

NUVEEN NEW JERSEY DIVIDEND ADVANTAGE MUNICIPAL FUND
Form N-CSR
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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 811-09455

Nuveen New Jersey Dividend Advantage Municipal Fund
(Exact name of registrant as specified in charter)

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(Address of principal executive offices) (Zip code)

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

Date of fiscal year end: April 30

Date of reporting period: April 30, 2015

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

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Chairman's Letter to Shareholders

Dear Shareholders,

A pattern of divergence has emerged in the past year. Steady and moderate growth in the U.S. economy helped sustain the stock market's bull run another year. U.S. bonds also performed well, amid subdued inflation, interest rates that remained unexpectedly low and concerns about the economic well-being of the rest of the world. The stronger domestic economy enabled the U.S. Federal Reserve (Fed) to gradually reduce its large scale bond purchases, known as quantitative easing (QE), without disruption to the markets, as well as beginning to set expectations for a transition into tightening mode.

The economic story outside the U.S. continues to improve. Despite the drama over Greece's debt negotiations, the European economy appears to be stabilizing. Japan is on a moderate recovery path as it emerged from recession late last quarter. China's economy decelerated and, despite running well above the rate of other major global economies, investors feared it looked slow by China's standards. Some areas of concern were a surprisingly steep decline in oil prices, the U.S. dollar's rally and an increase in geopolitical tensions, including the Russia-Ukraine crisis and terrorist attacks across the Middle East and Africa, as well as more recently in Europe.

While a backdrop of healthy economic growth in the U.S. and the continuation of accommodative monetary policy (with the central banks of Japan and Europe stepping in where the Fed has left off) bodes well for the markets, the global outlook has become more uncertain. Indeed, volatility is likely to feature more prominently in the investment landscape going forward. Such conditions underscore the importance of professional investment management. Experienced investment teams have weathered the market's ups and downs in the past and emerged with a better understanding of the sensitivities of their asset class and investment style, particularly in times of turbulence. We recognize the importance of maximizing gains, while striving to minimize volatility.

And, the same is true for investors like you. Maintaining an appropriate time horizon, diversification and relying on practiced investment teams are among your best strategies for achieving your long-term investment objectives. Additionally, I encourage you to communicate with your financial consultant if you have questions about your investment in a Nuveen Fund. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

William J. Schneider
Chairman of the Board
June 22, 2015

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Portfolio Manager's Comments

Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ)
 Nuveen New Jersey Municipal Value Fund (NJV)
 Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)
 Nuveen Pennsylvania Municipal Value Fund (NPN)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio manager Paul L. Brennan, CFA, reviews U.S. economic and municipal market conditions, key investment strategies and the twelvemonth performance of the Nuveen New Jersey and Pennsylvania Funds. Paul assumed portfolio management responsibility for these four Funds in 2011.

FUND REORGANIZATIONS

During November 2013, the New Jersey Funds' Board of Directors/Trustees approved a series of reorganizations for certain Funds included in this report (the Target Funds) to create one, larger-state Fund (the Acquiring Fund).

The reorganizations are as follows:

Target Funds	Symbol	Acquiring Fund	Symbol
Nuveen New Jersey Investment Quality Municipal Fund, Inc.	NQJ	Nuveen New Jersey Dividend Advantage Municipal Fund	NXJ
Nuveen New Jersey Premium Income Municipal Fund, Inc.	NNJ		
Nuveen New Jersey Dividend Advantage Municipal Fund 2	NUJ		

On October 20, 2014, the reorganizations were approved by shareholders and the reorganizations became effective before the opening of business on November 11, 2014.

See Notes to Financial Statements, Note 1 – General Information and Significant Accounting Policies, Fund Reorganizations for further information.

What factors affected the U.S. economy and the national municipal bond market during the twelve-month reporting period ended April 30, 2015?

