

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
January 06, 2005

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2004

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2004

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN PERFORMANCE PLUS MUNICIPAL FUND, INC.
NPP

NUVEEN MUNICIPAL ADVANTAGE FUND, INC.
NMA

NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC.
NMO

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND
NAD

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NXZ

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZF

Photo of: Man and woman sitting on porch.
Photo of: 2 children sitting in the grass.

DEPENDABLE, TAX-FREE INCOME BECAUSE
IT'S NOT WHAT YOU EARN,
IT'S WHAT YOU KEEP. (R)

Logo: NUVEEN Investments

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

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and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends
and statements directly from Nuveen.

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

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's
LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the most recent fiscal year your Fund continued to provide you with monthly tax-free income and an attractive total return. For more specific information about the performance of your Fund, please see the Portfolio Manager's Perspective and Performance Overview sections of this report.

With longer-term interest rates still relatively low, many investors have begun to wonder whether these rates will soon begin to rise, and whether that makes this the time to adjust their holdings of fixed-income investments. No one knows what the future will bring, which is why we think a well-balanced portfolio that is structured and carefully monitored with the help of an investment professional

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

can be an important component in achieving your long-term financial goals. A well-diversified portfolio may actually help to reduce your overall investment risk, and we believe that a municipal bond investment like your Nuveen Fund can be an important building block in a portfolio designed to perform well through a variety of market conditions.

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

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

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you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

December 15, 2004

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

Portfolio Manager's PERSPECTIVE

Portfolio manager Tom Spalding discusses the economic and market environment, key investment strategies, and the fiscal year performance of these six Funds. With 27 years of investment experience at Nuveen, Tom has managed NXZ since its inception in 2001, and NPP, NMA, NMO, NAD, and NZF since 2003.

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

During this fiscal year, the U.S. economy demonstrated improvement in a number of key areas, although the pace of the recovery slowed over the last six months of the period. The gross domestic product (GDP) expanded at annualized rates of 4.2% in the fourth quarter of 2003 and 4.5% in the first quarter of 2004. However, sharply higher energy prices restrained consumer spending during the second and third quarters of 2004, which in turn impacted economic momentum. Over this period, GDP growth moderated to 3.3% annualized in the second quarter and 3.9% annualized in the third quarter.

Higher energy costs also continued to fuel lingering concerns about inflation. Although monthly gains in consumer prices were generally tame, by the end of October 2004 inflation was running well ahead of the 2003 pace. The Consumer Price Index (CPI) rose at a 3.9% annualized rate for the first 10 months of 2004, more than double the 1.9% rate for all of 2003. Excluding energy and food, the CPI increased at an annual rate of 2.4% for the first 10 months of 2004.

During the second quarter of 2004 in particular, inflation worries, the slowing pace of economic recovery and continued geopolitical uncertainty acted as catalysts for heightened volatility in the fixed-income markets. As one example, the yield on the Bond Buyer 25 Revenue Bond Index (BB25), a widely followed municipal bond index, began this reporting period at 5.24%. The BB25 yield then dropped steadily over the next five months to 4.73% by mid-March 2004. As a series of improved employment reports sparked increased anticipation of action by the Federal Reserve, the index yield began to climb again, rising more than 70 basis points over the next 8 weeks to 5.45%, where it hovered through the end of June. However, more bond-friendly news--including indications of relatively slow growth of wages and employment--prompted a retreat to 4.97% by the end of October 2004.

While intermediate and long-term bond yields generally fell over most of the second half of the Funds' fiscal years, short-term rates slowly rose. The

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Federal Reserve instituted three different one-quarter-point increases in the fed funds rate between June and

4

September 2004. (On both November 10 and December 14, following the end of this reporting period, the Fed added additional quarter-point increases, bringing the fed funds rate to 2.25%.)

Over the 12 month period, municipal new issue supply nationwide remained relatively strong, with \$363.4 billion in new bonds coming to market. This represented a decrease of about 5% from the preceding 12-month period, as the improving economy and higher tax revenues lessened the need for some issuers to borrow.

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

As the market continued to anticipate increased interest rates, our focus during this fiscal year remained on purchasing bonds that we believed had the potential to add value and perform well under a variety of market scenarios. In general, our purchase activity for all six of these Funds centered on trying to find attractive securities in the long-intermediate part of the yield curve, that is, bonds that mature in 20 to 25 years.

One of our longer-term goals was to work to position all of these Funds so that they produce less volatile, roughly equivalent returns over time. As one strategy to reach this goal for some of the newer Funds, we have attempted to reduce some of NXZ's interest rate risk by hedging in the derivatives markets. (Interest rate risk is the risk that the value of a Fund's portfolio will decline if market interest rates rise, since bond prices move in the opposite direction of interest rates.) Our only objective with these hedges is to reduce the Fund's interest rate risk, and not to potentially enhance its return by making a prediction about future interest rates. This hedge does not affect NXZ's income stream or dividend-paying capabilities over the short-term. Instead, the costs of the hedge are reflected as an addition or subtraction to the Fund's net asset value as the market value of the hedge fluctuates. Although the hedge had a negative market value as of October 31, 2004, it succeeded in reducing some of the volatility of NXZ's net asset value over the course of the reporting period.

In NZF, we sought to shorten the Fund's duration¹ to mitigate some of its interest rate risk. To accomplish this goal, we sold some of NZF's holdings with the longest maturities and reinvested the proceeds in bonds from the intermediate part of the yield curve.

Demand for municipal securities remained firm through most of this reporting period, which limited our ability to find bonds with attractive prices, yields and structures. Since insured bonds accounted for about 50% of new municipal bond issuance during this period, we often looked to this area for buying opportunities.

1 Duration is a measure of a Fund's net asset value (NAV) volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund. References to duration in this commentary are intended to indicate Fund duration unless otherwise

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noted.

5

We also sought to purchase higher-coupon bonds that we believed could help support the Funds' dividends, and we worked to enhance the Funds' call protection by selling several bonds with short call dates and reinvesting the proceeds in longer-term securities with better call protection.

HOW DID THE FUNDS PERFORM?

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

TOTAL RETURNS ON NET ASSET VALUE
For periods ended 10/31/04
(Annualized)

| | 1-YEAR | 5-YEAR | 10-YEAR |
|--|--------|--------|---------|
| NPP | 9.30% | 9.40% | 7.57% |
| NMA | 9.57% | 9.78% | 7.87% |
| NMO | 9.00% | 8.47% | 7.27% |
| NAD | 10.06% | 11.02% | NA |
| NXZ | 10.67% | NA | NA |
| NZF | 11.10% | NA | NA |
| Lehman Brothers Municipal Bond Index ² | 6.03% | 7.19% | 7.05% |
| Lipper General Leveraged Municipal Debt Funds Average ³ | 8.93% | 8.78% | 7.86% |

Past performance is not predictive of future results.

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

For the 12 months ended October 31, 2004, the total returns on net asset value (NAV) for all six Funds in this report outperformed the return on the Lehman Brothers Index. All of the Funds also outperformed the average return for their Lipper peer group for this period.

One of the primary factors benefiting the 12-month performances of these six Funds relative to that of the unleveraged Lehman Brothers index was the Funds' use of financial leverage. While leverage can add volatility to the Funds' NAVs and share prices, especially when substantial shifts in interest rates occur, this strategy also can provide opportunities for additional income and total returns for common shareholders when short-term interest rates remain low, as they did during this period.

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All six Funds also benefited from their holdings of lower quality bonds, which generally outperformed higher credit quality sectors as the economy improved and demand for

- 2 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.
- 3 The Lipper General Leveraged Municipal Debt Funds category average is calculated using the returns of all national closed-end exchange-traded funds in this category for each period as follows: 1 year, 65 funds; 5 years, 51 funds; and 10 years, 46 funds. Fund and Lipper returns assume reinvestment of dividends.

6

lower-rated bonds increased. Among the lower-rated bonds making positive contributions to the Funds' total returns during this period were those issued by the healthcare sector, especially hospital bonds. The performance of the healthcare sector as a whole ranked second among the Lehman Brothers Index's revenue sectors for the 12-month period. As of October 31, 2004, NXZ had 25% of its portfolio in healthcare bonds, while NMA and NZF each had 17%, NAD had 16%, and NPP and NMO had 10%. In particular, NMA and NXZ benefited from their holdings of bonds issued by the Michigan State Hospital Finance Authority for Detroit Medical Center, which appreciated in price as the center's financial situation continued to improve.

The Funds' returns were also helped by the strong performance of their holdings of uninsured bonds backed by the 1998 master tobacco settlement agreement. Over this period, NPP, NMA, NMO, NAD and NZF maintained exposures of approximately 5% in tobacco bonds, while NXZ continued to allocate about 3% to this sector.

One sector that did not perform well during this period was housing, both multifamily and single family. The housing sector as a whole ranked at the bottom of the Lehman Brothers Index revenue sectors for the 12-month period. The sector's below-market performance stemmed largely from the increase in mortgage prepayments as interest rates remained low, which resulted in a number of bond calls. In general, the Funds' housing exposure had a negative impact on their performance, with NMA and NZF having the heaviest weightings in housing bonds.

In addition, the annual performance of NMO was negatively affected by the continued deterioration of its holding of bonds issued by the Indianapolis Airport Authority and backed by United Airlines. These bonds declined in value to \$0.11 on the dollar as of October 31, 2004.

HOW ABOUT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining relatively low throughout this reporting period, the leveraged structures of these six Funds continued to support their dividend-paying capabilities. The extent of this benefit is tied in part to the short-term rates these Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay relatively lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. This strategy enabled us to increase the dividend of NZF in December 2003 and helped us to maintain the dividends of NPP, NMA, NMO, NAD and NXZ throughout the reporting period.

7

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All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of October 31, 2004, all six of these Funds had positive UNII balances for both financial statement and tax purposes.

As of October 31, 2004, all six of these Funds were trading at discounts to their NAVs. These discounts were generally in line with the Funds' average discounts over the entire 12-month reporting period.

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

Given the current geopolitical and economic climate, we continued to believe that maintaining strong credit quality was an important requirement for the Funds. As of October 31, 2004, these six Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 68% in NXZ to 74% in NMA, 80% in NMO and NAD, and 82% in NPP and NZF.

As of October 31, 2004, potential call exposure for these Funds during 2004-2006 ranged from 4% in NXZ, to 5% in NZF, 9% in NMO, 10% in NAD, 14% in NPP and 16% in NMA. The number of actual bond calls in all of these Funds depends largely on market interest rates in the future.

8

Nuveen Performance Plus Municipal Fund, Inc.
NPP

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 71% |
| AA | 11% |
| A | 5% |
| BBB | 9% |
| NR | 3% |
| BB or Lower | 1% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Nov | 0.081 |
| Dec | 0.081 |
| Jan | 0.081 |

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| | |
|-----|-------|
| Feb | 0.081 |
| Mar | 0.081 |
| Apr | 0.081 |
| May | 0.081 |
| Jun | 0.081 |
| Jul | 0.081 |
| Aug | 0.081 |
| Sep | 0.081 |
| Oct | 0.081 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.72 |
| | 14.63 |
| | 14.58 |
| | 14.77 |
| | 14.89 |
| | 14.77 |
| | 14.93 |
| | 14.92 |
| | 15.02 |
| | 15.25 |
| | 15.38 |
| | 15.43 |
| | 15.15 |
| | 15.35 |
| | 15.37 |
| | 15.36 |
| | 15.55 |
| | 15.67 |
| | 15.64 |
| | 15.82 |
| | 15.57 |
| | 15.16 |
| | 14.2 |
| | 13.97 |
| | 13.55 |
| | 13.23 |
| | 13.24 |
| | 13.34 |
| | 13.47 |
| | 13.57 |
| | 13.58 |
| | 13.59 |
| | 13.9 |
| | 14.15 |
| | 14.06 |
| | 13.96 |
| | 14.11 |
| | 14.32 |
| | 14.34 |
| | 14.53 |
| | 14.65 |
| | 14.65 |
| | 14.79 |
| | 14.89 |
| | 14.89 |
| | 14.64 |
| | 14.82 |
| | 14.74 |

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10/31/04 14.85
14.95

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.95 |
| Common Share Net Asset Value | \$15.87 |
| Premium/(Discount) to NAV | -5.80% |
| Market Yield | 6.50% |
| Taxable-Equivalent Yield ¹ | 9.03% |
| Net Assets Applicable to Common Shares (\$000) | \$950,993 |
| Average Effective Maturity on Securities (Years) | 16.34 |
| Leverage-Adjusted Duration | 9.02 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 9.10% | 9.30% |
| 5-Year | 9.86% | 9.40% |
| 10-Year | 7.98% | 7.57% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| Illinois | 13.2% |
| New York | 11.2% |
| California | 9.0% |
| New Jersey | 4.7% |
| Michigan | 4.4% |
| Louisiana | 4.2% |
| Indiana | 4.0% |
| Texas | 3.7% |
| Ohio | 3.2% |
| Florida | 3.0% |
| Colorado | 3.0% |

