalf of the Registrant and the other account. NAM, however, believes that such potential conflicts are mitigated by the fact that the NAM has adopted several policies that address potential conflicts of interest, including best execution and trade allocation policies that are designed to ensure (1) that portfolio management is seeking the best price for portfolio securities under the circumstances, (2) fair and equitable allocation of investment opportunities among accounts over time and (3) compliance with applicable regulatory requirements. All accounts are to be treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or preference of the portfolio manager, although the allocation procedures may provide allocation preferences to funds with special characteristics (such as favoring state funds versus national funds for

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allocations of in-state bonds). In addition, NAM has adopted a Code of Conduct that sets forth policies regarding conflicts of interest.

Beneficial Ownership of Securities. As of May 31, 2008, the portfolio manager beneficially owned the following dollar range of equity securities issued by the Registrant and other Nuveen Funds managed by NAM's municipal investment team.

NAME OF PORTFOLIO MANAGER	FUND	DOLLAR RANGE OF EQUITY SECURITIES BENEFICIALLY OWNED IN FUND	DOLLAR RANGE OF EQUITY SECURITIES BENEFICIALLY OWNED IN THE NUVEEN MUNICIPAL INVESTMENT
Cathryn P. Steeves	Nuveen Maryland Dividend Advantage Municipal Fund 3	\$0	\$10,000,000

PORTFOLIO MANAGER BIO:

Cathryn P. Steeves, PhD is currently a portfolio manager for 42 state-specific municipal bond funds. She joined Nuveen in 1996 and worked as a senior analyst in the healthcare sector. Ms. Steeves has an undergraduate degree from Wake Forest University as well as an MA, an MPhil and a PhD from Columbia University.

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 registrants 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.

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

(a) (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because 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 Maryland Dividend Advantage Municipal Fund 3

By (Signature and Title) /s/ Kevin J. McCarthy

Kevin J. McCarthy
Vice President and Secretary

Date: August 7, 2008

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

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(principal executive officer)

Date: August 7, 2008

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

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

Date: August 7, 2008