During this reporting period, the U.S. economy continued to expand at a moderate pace. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its October 2014 meeting, the Fed announced that it would end its bond-buying stimulus program as of November 1, 2014, after tapering its monthly asset purchases of mortgage-backed and longer-term Treasury securities from the original \$85 billion per month to \$15 billion per

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio manager as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc., (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

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Portfolio Manager's Comments (continued)

month over the course of seven consecutive meetings (December 2013 through September 2014). In making the announcement, the Fed cited substantial improvement in the outlook for the labor market since the inception of the current asset purchase program as well as sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability. The Fed also reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions. Additionally, the Fed stated that it would likely maintain the current target range for the fed funds rate for a considerable time after the end of the asset purchase program, especially if projected inflation continues to run below the Fed's 2% longer run goal. However, if economic data shows faster progress, the Fed indicated that it could raise the fed funds rate sooner than expected.

The Fed changed its language slightly in December, indicating it would be "patient" in normalizing monetary policy. This shift helped ease investors' worries that the Fed might raise rates too soon. However, as employment data released early in the year continued to look strong, anticipation began building that the Fed could raise its main policy rate as soon as June. As widely expected, after its March meeting, the Fed eliminated "patient" from its statement but also highlighted the policy makers' less optimistic view of the economy's overall health as well as downgraded their inflation projections. The Fed's April meeting seemed to further signal that a June rate hike was off the table. While the Fed attributed the first quarter's economic weakness to temporary factors, the meeting minutes from April revealed that many Committee members believed the economic data available in June would be insufficient to meet the Fed's criteria for initiating a rate increase.

According to the government's second estimate, the U.S. economy contracted at a 0.7% annualized rate in the first quarter of 2015, as measured by GDP, compared with an increase of 4.6% in the second quarter of 2014, 5.0% in the third quarter and 2.2% in the fourth quarter. The decline in real GDP growth rate from the fourth quarter of 2014 to the first quarter of 2015 primarily reflects a downturn in both state and local government spending, a decline in exports and consumer spending. These were partly offset by an upturn in federal government spending. The Consumer Price Index (CPI) fell 0.2% year-over-year as of April 2015. The core CPI (which excludes food and energy) increased 1.8% during the same period, below the Fed's unofficial longer term inflation objective of 2.0%. As of April 30, 2015, the national unemployment rate was 5.4%, the lowest level since May 2008 and the level considered "full employment" by some Fed officials, down from the 6.2% reported in April 2014. The housing market continued to post consistent gains, with 35 consecutive months of year-over-year increases as of its most recent reading in March 2015. The average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 5.0% for the twelve months ended March 2015 (most recent data available at the time this report was prepared).

Municipal bonds enjoyed strong performance during the twelve-month reporting period, buoyed by a backdrop of low interest rates, improving investor sentiment and favorable supply-demand dynamics. Interest rates were widely expected to rise in 2014, as the economy improved and the Fed wound down its asset purchases. However, the 10-year Treasury yield ended the year even lower than where it began. As a result, fixed income asset classes performed surprisingly well (as yields fall, prices rise and vice versa). At the same time, investors grew more confident that the Fed's tapering would proceed at a measured pace and that the credit woes of Detroit and Puerto Rico would be contained. In addition, credit fundamentals for state and local governments were generally stabilizing, although pockets of trouble remained. California and New York showed marked improvements during 2014, whereas Illinois, New Jersey and Puerto Rico, for example, still face considerable challenges.

Investors' declining risk aversion bolstered demand for higher yielding assets, including municipal bonds, which reversed the tide of outflows municipal bond funds suffered in 2013. While demand and inflows rose, supply continued to be subdued in 2014. More municipal bonds left the market than were added, a condition known as net negative issuance. Part of the reason for net negative issuance was that a significant portion of issuer activity focused

on current refundings, in which a new bond is issued to replace the called bond (in contrast to an advanced refunding, where the called bond remains in the market as a pre-refunded bond).