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| | |
|----------------|-------|
| Utah | 3.0% |
| Washington | 2.9% |
| Minnesota | 2.8% |
| Pennsylvania | 2.8% |
| Massachusetts | 2.5% |
| South Carolina | 2.4% |
| Georgia | 2.3% |
| Nevada | 2.1% |
| Other | 15.6% |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 18.2% |
| Tax Obligation/Limited | 15.9% |
| Tax Obligation/General | 15.6% |
| Utilities | 10.6% |
| Healthcare | 9.7% |
| Transportation | 8.3% |
| Consumer Staples | 5.1% |
| Water and Sewer | 4.9% |
| Other | 11.7% |

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

Nuveen Municipal Advantage Fund, Inc.
NMA

Performance
OVERVIEW As of October 31, 2004

Pie Chart:

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CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 61% |
| AA | 13% |
| A | 7% |
| BBB | 17% |
| BB or Lower | 2% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 15.55 |
| | 15.45 |
| | 15.53 |
| | 15.7 |
| | 15.83 |
| | 15.51 |
| | 15.57 |
| | 15.52 |
| | 15.68 |
| | 15.93 |
| | 16.05 |
| | 16.1 |
| | 16.09 |
| | 16.26 |
| | 16.25 |
| | 16.08 |
| | 16.27 |
| | 16.23 |
| | 16.3 |
| | 16.27 |
| | 16.21 |
| | 16.07 |
| | 14.81 |
| | 14.45 |
| | 14.25 |
| | 13.81 |
| | 13.76 |
| | 13.82 |
| | 14.13 |
| | 14.24 |
| | 13.87 |
| | 14.02 |
| | 14.58 |
| | 14.85 |
| | 14.9 |

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| | |
|----------|-------|
| | 14.71 |
| | 14.88 |
| | 15.11 |
| | 15.05 |
| | 15.22 |
| | 15.27 |
| | 15.24 |
| | 15.41 |
| | 15.42 |
| | 15.39 |
| | 15.46 |
| | 15.61 |
| | 15.6 |
| | 15.64 |
| 10/31/04 | 15.7 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.70 |
| Common Share Net Asset Value | \$16.02 |
| Premium/(Discount) to NAV | -2.00% |
| Market Yield | 6.57% |
| Taxable-Equivalent Yield ¹ | 9.13% |
| Net Assets Applicable to Common Shares (\$000) | \$689,190 |
| Average Effective Maturity on Securities (Years) | 17.82 |
| Leverage-Adjusted Duration | 7.48 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 8.82% | 9.57% |
| 5-Year | 10.28% | 9.78% |
| 10-Year | 8.67% | 7.87% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| Texas | 11.0% |
| New York | 10.1% |
| Washington | 9.6% |
| Illinois | 9.5% |

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| | |
|----------------|-------|
| California | 6.4% |
| ----- | ----- |
| Wisconsin | 5.2% |
| ----- | ----- |
| Louisiana | 4.2% |
| ----- | ----- |
| Ohio | 4.0% |
| ----- | ----- |
| Tennessee | 3.8% |
| ----- | ----- |
| Indiana | 3.1% |
| ----- | ----- |
| South Carolina | 2.9% |
| ----- | ----- |
| Nevada | 2.6% |
| ----- | ----- |
| North Carolina | 2.4% |
| ----- | ----- |
| Colorado | 2.3% |
| ----- | ----- |
| New Jersey | 2.2% |
| ----- | ----- |
| Alabama | 2.1% |
| ----- | ----- |
| Other | 18.6% |
| ----- | ----- |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| ----- | ----- |
| Healthcare | 16.8% |
| ----- | ----- |
| Utilities | 16.7% |
| ----- | ----- |
| U.S. Guaranteed | 15.7% |
| ----- | ----- |
| Transportation | 11.0% |
| ----- | ----- |
| Tax Obligation/Limited | 10.5% |
| ----- | ----- |
| Housing/Single Family | 8.1% |
| ----- | ----- |
| Tax Obligation/General | 7.2% |
| ----- | ----- |
| Consumer Staples | 4.8% |
| ----- | ----- |
| Water and Sewer | 4.7% |
| ----- | ----- |
| Other | 4.5% |
| ----- | ----- |

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

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0142 per share.

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Nuveen Municipal Market Opportunity Fund, Inc.
NMO

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 68% |
| AA | 12% |
| A | 9% |
| BBB | 8% |
| NR | 1% |
| BB or Lower | 2% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.44 |
| | 14.27 |
| | 14.27 |
| | 14.44 |
| | 14.46 |
| | 14.36 |
| | 14.46 |
| | 14.48 |
| | 14.45 |
| | 14.7 |
| | 14.98 |
| | 15.04 |
| | 14.89 |
| | 15.05 |
| | 15.03 |
| | 15.03 |
| | 15.07 |
| | 15.2 |
| | 15.35 |
| | 15.26 |
| | 15.2 |
| | 14.86 |
| | 13.84 |

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| | |
|----------|-------|
| | 13.55 |
| | 13.23 |
| | 12.93 |
| | 13 |
| | 13.04 |
| | 13.16 |
| | 13.26 |
| | 13.22 |
| | 13.46 |
| | 13.76 |
| | 13.79 |
| | 13.88 |
| | 13.64 |
| | 13.82 |
| | 14.02 |
| | 14.04 |
| | 14.14 |
| | 14.31 |
| | 14.23 |
| | 14.28 |
| | 14.47 |
| | 14.38 |
| | 14.26 |
| | 14.44 |
| | 14.37 |
| | 14.36 |
| 10/31/04 | 14.44 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.44 |
| Common Share Net Asset Value | \$15.48 |
| Premium/(Discount) to NAV | -6.72% |
| Market Yield | 6.57% |
| Taxable-Equivalent Yield ¹ | 9.13% |
| Net Assets Applicable to Common Shares (\$000) | \$704,760 |
| Average Effective Maturity on Securities (Years) | 16.27 |
| Leverage-Adjusted Duration | 7.85 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/21/90)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 7.97% | 9.00% |
| 5-Year | 8.21% | 8.47% |
| 10-Year | 7.83% | 7.27% |

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STATES

(as a % of total investments)

| | |
|----------------|-------|
| New York | 15.5% |
| Texas | 15.5% |
| Washington | 11.8% |
| Illinois | 7.0% |
| Minnesota | 5.2% |
| Pennsylvania | 4.1% |
| South Carolina | 4.1% |
| Georgia | 4.0% |
| California | 3.7% |
| Nevada | 3.5% |
| North Dakota | 2.8% |
| Colorado | 2.6% |
| New Jersey | 2.6% |
| Massachusetts | 2.2% |
| Other | 15.4% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 20.9% |
| Tax Obligation/General | 16.0% |
| Transportation | 15.7% |
| Tax Obligation/Limited | 15.2% |
| Healthcare | 10.3% |
| Utilities | 8.8% |
| Consumer Staples | 4.8% |
| Other | 8.3% |

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

Nuveen Dividend Advantage Municipal Fund
NAD

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 71% |
| AA | 9% |
| A | 2% |
| BBB | 9% |
| NR | 6% |
| BB or Lower | 3% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 15.05 |
| | 15.07 |
| | 14.99 |
| | 15.15 |
| | 15.17 |
| | 15.3 |
| | 15.44 |
| | 15.44 |
| | 15.54 |
| | 15.97 |
| | 16.01 |
| | 16.1 |
| | 15.85 |
| | 15.87 |
| | 16.01 |
| | 15.88 |
| | 16.03 |
| | 16.17 |
| | 16.19 |
| | 16.14 |
| | 16.02 |
| | 15.73 |
| | 14.59 |

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| | |
|----------|-------|
| | 14.21 |
| | 13.94 |
| | 13.52 |
| | 13.82 |
| | 14 |
| | 14.27 |
| | 14.25 |
| | 14.13 |
| | 14.13 |
| | 14.47 |
| | 14.55 |
| | 14.67 |
| | 14.47 |
| | 14.43 |
| | 14.78 |
| | 14.77 |
| | 15.02 |
| | 15.18 |
| | 15.1 |
| | 15.18 |
| | 15.13 |
| | 15.2 |
| | 15.16 |
| | 15.24 |
| | 15.2 |
| | 15.25 |
| 10/31/04 | 15.31 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.31 |
| Common Share Net Asset Value | \$15.62 |
| Premium/(Discount) to NAV | -1.98% |
| Market Yield | 6.70% |
| Taxable-Equivalent Yield ¹ | 9.31% |
| Net Assets Applicable to Common Shares (\$000) | \$613,328 |
| Average Effective Maturity on Securities (Years) | 15.61 |
| Leverage-Adjusted Duration | 7.75 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 8.37% | 10.06% |
| 5-Year | 9.24% | 11.02% |
| Since Inception | 6.98% | 8.24% |

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STATES

(as a % of total investments)

| | |
|--------------|-------|
| Illinois | 23.6% |
| New York | 13.6% |
| Texas | 9.8% |
| Washington | 7.3% |
| New Jersey | 5.3% |
| Wisconsin | 4.5% |
| Pennsylvania | 3.3% |
| Ohio | 2.7% |
| Indiana | 2.5% |
| Colorado | 2.1% |
| Florida | 2.0% |
| Other | 23.3% |

SECTORS

(as a % of total investments)

| | |
|--------------------------------------|-------|
| Healthcare | 16.0% |
| U.S. Guaranteed | 15.6% |
| Tax Obligation/General | 14.7% |
| Tax Obligation/Limited | 13.8% |
| Transportation | 10.6% |
| Utilities | 9.3% |
| Education and Civic Organizations | 4.7% |
| Consumer Staples | 4.5% |
| Other | 10.8% |

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

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Nuveen Dividend Advantage Municipal Fund 2
NXZ

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 58% |
| AA | 10% |
| A | 13% |
| BBB | 8% |
| NR | 3% |
| BB or Lower | 8% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.86 |
| | 14.98 |
| | 15 |
| | 14.97 |
| | 15.09 |
| | 15.01 |
| | 15.02 |
| | 15.09 |
| | 15.12 |
| | 15.62 |
| | 15.5 |
| | 15.56 |
| | 15.27 |
| | 15.51 |
| | 15.61 |
| | 15.56 |
| | 15.66 |
| | 15.78 |
| | 15.75 |
| | 15.73 |
| | 15.76 |
| | 15.44 |
| | 14.45 |
| | 14.28 |

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| | |
|----------|-------|
| | 14.13 |
| | 13.51 |
| | 13.78 |
| | 13.63 |
| | 14.06 |
| | 14 |
| | 13.9 |
| | 13.86 |
| | 14.39 |
| | 14.6 |
| | 14.48 |
| | 14.31 |
| | 14.46 |
| | 14.97 |
| | 14.92 |
| | 15.01 |
| | 15.08 |
| | 15.01 |
| | 15.12 |
| | 15.25 |
| | 15.3 |
| | 15.08 |
| | 15.4 |
| | 15.35 |
| | 15.32 |
| 10/31/04 | 15.38 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.38 |
| Common Share Net Asset Value | \$15.63 |
| Premium/(Discount) to NAV | -1.60% |
| Market Yield | 6.71% |
| Taxable-Equivalent Yield ¹ | 9.32% |
| Net Assets Applicable to Common Shares (\$000) | \$457,552 |
| Average Effective Maturity on Securities (Years) | 24.22 |
| Leverage-Adjusted Duration | 6.85 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 11.16% | 10.67% |
| Since Inception | 7.47% | 9.16% |

STATES

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

(as a % of total investments)

| | |
|---------------|-------|
| Texas | 16.5% |
| Michigan | 9.8% |
| Illinois | 7.6% |
| California | 7.6% |
| New York | 4.1% |
| Washington | 4.0% |
| Colorado | 4.0% |
| New Mexico | 3.6% |
| Florida | 3.5% |
| Indiana | 3.3% |
| Missouri | 3.3% |
| Nevada | 3.1% |
| Alabama | 2.9% |
| Massachusetts | 2.7% |
| Kansas | 2.7% |
| Oregon | 2.7% |
| Pennsylvania | 2.5% |
| Louisiana | 2.2% |
| Minnesota | 2.2% |
| Other | 11.7% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Healthcare | 25.1% |
| Tax Obligation/Limited | 17.2% |
| Transportation | 13.2% |
| Water and Sewer | 8.9% |
| Tax Obligation/General | 8.0% |
| Utilities | 7.8% |
| Housing/Single Family | 5.2% |
| Other | 14.6% |

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- 1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gains distribution in December 2003 of \$0.0291 per share.