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These factors helped drive municipal bond yields lower and tightened yield spreads relative to Treasuries in 2014 overall. However, as 2015 began, market conditions turned more volatile. A series of disappointing economic data underscored the fragility of the U.S. recovery, as well as cast further uncertainty on the timing of the Fed's first rate hike. Issuance was unusually strong at the beginning of 2015, fueling concerns about potential oversupply conditions. Over the twelve months ended April 30, 2015, municipal bond issuance nationwide totaled \$391.9 billion, an increase of 30.8% from the issuance for the twelve-month period ended April 30, 2014. The surge in gross issuance is due mostly to increased refunding deals as issuers have been actively and aggressively refunding their outstanding debt given the very low interest rate environment. These refunding transactions have ranged from 40%-60% of total issuance over the past few years. Thus, the net issuance (all bonds issued less bonds redeemed) is actually much lower than the gross issuance. In fact, the total municipal bonds outstanding has actually declined in each of the past four calendar years. So, the gross is surging, but the net is not and this has been an overall positive technical factor on municipal bond investment performance. At the same time, regulatory changes, increased risk aversion and expectations for rising interest rates have encouraged bond dealers, typically brokers and banks, to reduce the size of their inventories in recent years. By holding smaller amounts of bonds on their books, dealers seek to mitigate their exposure to bonds that could potentially be worth less or be more difficult to sell in the future. As a result, there has been less liquidity in the marketplace, which contributed to periods of increased price volatility in early 2015. The municipal bond market also experienced some seasonal weakness in the first few months of 2015 due to tax-related selling. Finally, divergence in economic growth and central bank policies around the world have reinforced an interest rate differential that favors demand for U.S. Treasuries, maintaining downward pressure on yields.

How were the economic and market environments in New Jersey and Pennsylvania during the twelve-month reporting period ended April 30, 2015?

New Jersey's economy continues to struggle despite favorable characteristics that position it to do quite well, such as its proximity to New York City's extensive job market, a shoreline along the Atlantic coast that benefits a strong tourism industry, and two large transportation hubs in the Port of New York and Newark and Newark airport. While the state's economy is fairly diverse and average wages are above national counterparts in nearly every sector, it has lagged its neighbors and the nation in recovering from the recession. New Jersey has the slowest job growth rate in the northeast and total employment remains below pre-recession levels. The state's unemployment rate as of April 2015 stood at 6.5%, well above the national average of 5.4%. The sluggishness of the state's economy exacerbates fiscal pressures caused by growing pension, retirement health care, and debt service payments. In Fiscal Year 2015 expenditures on these three line items constitutes 17% of budgeted revenues. The state was to make significantly higher pension contributions in FY15 but opted to contribute a much lower amount. Labor groups challenged this move and the legal action made its way to the New Jersey Supreme Court which found that the state could contribute less than originally agreed to under the terms of current labor agreements. The court found that in order for the contributions to be binding that they would need to be voter-approved; as the pension contributions were not voter-approved there was no requirement on the part of the state to make the larger payments. The \$33 billion Fiscal Year 2016 budget proposed by Governor Christie underfunds the court-mandated pension payment by more than half. The budget also fails to appropriate any new money for transportation capital projects; instead, all revenues generated by the state's gas tax goes to pay debt service. Maintaining and upgrading infrastructure is key to economic growth and the state has put itself at a disadvantage by overleveraging these revenues. The state has been downgraded several times in recent years and now carries an A rating by S&P, an A2 with negative outlook by Moody's and an A with negative outlook by Fitch. For the twelve months ending April 30, 2015, the state issued \$10.6 billion in tax-exempt debt, a year-over-year increase of 18.2%.

Pennsylvania's recovery has been a slow one. During the downturn, the commonwealth's job losses were significant, but less so than nationally. Coming out of the recession, there was a quicker recovery of jobs lost in the commonwealth but the pace of employment growth has moderated. As of April 2015, Pennsylvania's unemployment rate was 5.3%, down from 6.0% in April 2014 and below the