13

Nuveen Dividend Advantage Municipal Fund 3
NZF

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 71% |
| AA | 11% |
| A | 2% |
| BBB | 9% |
| NR | 5% |
| BB or Lower | 2% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Nov | 0.079 |
| Dec | 0.0805 |
| Jan | 0.0805 |
| Feb | 0.0805 |
| Mar | 0.0805 |
| Apr | 0.0805 |
| May | 0.0805 |
| Jun | 0.0805 |
| Jul | 0.0805 |
| Aug | 0.0805 |
| Sep | 0.0805 |
| Oct | 0.0805 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 13.95 |
| | 13.96 |
| | 13.93 |
| | 14.02 |
| | 14.22 |
| | 14.14 |
| | 14.22 |
| | 14.31 |
| | 14.29 |
| | 14.67 |
| | 14.79 |

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

| | |
|----------|-------|
| | 14.76 |
| | 14.65 |
| | 14.65 |
| | 14.91 |
| | 14.75 |
| | 14.9 |
| | 15.09 |
| | 15.02 |
| | 14.98 |
| | 14.94 |
| | 14.66 |
| | 13.9 |
| | 13.66 |
| | 13.34 |
| | 12.82 |
| | 13.02 |
| | 13.15 |
| | 13.42 |
| | 13.31 |
| | 13.09 |
| | 13.17 |
| | 13.67 |
| | 13.88 |
| | 13.83 |
| | 13.84 |
| | 13.83 |
| | 14.01 |
| | 14.01 |
| | 14.16 |
| | 14.3 |
| | 14.3 |
| | 14.57 |
| | 14.48 |
| | 14.39 |
| | 14.41 |
| | 14.49 |
| | 14.44 |
| | 14.43 |
| 10/31/04 | 14.5 |

FUND SNAPSHOT

| | |
|---|-----------|
| ----- | |
| Share Price | \$14.50 |
| ----- | |
| Common Share Net Asset Value | \$15.36 |
| ----- | |
| Premium/(Discount) to NAV | -5.60% |
| ----- | |
| Market Yield | 6.66% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 9.25% |
| ----- | |
| Net Assets Applicable to Common Shares (\$000) | \$619,118 |
| ----- | |
| Average Effective Maturity on Securities (Years) | 19.81 |
| ----- | |
| Leverage-Adjusted Duration | 8.27 |
| ----- | |

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 12.45% | 11.10% |
| Since Inception | 5.46% | 8.74% |

STATES
(as a % of total investments)

| | |
|------------|-------|
| Texas | 12.3% |
| Illinois | 11.0% |
| Washington | 10.9% |
| California | 7.0% |
| Michigan | 5.8% |
| Colorado | 5.3% |
| Nevada | 5.2% |
| New York | 3.6% |
| Wisconsin | 3.4% |
| Indiana | 3.2% |
| Iowa | 3.2% |
| Louisiana | 2.6% |
| Kentucky | 2.1% |
| Other | 24.4% |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| Healthcare | 17.3% |
| Transportation | 17.1% |
| Tax Obligation/Limited | 12.8% |
| Water and Sewer | 9.8% |
| Tax Obligation/General | 9.6% |
| Utilities | 8.2% |
| Housing/Single Family | 5.3% |

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| | |
|-----------------------------------|------|
| Consumer Staples | 4.8% |
| U.S. Guaranteed | 4.8% |
| Education and Civic Organizations | 4.7% |
| Other | 5.6% |

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

14

Shareholder
MEETING REPORT

The annual shareholder meeting was held on August 3, 2004, at the Northern Trust Bank, Chicago, Illinois.

| | NPP | | NMA | |
|---|--|---|--|---|
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| Robert P. Bremner | | | | |
| For | 52,749,399 | -- | 37,176,579 | -- |
| Withhold | 669,550 | -- | 434,374 | -- |
| Total | 53,418,949 | -- | 37,610,953 | -- |
| Lawrence H. Brown | | | | |
| For | 52,728,879 | -- | 37,161,834 | -- |
| Withhold | 690,070 | -- | 449,119 | -- |
| Total | 53,418,949 | -- | 37,610,953 | -- |
| Jack B. Evans | | | | |
| For | 52,742,453 | -- | 37,173,411 | -- |
| Withhold | 676,496 | -- | 437,542 | -- |
| Total | 53,418,949 | -- | 37,610,953 | -- |
| William C. Hunter | | | | |
| For | 52,740,229 | -- | 37,157,034 | -- |
| Withhold | 678,720 | -- | 453,919 | -- |
| Total | 53,418,949 | -- | 37,610,953 | -- |

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| | | | | |
|-------------------------|------------|--------|------------|--------|
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 17,378 | -- | 13,069 |
| Withhold | -- | 30 | -- | 24 |
| ----- | | | | |
| Total | -- | 17,408 | -- | 13,093 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 17,382 | -- | 13,069 |
| Withhold | -- | 26 | -- | 24 |
| ----- | | | | |
| Total | -- | 17,408 | -- | 13,093 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 52,730,673 | -- | 37,167,105 | -- |
| Withhold | 688,276 | -- | 443,848 | -- |
| ----- | | | | |
| Total | 53,418,949 | -- | 37,610,953 | -- |
| ===== | | | | |

15

Shareholder
MEETING REPORT (continued)

| | NAD | | NXZ | |
|---|--|--|--|--|
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| ----- | | | | |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 38,156,295 | -- | 28,637,978 | -- |
| Withhold | 337,975 | -- | 176,661 | -- |
| ----- | | | | |
| Total | 38,494,270 | -- | 28,814,639 | -- |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 38,165,614 | -- | 28,635,958 | -- |
| Withhold | 328,656 | -- | 178,681 | -- |
| ----- | | | | |
| Total | 38,494,270 | -- | 28,814,639 | -- |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 38,150,308 | -- | 28,635,211 | -- |
| Withhold | 343,962 | -- | 179,428 | -- |
| ----- | | | | |
| Total | 38,494,270 | -- | 28,814,639 | -- |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 38,155,774 | -- | 28,629,560 | -- |
| Withhold | 338,496 | -- | 185,079 | -- |
| ----- | | | | |
| Total | 38,494,270 | -- | 28,814,639 | -- |
| ===== | | | | |

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| | | | | |
|-------------------------|------------|--------|------------|-------|
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 11,456 | -- | 8,725 |
| Withhold | -- | 65 | -- | 28 |
| ----- | | | | |
| Total | -- | 11,521 | -- | 8,753 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 11,456 | -- | 8,725 |
| Withhold | -- | 65 | -- | 28 |
| ----- | | | | |
| Total | -- | 11,521 | -- | 8,753 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 38,184,952 | -- | 28,633,156 | -- |
| Withhold | 309,318 | -- | 181,483 | -- |
| ----- | | | | |
| Total | 38,494,270 | -- | 28,814,639 | -- |
| ===== | | | | |

16

Report of
 INDEPENDENT REGISTERED
 PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 as of October 31, 2004, 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 the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

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

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assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 at October 31, 2004, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for the periods indicated therein in conformity with U.S. generally accepted accounting principles.

/s/Ernst & Young LLP

Chicago, Illinois
December 15, 2004

17

Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 1.6% (1.1% OF TOTAL INVESTMENTS) | |
| \$ 3,615 | Alabama Water Pollution Control Authority, Revolving Fund Loan Bonds, Series 1994A, 6.750%, 8/15/17 (Pre-refunded to 8/15/05) - AMBAC Insured | 8/05 at 100 |
| | Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A: | |
| 3,640 | 5.625%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 101 |
| 1,435 | 5.625%, 2/01/22 - FGIC Insured | 2/07 at 101 |
| 3,820 | 5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 100 |
| 1,505 | 5.375%, 2/01/27 - FGIC Insured | 2/07 at 100 |
| ----- | | |
| | ARIZONA - 1.3% (0.9% OF TOTAL INVESTMENTS) | |
| 1,000 | Arizona State Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22 | 7/12 at 100 |
| | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B: | |
| 5,365 | 5.750%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| 5,055 | 5.750%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| ----- | | |
| | ARKANSAS - 0.5% (0.4% OF TOTAL INVESTMENTS) | |

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5,080 Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured 5/13 at 100

CALIFORNIA - 13.2% (9.0% OF TOTAL INVESTMENTS)

3,500 Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured 10/17 at 100

11,000 Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/20 - FSA Insured No Opt. C

2,000 California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 3/13 at 100

6,435 California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured No Opt. C

4,500 California, General Obligation Bonds, Series 2004, 5.100%, 2/01/34 2/09 at 100

California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A:

4,000 6.000%, 5/01/15 5/12 at 101

2,750 5.375%, 5/01/22 5/12 at 101

6,925 East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Subordinated Water System Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured 6/06 at 100

10,000 Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 6/13 at 100

1,000 Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured 12/04 at 101

13,450 Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.200%, 8/01/17 - MBIA Insured No Opt. C

20,420 Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10 No Opt. C

2,325 Palmdale Community Redevelopment Agency, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax) No Opt. C

10,000 San Bernardino County, California, Certificates of Participation, Medical Center Financing Project, Series 1995, 5.500%, 8/01/15 (Pre-refunded to 8/01/05) - MBIA Insured 8/05 at 102

2,000 San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second 5/09 at 101

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Series 1999, Issue 23B, 5.125%, 5/01/30 - FGIC Insured

18

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CALIFORNIA (continued) | |
| \$ 2,000 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27B, 5.125%, 5/01/26 - FGIC Insured | 5/11 at 100 |
| 15,745 | Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured | 8/11 at 103 |
| ----- | | |
| | COLORADO - 4.5% (3.0% OF TOTAL INVESTMENTS) | |
| 3,000 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2004, 5.250%, 8/15/34 - XLCA Insured | 8/14 at 100 |
| 3,760 | Colorado Health Facilities Authority, Revenue Refunding Bonds, Catholic Health Initiatives, Series 2001, 5.250%, 9/01/21 | 9/11 at 100 |
| 7,575 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured | 11/07 at 101 |
| 20,000 | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/33 - XLCA Insured | 12/13 at 100 |
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/21 - MBIA Insured | No Opt. C |
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 - MBIA Insured | No Opt. C |
| ----- | | |
| | DISTRICT OF COLUMBIA - 1.3% (0.9% OF TOTAL INVESTMENTS) | |
| 5,590 | District of Columbia, General Obligation Bonds, Series 1999B, 5.500%, 6/01/13 - FSA Insured | 6/09 at 101 |
| 6,720 | District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 | 5/11 at 101 |
| ----- | | |
| | FLORIDA - 4.4% (2.9% OF TOTAL INVESTMENTS) | |

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| | | |
|--------|---|--------------|
| 1,700 | Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured | 5/12 at 102 |
| | Broward County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments, Series 2001A: | |
| 1,545 | 5.700%, 1/01/32 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 1,805 | 5.800%, 1/01/36 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 3,530 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2000-11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured | 1/10 at 100 |
| 10,050 | Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Refunding Bonds, Series 1999D, 5.750%, 6/01/22 | 6/10 at 101 |
| 7,000 | Hillsborough County Aviation Authority, Florida, Revenue Bonds, Tampa International Airport, Series 2003A, 5.250%, 10/01/17 (Alternative Minimum Tax) - MBIA Insured | 10/13 at 100 |
| 10,750 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at 102 |
| 2,570 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds, Country Club Villas II Project, Series 2001-1A, 5.850%, 1/01/37 (Alternative Minimum Tax) - FSA Insured | 6/11 at 100 |

 GEORGIA - 3.2% (2.1% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 4,920 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 5,000 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Opt. C |
| 2,000 | George L. Smith II World Congress Center Authority, Atlanta, Georgia, Revenue Refunding Bonds, Domed Stadium Project, Series 2000, 5.500%, 7/01/20 (Alternative Minimum Tax) - MBIA Insured | 7/10 at 101 |
| 15,000 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 1999A, 5.500%, 11/01/25 | 11/09 at 101 |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|---|-------------|
| ----- | | |
| | IDAHO - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| \$ 965 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000G-2, 5.950%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,075 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax) | 1/10 at 100 |
| ----- | | |
| | ILLINOIS - 19.5% (13.2% OF TOTAL INVESTMENTS) | |
| 3,000 | Chicago, Illinois, General Obligation Bonds, Library Projects, Series 1997, 5.750%, 1/01/17 - FGIC Insured | 1/08 at 102 |
| | Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: | |
| 32,170 | 0.000%, 1/01/21 - FGIC Insured | No Opt. C |
| 32,670 | 0.000%, 1/01/22 - FGIC Insured | No Opt. C |
| 10,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/19 - FGIC Insured | No Opt. C |
| 10,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Opt. C |
| 9,145 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1996A, 5.500%, 1/01/29 - MBIA Insured | 1/07 at 101 |
| | DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000: | |
| 8,000 | 0.000%, 11/01/18 | No Opt. C |
| 15,285 | 0.000%, 11/01/19 | No Opt. C |
| 3,500 | Illinois Development Finance Authority, Pollution Control Revenue Refunding Bonds, Commonwealth Edison Company, Series 1994D, 6.750%, 3/01/15 - AMBAC Insured | 3/05 at 102 |
| 3,085 | Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 | 8/09 at 101 |
| 4,580 | Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX, Inc., Series 2000, 6.250%, 8/20/35 | 8/10 at 102 |
| 3,000 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | 7/13 at 100 |
| 4,000 | Illinois Health Facilities Authority, FHA-Insured Mortgage Revenue Refunding Bonds, Sinai Health System, Series 2003, 5.150%, 2/15/37 | 8/13 at 100 |
| 4,415 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital, Series 1991, 7.375%, 1/01/23 | 1/05 at 100 |

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| | | |
|--------|---|--------------|
| 5,000 | Kane, McHenry, Cook and DeKalb Counties Community Unit School District 300, Carpentersville, Illinois, General Obligation Bonds, Series 2000, 5.500%, 12/01/19 - MBIA Insured | 12/11 at 100 |
| 3,700 | Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Alternative Minimum Tax) | 11/09 at 100 |
| 6,000 | McHenry County Conservation District, Illinois, General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 - FGIC Insured | 2/11 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A: | |
| 9,400 | 0.000%, 12/15/18 - MBIA Insured | No Opt. C |
| 16,570 | 0.000%, 12/15/20 - MBIA Insured | No Opt. C |
| 23,550 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/24 - MBIA Insured | No Opt. C |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A: | |
| 5,180 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |
| 5,100 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |
| 10,650 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Hospitality Facility, Series 1996A, 7.000%, 7/01/26 | No Opt. C |

20

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 17,865 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured | No Opt. C |
| 6,090 | Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29 | 10/09 at 102 |
| ----- | | |
| | INDIANA - 5.9% (4.0% OF TOTAL INVESTMENTS) | |
| 2,465 | Danville Multi-School Building Corporation, Indiana, First Mortgage Refunding Bonds, Series 2001, 5.250%, 7/15/18 - AMBAC Insured | 7/11 at 100 |
| 14,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 15,380 | Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Inc. Obligated Group, Series 1997: 5.250%, 7/01/17 - MBIA Insured | 7/07 at 101 |

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| | | |
|-------|--------------------------------|-------------|
| 2,250 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 4,320 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |

Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000:

| | | |
|-------|---|--------------|
| 1,285 | 5.375%, 12/01/25 (Pre-refunded to 12/01/10) | 12/10 at 100 |
| 6,715 | 5.375%, 12/01/25 | 12/10 at 100 |

| | | |
|-------|---|--------------|
| 5,730 | Michigan City School Building Corporation, Indiana, First Mortgage Bonds, Series 1994A, 6.125%, 12/15/09 (Pre-refunded to 12/15/04) - AMBAC Insured | 12/04 at 102 |
|-------|---|--------------|

IOWA - 0.4% (0.3% OF TOTAL INVESTMENTS)

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

KANSAS - 1.3% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 3,790 | Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/23 | 3/14 at 100 |
|-------|---|-------------|

| | | |
|-------|--|-------------|
| 5,790 | Sedgwick County Unified School District 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17 | 9/10 at 100 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 3,200 | Wyandotte County Unified School District 500, Kansas, General Obligation Bonds, Series 2001, 4.000%, 9/01/21 - FSA Insured | 9/11 at 100 |
|-------|--|-------------|

KENTUCKY - 0.4% (0.3% OF TOTAL INVESTMENTS)

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

LOUISIANA - 6.2% (4.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,750 | East Baton Rouge Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1997B-1, 5.750%, 10/01/26 | 10/07 at 102 |
|-------|---|--------------|

| | | |
|-------|---|--------------|
| 4,000 | Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/25 - MBIA Insured | 11/14 at 100 |
|-------|---|--------------|

| | | |
|--------|---|-------------|
| 35,700 | Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1996, 5.750%, 7/01/26 (Pre-refunded to 7/01/06) - FGIC Insured | 7/06 at 102 |
|--------|---|-------------|

Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:

| | | |
|--------|-----------------|-------------|
| 10,000 | 5.500%, 5/15/30 | 5/11 at 101 |
| 6,250 | 5.875%, 5/15/39 | 5/11 at 101 |

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| | | |
|--|--|-------------|
| MAINE - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 5,680 | Portland, Maine, General Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - FSA Insured | 7/13 at 100 |

| | | |
|---|---|-------------|
| MARYLAND - 2.7% (1.7% OF TOTAL INVESTMENTS) | | |
| 1,130 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2000H, 5.800%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |

21

Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| <hr/> | | |
| MARYLAND (continued) | | |
| \$ 7,720 | Maryland Transportation Authority, Airport Parking Revenue Bonds, Baltimore-Washington International Airport Passenger Facility, Series 2002B, 5.125%, 3/01/20 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
| 7,475 | Montgomery County Housing Opportunities Commission, Maryland, GNMA/FHA-Insured Multifamily Housing Revenue Bonds, Series 1994A, 6.250%, 7/01/28 | 1/05 at 102 |
| 7,090 | Takoma Park, Maryland, Hospital Facilities, Revenue Refunding and Improvement Bonds, Washington Adventist Hospital Project, Series 1995, 6.500%, 9/01/12 - FSA Insured | No Opt. C |
| <hr/> | | |
| MASSACHUSETTS - 3.7% (2.5% OF TOTAL INVESTMENTS) | | |
| 1,630 | Massachusetts Educational Finance Authority, Student Loan Revenue Refunding Bonds, Series 2000G, 5.700%, 12/01/11 (Alternative Minimum Tax) - MBIA Insured | 12/09 at 101 |
| | Massachusetts Municipal Wholesale Electric Company, Power Supply System Revenue Bonds, Nuclear Project 6, Series 1987A: | |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 1/01/05) | 1/05 at 100 |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 7/01/05) | 7/05 at 100 |
| | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E: | |
| 1,255 | 5.250%, 1/01/22 - FGIC Insured | 1/13 at 100 |
| 3,745 | 5.250%, 1/01/22 (Pre-refunded to 1/01/13) - FGIC Insured | 1/13 at 100 |

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| | | |
|-------|---|--------------|
| 890 | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30 (Pre-refunded to 11/01/12) | 11/12 at 100 |
| | Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, Series 2002A: | |
| 4,000 | 5.125%, 8/01/28 - MBIA Insured | 2/12 at 100 |
| 5,625 | 5.125%, 2/01/34 - MBIA Insured | 2/12 at 100 |
| 1,420 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group, Series 1998A, 4.750%, 7/01/27 - MBIA Insured | 7/08 at 101 |
| 5,745 | Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.600%, 12/01/19 (Alternative Minimum Tax) | 12/08 at 102 |
| 8,500 | Route 3 North Transportation Improvements Association, Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded to 6/15/10) - MBIA Insured | 6/10 at 100 |

MICHIGAN - 6.6% (4.4% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 17,000 | Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured | 11/07 at 100 |
| 3,000 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 1997A, 5.000%, 7/01/21 - MBIA Insured | 7/07 at 101 |
| 3,785 | Grand Rapids Housing Corporation, Michigan, FHA-Insured Mortgage Loan Section 8 Assisted Multifamily Revenue Refunding Bonds, Elderly Project Series 1992, 7.375%, 7/15/41 | 1/05 at 103 |
| 4,030 | Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured | 8/08 at 100 |
| 1,500 | Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24 | 10/11 at 100 |
| 5,000 | Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - MBIA Insured | 10/13 at 100 |
| 7,115 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Henry Ford Health System, Series 2003A, 5.500%, 3/01/16 | 3/13 at 100 |
| 5,000 | Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 - MBIA Insured | No Opt. C |
| 3,000 | Michigan Strategic Fund, Collateralized Limited Obligation Pollution Control Revenue Refunding Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| 10,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Airport, Series 1998A, 5.375%, 12/01/16 | 12/08 at 101 |

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(Alternative Minimum Tax) - MBIA Insured

22

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| MINNESOTA - 4.1% (2.8% OF TOTAL INVESTMENTS) | | |
| \$ 7,475 | Dakota County Community Development Agency, Minnesota, GNMA Collateralized Mortgage Loan Multifamily Senior Housing Revenue Bonds, Wingate Project, Series 2002A, 5.625%, 8/20/43 | 2/12 at 102 |
| 160 | Dakota County Housing and Redevelopment Authority, Minnesota, FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.900%, 10/01/27 (Alternative Minimum Tax) | 4/05 at 101 |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured | 1/11 at 100 |
| 21,335 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |
| 1,175 | St. Paul Housing and Redevelopment Authority, Minnesota, FNMA Mortgage-Backed Securities Middle Income Program Phase II Single Family Mortgage Revenue Refunding Bonds, Series 1995, 6.800%, 3/01/28 | 3/05 at 102 |
| ----- | | |
| MISSISSIPPI - 1.3% (0.9% OF TOTAL INVESTMENTS) | | |
| 9,750 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/05 at 101 |
| 2,475 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Health Care, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100 |
| ----- | | |
| MISSOURI - 1.6% (1.0% OF TOTAL INVESTMENTS) | | |
| 2,000 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 6,350 | Kansas City, Missouri, General Improvement Airport Revenue Bonds, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | 9/12 at 100 |
| 3,740 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, | 6/11 at 101 |

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5.250%, 6/01/28 - AMBAC Insured

1,845 Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.250%, 5/15/18 5/13 at 100

MONTANA - 0.8% (0.5% OF TOTAL INVESTMENTS)

1,175 Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.150%, 6/01/30 (Alternative Minimum Tax) 6/07 at 101

1,330 Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) 12/09 at 100

4,795 Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax) 12/08 at 101

NEBRASKA - 0.2% (0.2% OF TOTAL INVESTMENTS)

2,115 Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2000E, 5.850%, 9/01/20 (Alternative Minimum Tax) 9/10 at 100

NEVADA - 3.1% (2.1% OF TOTAL INVESTMENTS)

5,000 Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 - FGIC Insured 6/11 at 100

10,900 Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 - MBIA Insured 6/12 at 100

10,465 Nevada, General Obligation Bonds, Municipal Bond Bank Project 52, Series 1996A, 6.000%, 5/15/21 (Pre-refunded to 5/15/06) 5/06 at 101

NEW HAMPSHIRE - 1.2% (0.8% OF TOTAL INVESTMENTS)

New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Revenue Remarketed Bonds, Countryside LP Project, Series 1994:

3,725 6.000%, 7/01/18 (Alternative Minimum Tax) 7/10 at 101

6,945 6.100%, 7/01/24 (Alternative Minimum Tax) 7/10 at 101

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|---|--------------|
| ----- | | |
| | NEW JERSEY - 7.0% (4.7% OF TOTAL INVESTMENTS) | |
| \$ 3,360 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 3,000 | New Jersey Economic Development Authority, Transportation Sublease Revenue Bonds, Light Rail Transit System, Series 1999A, 5.250%, 5/01/17 (Pre-refunded to 5/01/09) - FSA Insured | 5/09 at 100 |
| 8,750 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1996B, 5.250%, 6/15/16 (Pre-refunded to 6/15/07) | 6/07 at 102 |
| 9,250 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/23 | 6/13 at 100 |
| 4,500 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - FSA Insured | No Opt. C |
| 10,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured | 7/13 at 100 |
| 14,560 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at 100 |
| 3,125 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 | 6/13 at 100 |
| | West Deptford Township, Gloucester County, New Jersey, General Obligation Bonds, Series 2000: | |
| 3,150 | 5.500%, 9/01/21 (Pre-refunded to 9/01/10) - FGIC Insured | 9/10 at 100 |
| 3,335 | 5.500%, 9/01/22 (Pre-refunded to 9/01/10) - FGIC Insured | 9/10 at 100 |
| ----- | | |
| | NEW YORK - 16.5% (11.2% OF TOTAL INVESTMENTS) | |
| 1,500 | Hempstead Industrial Development Agency, New York, Resource Recovery Revenue Refunding Bonds, American Ref-Fuel Company of Hempstead, Series 2001, 5.000%, 12/01/10 (Mandatory put 6/01/10) | No Opt. C |
| 12,500 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.500%, 11/15/26 - FSA Insured | 11/12 at 100 |
| 5 | New York City, New York, General Obligation Bonds, Fiscal Series 1987D, 8.500%, 8/01/08 | 2/05 at 100 |
| 12,500 | New York City, New York, General Obligation Bonds, Fiscal Series 1997A, 7.000%, 8/01/05 | No Opt. C |
| 6,300 | New York City, New York, General Obligation Bonds, | 5/10 at 101 |