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national average of 5.4% for April 2015. Education and health services, which are among the more stable industries, remain the commonwealth's largest employment sector at 20.2% of total employment. The natural gas industry continues to develop in the Marcellus Shale in western Pennsylvania. It is still relatively small compared to the Pennsylvania economy as a whole and the drop in natural gas prices has led to recent spending cutbacks among the gas producers. Offsetting this downside risk is the growth in investments in pipelines, processing centers, and refineries to transport natural gas liquids to other locations. On the fiscal front, Pennsylvania faces increasing pressure from a structurally unbalanced budget and the need for pension reform to address growing debt levels following years of underfunding and market-driven investment declines. The gap between planned expenditures and expected revenues in the current budget year has opened an operating shortfall of approximately \$1.75 billion. The executive budget plan for Fiscal 2015-2016 is a bold one that proposes to raise approximately \$4 billion in new revenue from increases in the personal income tax rate and in the sales and use tax. However, prior attempts to increase these taxes in 2008 and 2009 both failed to pass in the legislature. The governor's budget plan also includes the issuance of \$3 billion of pension obligation bonds to help alleviate the budgetary pressures for the commonwealth from the growing pension contributions. Currently, Pennsylvania's unfunded pension liability is estimated at \$53 billion, split between the State Employees Retirement System and the Public School Employees Retirement System. As of April 2015, Pennsylvania's GO debt was rated Aa3 by Moody's and AA- by S&P and Fitch. All three rating agencies had downgraded Pennsylvania GOs by one notch in 2014. For the twelve months ended April 2015, \$16.3 billion in new municipal bonds were issued in the commonwealth, an increase of 82% from the previous twelve months.

What key strategies were used to manage these Funds during the twelve-month reporting period ended April 30, 2015?

A backdrop of supportive technical and fundamental factors helped sustain the municipal market's rally during this reporting period. In the first nine months of the reporting period, yields fell sharply, particularly in the intermediate to longer maturity ranges, then plodded slightly upward in the subsequent three months. The overall decline in interest rates helped sustain a general rise in municipal bond prices for the reporting period as a whole. In general, Pennsylvania municipal paper outperformed the national market, while municipal bonds issued in New Jersey tended to lag the overall municipal market return for the reporting period. During this time, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believed had the potential to perform well over the long term.

While municipal supply nationally, as well as in New Jersey and Pennsylvania, improved during this twelve-month reporting period over that of the previous twelve months, much of this increase was attributable to refunding activity as bond issuers, prompted by low interest rates, sought to lower debt service costs by retiring older bonds from the proceeds of lower cost new bond issues. While some of this activity continued to be current refundings (in which the refunded bond matures or is redeemed within 90 days and therefore has no net effect on supply), we began to see an uptick in advance refundings (in which the refunded bond remains outstanding up to several more years). The increase in advance refundings contributed to greater supply in the marketplace, broadly speaking.

Much of our investment activity focus was on reinvesting the cash generated by current calls into bonds with intermediate and longer maturities that could help us offset the decline in rates and maintain investment performance potential. We also boosted the Funds' exposure to credits with lower investment grade ratings, primarily A rated bonds. These Funds were well positioned coming into the reporting period, so we could be selective in looking for opportunities to purchase bonds that added value and continued to help us achieve our goals for the Funds.

During this reporting period, the New Jersey Funds found value in diversified areas of the marketplace, including transportation and health care. Additions in the transportation sector included tollroad bonds issued for bridges that

connect New Jersey with both Delaware and Pennsylvania. The projects are managed by bi-state agencies, the Delaware River Port Authority and the Delaware River Joint Toll Bridge (New Jersey and Pennsylvania) and the Delaware River and Bay Authority (New Jersey and Delaware) and the bonds they issue are tax-exempt in both of their respective states. The two New Jersey Funds also bought New Jersey Transit Authority bonds for the state's mass transit system. In health care, we added to the Funds' positions in A rated bonds issued for Robert Wood Johnson University Hospital, one of the premier hospitals in the state.

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Given the State of New Jersey's ongoing fiscal challenges, we continued to limit exposure to state-supported obligations. We did buy a Jersey City University credit, which is partly subsidized by the state, but has less exposure to state government risk because it also receives tuition revenues. We also emphasized opportunities at the local (county and city/township) level, where many higher rated borrowers were issuing debt that we found attractive. Although the higher ratings of these local bonds offered lower yields, we believed the trade-off was worthwhile given the State's recent credit downgrade (described in the performance section of this report), the relative underperformance of state-supported bonds and our goal to keep the Funds fully invested.

Buying activity in the Pennsylvania Funds was most active in the health care, tax obligation and higher education categories. Similar to New Jersey, Pennsylvania's fiscal situation is hampered by an aging population, a lagging jobs recovery and pension legacy issues, to name a few concerns. As such, we similarly sought to minimize exposure to its state government-backed bonds.

Cash for purchases was generated primarily by proceeds from called and matured bonds, which we worked to redeploy to keep the Funds fully invested and support their income streams. As previously mentioned, call activity was elevated during the reporting period, providing ample cash and driving much of our trading. We sold some higher rated bonds to help preserve the Funds' overweight allocations to lower rated segments, as well as decreased exposure to New Jersey State-backed bonds in NXJ and NJV.

As of April 30, 2015, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the twelve-month reporting period ended April 30, 2015?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year, ten-year and since inception periods ended April 30, 2015. Each Fund's total returns at common share net asset value (NAV) are compared with the performance of corresponding market indexes and Lipper classification averages.

For the twelve months ended April 30, 2015, the total returns at common share NAV for the Nuveen New Jersey and Pennsylvania Funds exceeded the returns for their respective state's S&P Municipal Bond Index as well as the national S&P Municipal Bond Index. For the same period, the two New Jersey Funds lagged the average return for the Lipper New Jersey Municipal Debt Funds Classification Average, while NQP outperformed the Lipper Pennsylvania Municipal Debt Funds Classification Average and NPN underperformed this Lipper average.

Key management factors that influenced the Funds' returns included duration and yield curve positioning, credit exposure and sector allocation. Keeping the Funds fully invested throughout the reporting period also was beneficial for performance. In addition, the use of regulatory leverage was an important positive factor affecting the performance of NXJ and NQP. One of the reasons that NJV and NPN trailed the other corresponding state Funds in this report for the twelve-month reporting period was that these two Funds do not use regulatory leverage. Leverage is discussed in more detail later in the Fund Leverage section of this report.

During this reporting period, municipal bonds with intermediate and longer maturities generally outperformed those with shorter maturities. In general, the Funds' durations and yield curve positioning were positive for performance. Consistent with our long term strategy, these Funds tended to have longer durations than the municipal market in general, with overweightings in the longer parts of the yield curve that performed well and underweightings in the underperforming shorter end of the curve. This was especially true in NQP, which had the longest duration among the four Funds and its greater sensitivity to changes in interest rates benefited NQP's performance. Overall, duration and yield curve positioning was the major driver of performance and differences in positioning accounted for much of the

differences in performance.

During this reporting period, lower rated bonds generally outperformed higher quality bonds, as the municipal market rally continued and investors became more willing to accept risk. These Funds tended to have overweights in A rated and BBB rated bonds and underweights in the AAA rated and AA rated categories relative to their benchmark and credit exposure was generally

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Portfolio Manager's Comments (continued)

positive for their performance. As with duration, differences in credit allocation accounted for some of the differences in performance. NXJ, for example, had the highest allocation to bonds rated AAA and AA, which slightly hampered its performance.

Among the municipal market sectors, tobacco, health care (especially hospitals), industrial development revenue (IDR) and transportation (especially toll roads) were some of the top-performing groups during this reporting period. Tobacco bonds performed well due to their lower credit quality and the broader demand for higher yields. Health care, IDR and transportation bonds also benefited from investor demand for lower rated credits, as well as generally improving credit fundamentals across these sectors. NXJ and NJV maintained overweight allocations in the health care sector, which was advantageous to performance. Not only does the sector include many A rated credits, it also benefited from a rising trend of hospital consolidations in New Jersey. The two Funds' allocations to New Jersey-issued tobacco bonds, transportation and utilities also delivered positive performance during this reporting period. NQP and NPN were most helped by their allocations to the health care, higher education, tax obligation (both general and limited) and transportation sectors.