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| | | | |
|--------|---|--|--------------|
| | Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured | | |
| | New York City, New York, General Obligation Bonds, Fiscal Series 1996F: | | |
| 13,060 | 5.750%, 2/01/15 (Pre-refunded to 2/01/06) | | 2/06 at 101 |
| 3,235 | 5.750%, 2/01/15 | | 2/06 at 101 |
| 4,875 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997A, 5.500%, 6/15/24 - MBIA Insured | | 6/06 at 101 |
| 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/30 | | 6/09 at 101 |
| | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1996B: | | |
| 7,270 | 5.750%, 6/15/26 (Pre-refunded to 6/15/06) - MBIA Insured | | 6/06 at 101 |
| 13,380 | 5.750%, 6/15/26 - MBIA Insured | | 6/06 at 101 |
| 7,810 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | | 8/09 at 101 |
| 2,250 | Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities, Series 1999C, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - MBIA Insured | | 7/09 at 101 |
| 4,000 | Dormitory Authority of the State of New York, Revenue Bonds, State University Educational Facilities, Series 1990B, 6.000%, 5/15/17 | | 11/04 at 100 |
| 1,500 | Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured | | 8/07 at 101 |
| 2,070 | Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program, Gateway-Longview Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured | | 7/08 at 101 |
| 5,500 | Dormitory Authority of the State of New York, FHA-Insured Mortgage Hospital Revenue Bonds, Kaleida Health, Series 2004, 5.050%, 2/15/25 | | 2/14 at 100 |

24

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996B: | |
| \$ 1,930 | 5.375%, 2/15/26 (Pre-refunded to 2/15/06) - MBIA Insured | 2/06 at 102 |
| 70 | 5.375%, 2/15/26 - MBIA Insured | 2/06 at 102 |
| 17,000 | Dormitory Authority of the State of New York, Third General | 7/09 at 101 |

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| | | |
|--------|---|-------------|
| | Resolution Consolidated Revenue Bonds, City University System, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | |
| 3,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| | Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: | |
| 1,580 | 6.375%, 7/01/13 - RAAI Insured | 7/09 at 101 |
| 9,235 | 6.125%, 7/01/21 - RAAI Insured | 7/09 at 101 |
| 3,000 | New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation, Series 1998A, 5.950%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured | 9/08 at 102 |
| ----- | | |
| | NORTH CAROLINA - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| 2,000 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured | 1/08 at 102 |
| ----- | | |
| | OHIO - 4.7% (3.2% OF TOTAL INVESTMENTS) | |
| 7,500 | Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured | 1/10 at 101 |
| 3,650 | Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30 (WI, settling 11/18/04) | 5/14 at 100 |
| 11,870 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1999C, 5.750%, 9/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| 6,800 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at 102 |
| 13,900 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| | OKLAHOMA - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 3,400 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 6/09 at 100 |
| ----- | | |
| | OREGON - 1.0% (0.7% OF TOTAL INVESTMENTS) | |

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| | | |
|-------|---|-----------|
| 9,150 | Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company, Series 1985B, 4.800%, 6/01/10 | No Opt. C |
|-------|---|-----------|

 PENNSYLVANIA - 3.9% (2.7% OF TOTAL INVESTMENTS)

| | | |
|---|---|--------------|
| Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998: | | |
| 3,125 | 0.000%, 5/15/22 - FSA Insured | No Opt. C |
| 3,125 | 0.000%, 5/15/23 - FSA Insured | No Opt. C |
| 3,135 | 0.000%, 5/15/24 - FSA Insured | No Opt. C |
| 3,155 | 0.000%, 5/15/26 - FSA Insured | No Opt. C |
| 4,145 | 0.000%, 11/15/26 - FSA Insured | No Opt. C |
| 2,800 | 0.000%, 5/15/28 - FSA Insured | No Opt. C |
| 3,000 | 0.000%, 11/15/28 - FSA Insured | No Opt. C |
| 4,355 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 11,000 | Delaware County Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East Issue, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured | 11/08 at 102 |
| Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A: | | |
| 2,100 | 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/05 at 101 |
| 4,500 | 6.500%, 1/01/13 (Alternative Minimum Tax) | 1/05 at 101 |

25

Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| PENNSYLVANIA (continued) | | |
| \$ 800 | Pennsylvania Economic Development Financing Authority, Subordinate Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax) | 1/05 at 101 |
| 5,275 | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994B, 6.750%, 1/01/07 (Alternative Minimum Tax) | No Opt. C |

 PUERTO RICO - 0.2% (0.1% OF TOTAL INVESTMENTS)

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| | | |
|---|---|--------------|
| 1,250 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 5.875%, 7/01/21 - MBIA Insured | 7/10 at 101 |
| ----- | | |
| RHODE ISLAND - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,000 | Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 - MBIA Insured | 7/12 at 100 |
| 1,260 | Rhode Island Health and Educational Building Corporation, Revenue Refunding Bonds, Salve Regina University, Series 2002: 5.250%, 3/15/17 - RAAI Insured | 3/12 at 101 |
| 1,080 | 5.250%, 3/15/18 - RAAI Insured | 3/12 at 101 |
| ----- | | |
| SOUTH CAROLINA - 3.5% (2.4% OF TOTAL INVESTMENTS) | | |
| 22,855 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/31 - AMBAC Insured | No Opt. C |
| 6,925 | South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14 | 10/09 at 101 |
| 21,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at 101 |
| ----- | | |
| TENNESSEE - 1.7% (1.1% OF TOTAL INVESTMENTS) | | |
| 2,260 | Johnson City Health and Educational Facilities Board, Tennessee, Hospital Revenue Refunding and Improvement Bonds, Johnson City Medical Center, Series 1998C, 5.125%, 7/01/25 - MBIA Insured | 1/09 at 101 |
| 1,700 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 6,000 | Metropolitan Government of Nashville and Davidson Counties, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College, Series 1996, 6.000%, 12/01/19 - AMBAC Insured | 12/17 at 100 |
| 4,400 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| ----- | | |
| TEXAS - 5.5% (3.7% OF TOTAL INVESTMENTS) | | |
| 3,740 | Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.625%, 11/15/17 - AMBAC Insured | 11/09 at 100 |

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| | | |
|-------|---|--------------|
| 3,975 | Bell County Health Facilities Development Corporation, Texas, Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation, Series 2000A, 6.125%, 8/15/23 - MBIA Insured | 2/10 at 101 |
| 5,690 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 220 | Ft. Worth Housing Finance Corporation, Texas, Home Mortgage Revenue Refunding Bonds, Series 1991A, 8.500%, 10/01/11 | 4/05 at 100 |
| 1,000 | Fort Worth, Texas, Water and Sewerage Revenue Bonds, Series 1998, 5.250%, 2/15/15 | 2/08 at 100 |
| 1,000 | Harlingen Independent School District, Cameron County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.650%, 8/15/29 | 8/09 at 100 |
| 1,625 | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 140 | Hidalgo County Housing Finance Corporation, Texas, GNMA/FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.750%, 10/01/15 (Alternative Minimum Tax) | 4/05 at 101 |
| 4,000 | Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/27 - AMBAC Insured | 2/13 at 100 |

26

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 3,885 | Houston Independent School District, Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, 0.000%, 9/15/19 - AMBAC Insured | No Opt. C |
| 1,690 | Webb County, Laredo, Texas, Combination Tax and Sewer System, Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured | 2/08 at 100 |
| | Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998: | |
| 4,930 | 0.000%, 8/15/20 | 8/06 at 46 |
| 3,705 | 0.000%, 8/15/22 | 8/06 at 41 |
| 540 | Lubbock Housing Finance Corporation, Texas, GNMA Mortgage-Backed Securities Program Single Family | 6/07 at 102 |

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| | | |
|--------|--|--------------|
| | Mortgage Revenue Refunding Bonds, Series 1997A, 6.125%, 12/01/17 | |
| 3,480 | Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured | 3/12 at 100 |
| 6,290 | San Antonio, Texas, Electric and Gas System Revenue Refunding Bonds, New Series 1998A, 4.500%, 2/01/21 | 2/09 at 100 |
| 6,000 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | 2/11 at 100 |
| 4,000 | Tarrant Regional Water District, Texas, Water Revenue Refunding and Improvement Bonds, Series 1999, 5.000%, 3/01/22 - FSA Insured | 3/13 at 100 |
| 1,440 | Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/29 - MBIA Insured | 8/09 at 100 |
| ----- | | |
| | UTAH - 4.4% (3.0% OF TOTAL INVESTMENTS) | |
| 10,000 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured | 7/07 at 102 |
| | Utah County, Utah, Hospital Revenue Bonds, IHC Health Services Inc., Series 1997: | |
| 12,500 | 5.250%, 8/15/21 - MBIA Insured | 8/07 at 101 |
| 3,900 | 5.250%, 8/15/26 - MBIA Insured | 8/07 at 101 |
| 4,165 | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002A-1, 5.300%, 7/01/18 (Alternative Minimum Tax) | 1/12 at 100 |
| 45 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 2,555 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax) | 7/10 at 100 |
| 2,910 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| 685 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,065 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A-2, 5.650%, 7/01/27 (Alternative Minimum Tax) | 7/11 at 100 |
| 900 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax) | 1/11 at 100 |
| ----- | | |
| | VERMONT - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| 3,510 | Vermont Housing Finance Agency, Single Family Housing | 11/04 at 102 |

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Bonds, Series 1994-5, 7.000%, 11/01/27 (Alternative Minimum Tax)

| VIRGIN ISLANDS - 0.8% (0.5% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 2,500 | Virgin Islands Public Finance Authority, Refinery Revenue Bonds, Hovensa LLC, Series 2003, 6.125%, 7/01/22 (Alternative Minimum Tax) | 1/14 at 100 |
| 4,700 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Notes, Series 2003, 5.000%, 10/01/33 - RAAI Insured | 10/14 at 100 |

27

Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|---------------------|
| <hr/> | | |
| WASHINGTON - 4.2% (2.9% OF TOTAL INVESTMENTS) | | |
| \$ 12,235 | Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydro-Electric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured | No Opt. C |
| 3,100 | Cowlitz County Public Utilities District 1, Washington, Electric Production Revenue Bonds, Series 2004, 5.000%, 9/01/28 - FGIC Insured | 9/14 at 100 |
| 5,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2003A, 5.500%, 7/01/16 | 7/13 at 100 |
| 1,815 | Grant County Public Utility District 2, Washington, Revenue Bonds, Master Lease Program, Wanapum Hydroelectric Development, Series 1997A, 5.625%, 1/01/26 - MBIA Insured | 1/06 at 102 |
| 2,295 | King County School District 414, Lake Washington, Washington, General Obligation Bonds, Series 2000, 5.375%, 12/01/16 (Pre-refunded to 12/01/10) | 12/10 at 100 |
| 12,000 | Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26 | 1/11 at 100 |
| 5,000 | Washington State Housing Finance Commission, Non-Profit Housing Revenue Bonds, Kline Galland Center, Series 1999, 6.000%, 7/01/29 - RAAI Insured | 7/09 at 101 |
| 4,500 | Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |

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WEST VIRGINIA - 0.5% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
|-------|---|--------------|

WISCONSIN - 2.1% (1.3% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 11,620 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured | 2/10 at 101 |
|--------|--|-------------|

| | | |
|-------|--|-------------|
| 7,490 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Millennium Housing Foundation Inc., Series 1998, 6.100%, 1/01/28 | 7/08 at 103 |
|-------|--|-------------|

\$ 1,469,515 Total Long-Term Investments (cost \$1,297,975,376) - 147.2%
=====

SHORT-TERM INVESTMENTS - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--|
| 2,100 | Chester County Industrial Development Authority, Pennsylvania, Secured Revenue Bonds, Variable Rate Demand Obligations, Archdiocese of Philadelphia, Series 2001, 1.750%, 7/01/31+ | |
|-------|--|--|

| | | |
|-------|---|--|
| 2,300 | Fulton County Residential Care Facilities Authority, Georgia, Revenue Refunding Bonds, Lenbrook Square Foundation Inc., Variable Rate Demand Obligations, Series 1996, 1.790%, 1/01/18+ | |
|-------|---|--|

| | | |
|-------|--|--|
| 1,000 | Palm Beach County Health Facilities Authority, Florida, Variable Revenue Bonds, Bethesda Healthcare System, Series 2001, 1.740%, 12/01/31+ | |
|-------|--|--|

\$ 5,400 Total Short-Term Investments (cost \$5,400,000)
=====

Total Investments (cost \$1,303,375,376) - 147.8%

Other Assets Less Liabilities - 2.6%

Preferred Shares, at Liquidation Value - (50.4)%

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

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

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

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

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

N/R Investment is not rated.