The poorest performing market segment for the reporting period was pre-refunded bonds, which are often backed by U.S. Treasury securities. The underperformance of these bonds relative to the market can be attributed primarily to their shorter effective maturities and higher credit quality. All of these Funds had allocations of pre-refunded bonds, with NXJ having the heaviest weighting. General obligation (GO) credits also generally trailed the revenue sectors as well as the municipal market as a whole, although by a much narrower margin than pre-refunded bonds. This included New Jersey state GOs, which underperformed as the market penalized these bonds for credit downgrades by all three major rating agencies in 2014. In April 2014, S&P reduced the state's GO rating to A+ from AA-, followed by another reduction to A in September, with the agency citing New Jersey's sizeable structural imbalance and deferred pension payments leading to future budgetary pressures. Fitch also announced downgrades on New Jersey GOs to A+ from AA- in May 2014 and then to A in September 2014, echoing S&P's assessment of the state's growing pension and retiree health care liabilities as well as its high levels of debt and overly optimistic revenue estimates that could add to future budget problems. In April 2015, Moody's downgraded New Jersey to A2 from Aa3. As of April 2015, New Jersey state GO debt ratings were A2/A/A by Moody's S&P and Fitch (with negative outlooks by Moody's and Fitch) and New Jersey appropriation-backed debt was rated A3/A-/A- by Moody's, S&P and Fitch, respectively, also with negative outlooks by Moody's and Fitch. Pennsylvania, which faces some of the same budgetary and pension issues as New Jersey although to a lesser degree, also saw the ratings on its GO debt lowered in 2014, from Aa2/AA/AA to Aa3/AA-/AA- as of October 2014.

As noted in the previous Shareholder Fund Report, we continue to monitor the ongoing economic problems of Puerto Rico for any impact on the Funds' holdings and performance. Shareholders should note that the exposure of NXJ, NJV, NQP and NPN to Puerto Rico debt during this reporting period was 0.86%, 0.33%, 0.75% and 0.30%, respectively. The Puerto Rico credits, many of them insured or pre-refunded, offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state and local taxes). However, Puerto Rico's continued economic weakening, escalating debt service obligations, and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Puerto Rico general obligation debt is rated Caa2/CCC+/B (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks.

On February 6, 2015, a federal court found Puerto Rico's Recovery Act to be unconstitutional. Though the Commonwealth is pursuing an appeal of the ruling, the outcome is uncertain. Puerto Rico's non-voting Representative in Congress recently introduced legislation that would make chapter 9 bankruptcy available to the Commonwealth's public corporations. A congressional committee hearing was held on February 26, 2015, but the bill has not advanced out of committee.

In light of the evolving economic situation in Puerto Rico, Nuveen's credit analysis of the Commonwealth had previously considered the possibility of a default and restructuring of public corporations and we adjusted our portfolios to prepare for such an outcome, although no such default or restructuring has occurred to date. The Nuveen complex's entire exposure to obligations of the government of Puerto Rico and other Puerto Rico issuers totaled 0.33% of assets under management as of April 30, 2015. As of April 30, 2015, the Funds' limited exposure to Puerto Rico generally was invested in bonds that were insured, pre-refunded (and therefore backed by securities such as U.S. Treasuries), or tobacco settlement bonds. Overall, the small size of our exposures meant that our Puerto Rico holdings had a negligible impact on performance.

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Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of the Funds relative to their comparative benchmarks was the Funds' use of leverage through their issuance of preferred shares and/or investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. As mentioned previously, NJV and NPN do not use regulatory leverage. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Leverage made a positive contribution to the performance of these Funds over this reporting period.

As of April 30, 2015, the Funds' percentages of leverage are as shown in the accompanying table.

	NXJ	NJV	NQP	NPN
Effective Leverage*	38.62%	9.03%	37.06%	2.64%
Regulatory Leverage*	31.95%	N/A	30.94%	N/A

* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

N/A The Fund does not use Regulatory leverage.