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

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

See accompanying notes to financial statements.

28

Nuveen Municipal Advantage Fund, Inc. (NMA)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 3.2% (2.1% OF TOTAL INVESTMENTS) | |
| \$ 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 5,075 | Lauderdale County and Florence Healthcare Authority, Alabama, Revenue Bonds, Coffee Health Group, Series 1999A, 5.250%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 5,155 | Phenix City Industrial Development Board, Alabama, Environmental Improvement Revenue Bonds, MeadWestvaco Corporation, Series 2002A, 6.350%, 5/15/35 (Alternative Minimum Tax) | 5/12 at 100 |
| ----- | | |
| | ARIZONA - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 5,000 | Maricopa County Pollution Control Corporation, Arizona, Remarketed Revenue Refunding Bonds, Public Service Company of New Mexico, Series 1992A, 5.750%, 11/01/22 | 5/06 at 101 |
| ----- | | |
| | CALIFORNIA - 9.5% (6.4% OF TOTAL INVESTMENTS) | |
| 2,500 | Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured | 10/17 at 100 |

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| | | |
|-------|---|-------------|
| 3,000 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 3,300 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.375%, 5/01/22 | 5/12 at 101 |
| 7,500 | California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Coalinga State Hospital, Series 2004A, 5.125%, 6/01/29 | 4/14 at 100 |
| 7,535 | Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1989, 7.750%, 5/01/22 (Alternative Minimum Tax) | No Opt. C |
| 6,925 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Subordinated Water System Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured | 6/06 at 100 |
| 2,500 | Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Bonds, Series 1995A, 5.000%, 7/01/25 (Pre-refunded to 7/01/05) - AMBAC Insured | 7/05 at 100 |
| | North Orange County Community College District, California, General Obligation Bonds, Series 2003B: | |
| 7,735 | 0.000%, 8/01/25 - FGIC Insured | No Opt. C |
| 4,000 | 0.000%, 8/01/26 - FGIC Insured | No Opt. C |
| 5,000 | Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 | No Opt. C |
| 5,000 | Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 9,315 | Perris, California, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1989A, 7.600%, 1/01/23 (Alternative Minimum Tax) | No Opt. C |

COLORADO - 3.5% (2.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 8,350 | Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente, Series 1994A, 5.350%, 11/01/16 | 7/06 at 102 |
| 2,650 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/16 - MBIA Insured | No Opt. C |
| 1,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35 - MBIA Insured | 9/10 at 102 |
| 4,125 | Municipal Subdistrict Northern Colorado Water District, Revenue Bonds, Series 1997G, 5.250%, 12/01/15 - AMBAC Insured | 12/07 at 101 |

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | COLORADO (continued) | |
| | Platte River Power Authority, Colorado, Power Revenue | |
| | Refunding Bonds, Series 2002EE: | |
| \$ 2,000 | 5.375%, 6/01/17 | 6/12 at 100 |
| 5,000 | 5.375%, 6/01/18 | 6/12 at 100 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 2,500 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988F-1, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/04 at 103 |
| 2,815 | District of Columbia Housing Finance Agency, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax) | 6/07 at 102 |
| ----- | | |
| | FLORIDA - 2.2% (1.4% OF TOTAL INVESTMENTS) | |
| 2,770 | Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, Series 20000-1, 5.850%, 12/01/31 (Alternative Minimum Tax) - FSA Insured | 12/10 at 100 |
| 1,075 | Orange County, Florida, Tourist Development Tax Revenue Bonds, Series 2000, 5.250%, 10/01/16 - AMBAC Insured | 10/09 at 100 |
| 9,990 | Tampa, Florida, Healthcare System Revenue Bonds, Allegany Health System - St. Mary's Hospital, Series 1993, 5.125%, 12/01/23 - MBIA Insured | 12/04 at 101 |
| ----- | | |
| | HAWAII - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 2,290 | Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax) | 7/07 at 102 |
| 2,215 | Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31 | 7/10 at 102 |
| ----- | | |
| | ILLINOIS - 14.3% (9.5% OF TOTAL INVESTMENTS) | |
| 5,865 | Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 | 7/10 at 101 |

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(Pre-refunded to 7/01/10) - FGIC Insured

| | | |
|--------|--|--------------|
| 4,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 (Pre-refunded to 12/01/07) - AMBAC Insured | 12/07 at 102 |
| 12,500 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured | 12/07 at 102 |
| 5,000 | Chicago, Illinois, Special Facility Revenue Bonds, O'Hare International Airport, United Air Lines Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13) # | No Opt. C |
| 5,000 | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 5,000 | Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 (Pre-refunded to 1/01/08) - AMBAC Insured | 1/08 at 102 |
| 10,115 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Rush-Presbyterian-St. Luke's Medical Center Obligated Group, Series 1996A, 6.250%, 11/15/20 - MBIA Insured | 11/06 at 102 |
| 6,165 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22 | 2/07 at 102 |
| 3,935 | Illinois Health Facilities Authority, Revenue Bonds, Victory Health Services, Series 1997A, 5.375%, 8/15/16 | 8/07 at 101 |
| 6,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22 | 5/12 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A: | |
| 13,455 | 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| 10,000 | 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| 4,600 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Opt. C |
| 1,940 | University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured | 4/13 at 100 |

30

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | INDIANA - 4.6% (3.1% OF TOTAL INVESTMENTS) | |
| \$ 7,425 | Ft. Wayne International Airport Building Corporation, Indiana, General Obligation Airport Bonds, Series 1994, | 1/05 at 100 |

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5.900%, 1/01/14 (Alternative Minimum Tax)

| | | |
|-------|--|--------------|
| 5,205 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 9,000 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Community Hospitals of Indiana, Series 1995, 5.700%, 5/15/22 - MBIA Insured | 5/06 at 102 |
| 6,075 | LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21 | 10/09 at 101 |
| 2,725 | St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.450%, 2/15/12 | 2/09 at 102 |

IOWA - 0.7% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,135 | Iowa Finance Authority, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Bonds, Series 1995C, 6.450%, 1/01/24 | 1/05 at 102 |
| 3,500 | Marshalltown, Iowa, Pollution Control Revenue Refunding Bonds, Iowa Electric Light and Power Company Project, Series 1993, 5.500%, 11/01/23 - MBIA Insured | 11/04 at 101 |

KANSAS - 1.8% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,000 | Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07) | No Opt. C |
| 4,935 | Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/22 | 3/14 at 100 |
| 1,750 | Wamego, Kansas, Pollution Control Revenue Bonds, Kansas Gas and Electric Company, Series 2004, 5.300%, 6/01/31 - MBIA Insured | 6/14 at 100 |

KENTUCKY - 1.6% (1.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 5,500 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured | 5/07 at 101 |
| 4,950 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured | 11/07 at 101 |

LOUISIANA - 6.3% (4.2% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 13,500 | De Soto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured | 9/09 at 102 |
|--------|--|-------------|

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| | | |
|--|--|--------------|
| 10,000 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 | No Opt. C |
| | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B: | |
| 6,000 | 5.500%, 5/15/30 | 5/11 at 101 |
| 11,750 | 5.875%, 5/15/39 | 5/11 at 101 |
| ----- | | |
| MASSACHUSETTS - 1.2% (0.8% OF TOTAL INVESTMENTS) | | |
| 1,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Healthcare, Series 1998A, 5.000%, 7/01/28 - AMBAC Insured | 1/09 at 101 |
| 5,870 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |
| 515 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 79, 5.950%, 12/01/27 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |
| ----- | | |
| MICHIGAN - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 3,275 | Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18 | 2/05 at 101 |
| | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A: | |
| 4,995 | 5.250%, 8/15/23 | 8/08 at 101 |
| 3,000 | 5.250%, 8/15/28 | 8/08 at 101 |

31

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|---------------------|
| ----- | | |
| MINNESOTA - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| \$ 5,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |
| 5,890 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 5.550%, 7/01/24 (Alternative Minimum Tax) | 7/09 at 100 |

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| | | |
|--|---|--------------|
| 3,040 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%, 1/01/23 (Alternative Minimum Tax) | 1/10 at 100 |
| ----- | | |
| MISSISSIPPI - 0.7% (0.5% OF TOTAL INVESTMENTS) | | |
| 2,085 | Coahoma-Clarksdale Housing Development Corporation, Mississippi, FHA-Insured Section 8 Assisted Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms, Series 1990A, 8.000%, 8/01/24 | 2/05 at 100 |
| 2,595 | Coahoma-Clarksdale Housing Development Corporation, Mississippi, FHA-Insured Section 8 Assisted Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms, Series 1990B, 8.000%, 8/01/24 | 2/05 at 100 |
| ----- | | |
| MISSOURI - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,500 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 430 | Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| MONTANA - 1.9% (1.3% OF TOTAL INVESTMENTS) | | |
| 6,025 | Montana Board of Housing, Single Family Program Bonds, Series 1995B, 6.400%, 12/01/27 (Alternative Minimum Tax) | 12/05 at 102 |
| 6,920 | Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.050%, 12/01/37 | 6/07 at 101 |
| ----- | | |
| NEVADA - 3.8% (2.6% OF TOTAL INVESTMENTS) | | |
| 7,310 | Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/19 | 7/10 at 100 |
| 7,500 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 101 |
| 7,910 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 1,085 | Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1997C-2, 5.750%, 4/01/29 (Alternative Minimum Tax) | 4/07 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|---------------------|
| ----- | | |
| NEW HAMPSHIRE - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 2,480 | New Hampshire Business Finance Authority, Water Facility Revenue Bonds, Pennichuck Water Works Inc., Series 1994A, 6.350%, 12/01/19 - AMBAC Insured | 12/04 at 102 |
| 1,320 | New Hampshire Business Finance Authority, Revenue Bonds, Pennichuck Water Works Inc., Series 1994B, 6.450%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/04 at 102 |
| ----- | | |
| NEW JERSEY - 3.3% (2.2% OF TOTAL INVESTMENTS) | | |
| 3,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C, 6.500%, 1/01/09 | No Opt. C |
| 15,735 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32 | 6/12 at 100 |
| 5,000 | 6.125%, 6/01/42 | 6/12 at 100 |
| ----- | | |
| NEW MEXICO - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 7,500 | Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Public Service Company of New Mexico - San Juan Project, Series 1997B, 5.800%, 4/01/22 | 4/06 at 101 |
| ----- | | |
| NEW YORK - 15.0% (10.1% OF TOTAL INVESTMENTS) | | |
| \$ 7,000 | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29 | 7/12 at 100 |
| 3,980 | Nassau County, New York, General Obligation Improvement Bonds, Series 2000F: 7.000%, 3/01/11 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| 4,070 | 7.000%, 3/01/12 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| 3,925 | 7.000%, 3/01/15 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100 |
| 2,750 | New York City, New York, General Obligation Bonds, Fiscal Series 1997G: 6.000%, 10/15/26 (Pre-refunded to 10/15/07) | 10/07 at 101 |
| 7,250 | 6.000%, 10/15/26 | 10/07 at 101 |
| 7,435 | New York City, New York, General Obligation Bonds, Fiscal Series 2000E, 5.750%, 5/15/20 | 5/10 at 101 |
| 9,850 | New York City Municipal Water Finance Authority, New York, | 6/09 at 101 |

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| | | |
|--------|---|--------------|
| | Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 - FGIC Insured | |
| 5,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997B, 5.750%, 6/15/29 - FGIC Insured | 6/07 at 101 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000B, 6.000%, 11/15/29 (Pre-refunded to 5/15/10) | 5/10 at 101 |
| 4,975 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax) | 12/08 at 102 |
| 3,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 2002, 7.625%, 12/01/32 (Alternative Minimum Tax) | 12/12 at 101 |
| 3,655 | Dormitory Authority of the State of New York, Revenue Bonds, State University Educational Facilities, Series 1997, 5.125%, 5/15/27 (Pre-refunded to 5/15/08) | 5/08 at 101 |
| 2,965 | Dormitory Authority of the State of New York, Revenue Bonds, Mental Health Services Facilities Improvements, Series 1997B: 5.625%, 2/15/21 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 4,395 | 5.625%, 2/15/21 | 2/07 at 102 |
| 9,495 | New York State Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax) | 4/10 at 100 |
| 5,000 | New York State Urban Development Corporation, Correctional Facilities Service Contract Revenue Bonds, Series 1999C, 6.000%, 1/01/29 (Pre-refunded to 1/01/09) - AMBAC Insured | 1/09 at 101 |
| ----- | | |
| | NORTH CAROLINA - 3.5% (2.4% OF TOTAL INVESTMENTS) | |
| 8,450 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 7A, 6.250%, 1/01/29 (Alternative Minimum Tax) | 7/09 at 100 |
| 7,755 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 8A, 5.950%, 1/01/27 (Alternative Minimum Tax) | 1/10 at 100 |
| 5,945 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 9A, 5.875%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 100 |
| 1,320 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 100 |
| ----- | | |
| | NORTH DAKOTA - 0.5% (0.4% OF TOTAL INVESTMENTS) | |
| 3,490 | North Dakota Housing Finance Agency, Home Mortgage | 7/08 at 102 |

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Finance Program Bonds, Series 1998B, 5.500%, 7/01/29
(Alternative Minimum Tax) - MBIA Insured

| OHIO - 5.9% (4.0% OF TOTAL INVESTMENTS) | | |
|---|---|--------------|
| 5,000 | Akron, Bath and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1998A, 5.375%, 11/15/18 | 11/09 at 101 |
| 6,000 | Cuyahoga County, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Series 1999, 5.500%, 1/15/30 - AMBAC Insured | 7/09 at 101 |
| | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999: | |
| 7,840 | 6.750%, 4/01/18 | 4/10 at 101 |
| 5,000 | 6.750%, 4/01/22 | 4/10 at 101 |

33

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| OHIO (continued) | | |
| \$ 2,355 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 2000D, 5.450%, 9/01/31 (Alternative Minimum Tax) | 8/10 at 100 |
| 2,650 | Ohio, General Obligation Bonds, Higher Education, Series 2003A, 5.000%, 5/01/22 | 5/13 at 100 |
| 10,000 | Ohio Air Quality Development Authority, Pollution Control Revenue Refunding Bonds, Ohio Edison Company Project, Series 1999C, 5.800%, 6/01/16 (Mandatory put 12/01/04) | 12/04 at 100 |
| OKLAHOMA - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| 5,000 | Oklahoma State Industries Authority, Health System Revenue Refunding Bonds, Baptist Medical Center, Series 1999A, 5.750%, 8/15/29 - MBIA Insured | 8/09 at 101 |
| 10,000 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2001B, 5.650%, 12/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |

| | | |
|---|--|--|
| PENNSYLVANIA - 2.9% (1.8% OF TOTAL INVESTMENTS) | | |
|---|--|--|

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| | | |
|--------|--|--------------|
| 2,460 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 2,600 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured | 12/14 at 100 |
| 2,500 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002A, 5.500%, 2/01/31 (Pre-refunded to 2/01/12) - FSA Insured | 2/12 at 100 |
| 4,195 | Venango Housing Corporation, Pennsylvania, FHA-Insured Multifamily Mortgage Revenue Bonds, Evergreen Arbors Project, Series 1990A, 8.000%, 2/01/24 | 2/05 at 100 |
| 6,750 | Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured | No Opt. C |
| ----- | | |
| | PUERTO RICO - 0.7% (0.4% OF TOTAL INVESTMENTS) | |
| 4,000 | Puerto Rico, General Obligation Bonds, Series 2000B, 5.625%, 7/01/19 - MBIA Insured | 7/10 at 100 |
| ----- | | |
| | RHODE ISLAND - 1.9% (1.3% OF TOTAL INVESTMENTS) | |
| 12,250 | Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 - MBIA Insured | 5/07 at 102 |
| ----- | | |
| | SOUTH CAROLINA - 4.4% (2.9% OF TOTAL INVESTMENTS) | |
| 10,000 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20 | 12/12 at 101 |
| 2,500 | Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and Improvement Bonds, Series 2003, 5.750%, 11/01/28 | 11/13 at 100 |
| 3,000 | Myrtle Beach, South Carolina, Hospitality and Accommodation Fee Revenue Bonds, Series 2004A, 5.000%, 6/01/36 - FGIC Insured | 6/14 at 100 |
| | South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 2003A: | |
| 3,560 | 5.000%, 1/01/20 - AMBAC Insured | 7/13 at 100 |
| 2,125 | 5.000%, 1/01/21 - AMBAC Insured | 7/13 at 100 |
| 7,500 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | |

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TENNESSEE - 5.1% (3.5% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 6,000 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, Baptist Health System of East Tennessee Inc., Series 2002, 6.500%, 4/15/31 | 4/12 at 101 |
| 20,415 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2002A, 0.000%, 1/01/18 - FSA Insured | 1/13 at 75 |
| 1,750 | Metropolitan Government of Nashville and Davidson County, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26 | 5/11 at 100 |
| 14,385 | Metropolitan Government Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/28 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |

34

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

TEXAS - 16.3% (11.0% OF TOTAL INVESTMENTS)

| | | |
|-----------|--|--------------|
| \$ 11,810 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| 6,000 | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Lighting and Power Company, Series 1998, 5.050%, 11/01/18 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 8,400 | Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax) | 4/09 at 101 |
| 10,000 | Harris County Health Facilities Development Corporation, Texas, Special Facilities Revenue Bonds, Texas Medical Center Project, Series 1996, 5.900%, 5/15/16 - MBIA Insured | 5/06 at 102 |
| 5,000 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured | 11/13 at 100 |
| 12,500 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| 5,000 | Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/28 - AMBAC Insured | 2/13 at 100 |
| | Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993A-J: | |

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| | | |
|--------|---|--------------|
| 5,490 | 6.800%, 12/15/10 - AMBAC Insured | No Opt. C |
| 2,000 | 6.800%, 12/15/11 - AMBAC Insured | No Opt. C |
| 16,305 | Matagorda County Navigation District 1, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax) | 5/09 at 101 |
| 3,425 | Sabine River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11) | No Opt. C |
| 4,700 | Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21 | 10/12 at 100 |
| 4,000 | Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/35 | 8/09 at 100 |
| 6,840 | Travis County Health Facilities Development Corporation, Texas, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| 2,500 | Trinity River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001A, 5.000%, 5/01/27 (Alternative Minimum Tax) (Mandatory put 11/01/06) | No Opt. C |
| 245 | Wood Glen Housing Finance Corporation, Texas, FHA-Insured Section 8 Assisted Mortgage Revenue Bonds, Copperwood I Project, Series 1990A, 7.625%, 1/01/10 - MBIA Insured | 1/05 at 100 |
| | Wood Glen Housing Finance Corporation, Texas, FHA-Insured Section 8 Assisted Mortgage Revenue Refunding Bonds, Copperwood II Project, Series 1990C: | |
| 75 | 7.625%, 1/01/10 - MBIA Insured | 1/05 at 100 |
| 1,250 | 7.650%, 7/01/23 - MBIA Insured | 1/05 at 100 |
| ----- | | |
| | UTAH - 0.4% (0.2% OF TOTAL INVESTMENTS) | |
| 2,200 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured | 7/07 at 102 |
| ----- | | |
| | VIRGINIA - 1.0% (0.7% OF TOTAL INVESTMENTS) | |
| 6,380 | Capital Region Airport Authority, Richmond, Virginia, Airport Revenue Bonds, International Airport Projects, Series 1995A, 5.625%, 7/01/20 - AMBAC Insured | 7/05 at 102 |
| ----- | | |
| | WASHINGTON - 14.4% (9.6% OF TOTAL INVESTMENTS) | |
| 8,810 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |

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| | | |
|--------|--|--------------|
| 10,730 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Refunding Bonds, Series 2001C, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 5,665 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured | 7/12 at 100 |
| 10,730 | Pierce County School District 320, Sumner, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 - FSA Insured | 12/10 at 100 |

35

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | WASHINGTON (continued) | |
| \$ 10,550 | Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |
| 5,315 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 19,295 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999A, 6.000%, 9/01/29 - MBIA Insured | 3/10 at 101 |
| 5,000 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B, 6.000%, 9/01/20 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 5,000 | Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |
| 8,750 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| ----- | | |
| | WEST VIRGINIA - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| ----- | | |
| | WISCONSIN - 7.8% (5.2% OF TOTAL INVESTMENTS) | |

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| | | |
|------------|---|--------------|
| 7,515 | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 | 6/12 at 100 |
| 2,250 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured | 11/14 at 100 |
| 5,000 | Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas and Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured | No Opt. C |
| 2,935 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax) | 3/10 at 100 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Medical Group Inc., Series 1996: | |
| 10,000 | 5.600%, 11/15/16 - FSA Insured | 5/06 at 102 |
| 20,000 | 5.750%, 11/15/25 - FSA Insured | 5/06 at 102 |
| ----- | | |
| \$ 981,280 | Total Long-Term Investments (cost \$948,216,119) - 148.9% | |
| ===== | | |

SHORT-TERM INVESTMENTS - 0.5% (0.3% OF TOTAL INVESTMENTS)

| | | |
|----------|---|--|
| 3,510 | Montgomery County Public Building Authority, Tennessee, Tennessee County Loan Pool Program Bonds, Variable Rate Demand Obligations, Series 2002, 1.750%, 4/01/32+ | |
| ----- | | |
| \$ 3,510 | Total Short-Term Investments (cost \$3,510,000) | |
| ===== | | |

Total Investments (cost \$951,726,119) - 149.4%

Other Assets Less Liabilities - 2.5%

Preferred Shares, at Liquidation Value - (51.9)%

Net Assets Applicable to Common Shares - 100%

=====

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

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

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

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency

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

N/R Investment is not rated.

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

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

See accompanying notes to financial statements.

36

Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | ARIZONA - 0.5% (0.4% OF TOTAL INVESTMENTS) | |
| \$ 3,000 | Arizona State Transportation Board, Highway Revenue Bonds, Series 2001, 5.250%, 7/01/20 | 7/11 at 100 |
| 400 | Pima County Industrial Development Authority, Arizona, FNMA/GNMA Single Family Mortgage Revenue Bonds, Series 1997A, 7.100%, 11/01/29 (Alternative Minimum Tax) | 5/07 at 105 |
| ----- | | |
| | ARKANSAS - 1.8% (1.2% OF TOTAL INVESTMENTS) | |
| 5,000 | Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15 | 2/10 at 100 |
| 3,480 | Cabot School District 4, Lonoke County, Arkansas, General Obligation Refunding Bonds, Series 2003, 5.000%, 2/01/27 - AMBAC Insured | 8/08 at 100 |
| 2,865 | University of Arkansas, Fayetteville, Various Facilities Revenue Bonds, Series 2002, 5.500%, 12/01/20 - FGIC Insured | 12/12 at 100 |
| ----- | | |
| | CALIFORNIA - 5.5% (3.7% OF TOTAL INVESTMENTS) | |

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| | | |
|--------|--|-------------|
| 3,225 | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 1,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17 | 5/12 at 101 |
| 5,000 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B, 5.000%, 6/01/38 - AMBAC Insured | 6/13 at 100 |
| 2,500 | Los Angeles Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Central Business District Redevelopment Project, Series 1987G, 6.750%, 7/01/10 | 1/05 at 100 |
| | Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Second Series 1993: | |
| 490 | 4.750%, 10/15/20 | 4/05 at 101 |
| 5,510 | 4.750%, 10/15/20 | 4/05 at 101 |
| 995 | Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Series 1994, 5.375%, 2/15/34 | 2/05 at 101 |
| | Orange County, California, Recovery Certificates of Participation, Series 1996A: | |
| 13,100 | 5.875%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 690 | 6.000%, 7/01/26 - MBIA Insured | 7/06 at 102 |
| 5,000 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/17 - MBIA Insured | 1/14 at 102 |

COLORADO - 4.0% (2.6% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 3,000 | Broomfield, Colorado, Master Facilities Lease Purchase Agreement, Certificates of Participation, Series 1999, 5.750%, 12/01/24 - AMBAC Insured | 12/09 at 100 |
| 6,285 | Broomfield, Colorado, Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2002A, 5.500%, 12/01/22 - AMBAC Insured | 12/12 at 100 |
| 11,465 | Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 (Alternative Minimum Tax) - AMBAC Insured | 11/10 at 100 |
| 20,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured | 9/10 at 31 |

GEORGIA - 6.1% (4.0% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 15,000 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 14,330 | Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured | 11/10 at 101 |

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37

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | GEORGIA (continued) | |
| \$ 8,000 | Georgia, General Obligation Bonds, Series 1995C, 7.250%, 7/01/08 | No Opt. C |
| ----- | | |
| | ILLINOIS - 10.6% (7.0% OF TOTAL INVESTMENTS) | |
| 6,500 | Chicago, Illinois, Gas Supply Revenue Refunding Bonds, Peoples Gas Light and Coke Company Project, Series 1995A, 6.100%, 6/01/25 | 6/05 at 102 |
| 5,250 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1998B, 5.000%, 1/01/28 - MBIA Insured | 1/09 at 101 |
| 2,300 | Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured | No Opt. C |
| 4,000 | Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured | 7/13 at 100 |
| 5,210 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West Development, Series 1992A, 6.875%, 1/01/20 | 1/05 at 100 |
| 38,645 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2000, 5.500%, 4/01/25 - MBIA Insured | 4/10 at 100 |
| 1,975 | Lake County Community High School District 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured | No Opt. C |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A: | |
| 3,250 | 0.000%, 6/15/25 - MBIA Insured | 6/22 at 101 |
| 2,270 | 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |
| 10,000 | 0.000%, 12/15/38 - MBIA Insured | No Opt. C |
| ----- | | |
| | INDIANA - 1.2% (0.8% OF TOTAL INVESTMENTS) | |
| 4,695 | Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 13,949 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 | 11/05 at 102 |

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(Alternative Minimum Tax)#

| | | |
|--|--|--------------|
| 2,000 | Petersburg, Indiana, Pollution Control Revenue Refunding Bonds, Indianapolis Power and Light Company, Series 1991, 5.750%, 8/01/21 | 8/11 at 102 |
| ----- | | |
| IOWA - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 4,215 | Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, IPSCO Project, Series 1997, 6.000%, 6/01/27 (Alternative Minimum Tax) (Mandatory put 6/01/07) | No Opt. C |
| ----- | | |
| KENTUCKY - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| | Jefferson County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000A: | |
| 3,045 | 5.250%, 7/01/17 - FSA Insured | 1/10 at 101 |
| 7,490 | 5.250%, 7/01/20 - FSA Insured | 1/10 at 101 |
| ----- | | |
| LOUISIANA - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 7,415 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation, Series 2002, 5.000%, 12/01/32 - MBIA Insured | 12/12 at 100 |
| ----- | | |
| MARYLAND - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | |
| 3,710 | 5.000%, 11/01/18 | 11/12 at 101 |
| 3,890 | 5.000%, 11/01/19 | 11/12 at 101 |
| 2,500 | Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |
| ----- | | |
| MASSACHUSETTS - 3.3% (2.2% OF TOTAL INVESTMENTS) | | |
| 5,250 | Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30 | 7/10 at 100 |
| 10,000 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2000A, 5.750%, 8/01/39 - FGIC Insured | 8/10 at 101 |
| 6,195 | University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, 5.125%, 11/01/25 - MBIA Insured | 11/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|---------------------|
| MICHIGAN - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| \$ 6,635 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A, 5.750%, 7/01/28 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 101 |
| 2,090 | Grand Rapids Building Authority, Kent County, Michigan, Limited Tax General Obligation Bonds, Series 2000, 5.375%, 8/01/17 - AMBAC Insured | 8/10 at 100 |
| MINNESOTA - 7.9% (5.2% OF TOTAL INVESTMENTS) | | |
| 13,675 | Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16 | 11/10 at 100 |
| 3,705 | Minnesota Housing Finance Agency, Single Family Remarketed Mortgage Bonds, Series 1998H-2, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at 101 |
| 30,000 | Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2000A, 6.375%, 11/15/29 | 11/10 at 101 |
| 3,310 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |
| MISSISSIPPI - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 5,900 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22 | 4/05 at 101 |
| 1,675 | Mississippi Home Corporation, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax) | 7/07 at 105 |
| NEVADA - 5.2% (3.5% OF TOTAL INVESTMENTS) | | |
| 9,555 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/20 - FGIC Insured | 6/11 at 100 |
| 8,500 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: 0.000%, 1/01/26 - AMBAC Insured | No Opt. C |
| 5,315 | 0.000%, 1/01/27 - AMBAC Insured | No Opt. C |
| 21,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

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NEW JERSEY - 3.9% (2.6% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 400 | Camden County Pollution Control Financing Authority, New Jersey, Solid Waste Disposal and Resource Recovery System Revenue Bonds, Series 1991D, 7.250%, 12/01/10 | 12/04 at 100 |
| 21,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2000B, 5.750%, 6/15/17 (Pre-refunded to 6/15/10) | 6/10 at 100 |
| 3,165 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 | 6/12 at 100 |

NEW MEXICO - 1.9% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,925 | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A, 5.500%, 8/01/21 | 8/11 at 101 |
| 5,675 | University of New Mexico, System Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12 | No Opt. C |

NEW YORK - 23.5% (15.5% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - MBIA Insured | 6/08 at 101 |
| 11,000 | Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series 1999A, 6.400%, 7/15/33 | 7/09 at 101 |
| | New York City, New York, General Obligation Bonds, Fiscal Series 2002G: | |
| 1,000 | 5.000%, 8/01/17 | 8/12 at 100 |
| 10,500 | 5.750%, 8/01/18 | 8/12 at 100 |
| 5,000 | New York City, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16 | 8/12 at 100 |
| | New York City, New York, General Obligation Bonds, Fiscal Series 1997H: | |
| 280 | 6.125%, 8/01/25 (Pre-refunded to 8/01/07) | 8/07 at 101 |
| 9,720 | 6.125%, 8/01/25 | 8/07 at 101 |

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2004

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

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NEW YORK (continued)

| | | | |
|----|--------|---|--------------|
| | | New York City, New York, General Obligation Bonds, Fiscal Series 1996I: | |
| \$ | 3,980 | 5.875%, 3/15/18 | 3/06 at 101 |
| | 17,735 | 5.750%, 3/15/18 (Pre-refunded to 3/15/06) | 3/06 at 101 |
| | 17,870 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| | | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1997A: | |
| | 19,290 | 5.750%, 2/15/27 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| | 710 | 5.750%, 2/15/27 | 2/07 at 102 |
| | 4,500 | New York State Energy Research and Development Authority, Gas Facilities Revenue Bonds, Brooklyn Union Gas Company, Series 1989C, 5.600%, 6/01/25 (Alternative Minimum Tax) - MBIA Insured | 1/05 at 101 |
| | 3,000 | New York State Medical Care Facilities Finance Agency, Secured Hospital Revenue Bonds, Brookdale Hospital Medical Center, Series 1995A, 6.850%, 2/15/17 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| | 4,785 | New York State Medical Care Facilities Finance Agency, Secured Mortgage Revenue Bonds, Brookdale Family Care Centers Inc., Series 1995A, 6.375%, 11/15/19 | 11/05 at 102 |
| | 7,805 | New York State Power Authority, General Revenue Bonds, Series 2002A, 5.000%, 11/15/21 | 11/12 at 100 |
| | 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.750%, 12/01/22 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| | 5,400 | New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003A-1, 5.500%, 6/01/16 | 6/10 at 100 |
| | 7,000 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 1999B, 5.500%, 1/01/30 (Pre-refunded to 1/01/22) | 1/22 at 100 |
| | 8,000 | TSASC Inc., New York, Tobacco Flexible Amortization Bonds, Series 1999-1, 6.250%, 7/15/34 | 7/09 at 101 |

NORTH CAROLINA - 1.2% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-------------|
| | 7,500 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - MBIA Insured | 1/13 at 100 |
|--|-------|---|-------------|

NORTH DAKOTA - 4.3% (2.8% OF TOTAL INVESTMENTS)

| | | | |
|--|--------|---|-------------|
| | 22,905 | Fargo, North Dakota, Health System Revenue Bonds, | 6/10 at 101 |
|--|--------|---|-------------|

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MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 -
FSA Insured

| | | |
|-------|---|-------------|
| | North Dakota Water Commission, Water Development and Management Program Bonds, Series 2000A: | |
| 2,230 | 5.700%, 8/01/18 - MBIA Insured | 8/10 at 100 |
| 2,450 | 5.750%, 8/01/19 - MBIA Insured | 8/10 at 100 |

OHIO - 2.6% (1.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-----------|
| 16,140 | Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999,6.300%, 4/01/12 | No Opt. C |
|--------|--|-----------|

OKLAHOMA - 0.0% (0.0% OF TOTAL INVESTMENTS)

| | | |
|-----|--|-------------|
| 300 | Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 6/09 at 100 |
|-----|--|-------------|

OREGON - 2.4% (1.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,000 | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured | 1/13 at 100 |
| 6,780 | Portland, Oregon, Water System Revenue Bonds, Series 2000A: 5.375%, 8/01/18 | 8/10 at 100 |
| 3,880 | 5.500%, 8/01/20 | 8/10 at 100 |

PENNSYLVANIA - 6.3% (4.1% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 5,000 | Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19 | 1/08 at 102 |
| 15,000 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Refunding Bonds, Series 1998B, 5.250%, 1/01/08 - AMBAC Insured | No Opt. C |

40

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | PENNSYLVANIA (continued) | |
| \$ 15,050 | Pennsylvania, General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14 | 9/11 at 101 |
| 5,000 | Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Bonds, Series 2000, 5.875%, 12/15/30 | 12/10 at 100 |

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(Pre-refunded to 12/15/10) - MBIA Insured

| PUERTO RICO - 2.8% (1.8% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 7,940 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| 12,500 | Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23 | No Opt. C |

| SOUTH CAROLINA - 6.2% (4.1% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 24,730 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 | 12/12 at 101 |
| 21,570 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/30 - AMBAC Insured | No Opt. C |
| 1,640 | Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured | 1/07 at 102 |
| 10,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |

| TENNESSEE - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
|--|--|-------------|
| 5,000 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured | 7/13 at 100 |
| 1,200 | Metropolitan Government of Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Refunding Bonds, Blakeford at Green Hills, Series 1998, 5.650%, 7/01/16 | 1/05 at 101 |

| TEXAS - 23.5% (15.5% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 5,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/04 at 100 |
| | Arlington Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 1995: | |
| 3,710 | 0.000%, 2/15/12 (Pre-refunded to 2/15/05) | 2/05 at 67 |
| 3,710 | 0.000%, 2/15/13 (Pre-refunded to 2/15/05) | 2/05 at 62 |
| 12,250 | Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 - AMBAC Insured | 11/09 at 100 |

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| | | |
|--------|--|--------------|
| 11,255 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| | Brownsville Independent School District, Cameron County, Texas, General Obligation Bonds, Series 1999: | |
| 5,015 | 5.625%, 8/15/25 | 8/09 at 100 |
| 8,825 | 5.625%, 8/15/29 | 8/09 at 100 |
| | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000: | |
| 16,740 | 5.400%, 2/15/18 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 585 | 5.400%, 2/15/18 | 2/10 at 100 |
| 9,660 | 5.650%, 2/15/19 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 340 | 5.650%, 2/15/19 | 2/10 at 100 |
| 6,645 | 5.700%, 2/15/20 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 235 | 5.700%, 2/15/20 | 2/10 at 100 |
| 7,750 | 5.700%, 2/15/21 (Pre-refunded to 2/15/10) | 2/10 at 100 |
| 270 | 5.700%, 2/15/21 | 2/10 at 100 |
| 6,000 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax) | 11/09 at 101 |

41

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 11,750 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| 21,500 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| 4,500 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2000B, 5.250%, 12/01/30 (Pre-refunded to 12/01/10) - FGIC Insured | 12/10 at 100 |
| 1,250 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - FSA Insured | 12/11 at 100 |
| 15,000 | San Antonio Independent School District, Bexar County, Texas, General Obligation Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 4,150 | Texas General Services Commission, Certificates of | 3/05 at 100 |

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Participation, Series 1992, 7.500%, 9/01/22

| | | |
|-------|---|-------------|
| 3,970 | Wichita Falls, Wichita County, Texas, Priority Lien Water and Sewerage System Revenue Bonds, Series 2001, 5.000%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
|-------|---|-------------|

WASHINGTON - 17.9% (11.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,500 | Clark County Public Utility District 1, Washington, Generating System Revenue Refunding Bonds, Series 2000, 5.125%, 1/01/20 - FSA Insured | 1/11 at 100 |
|-------|---|-------------|

| | | |
|-------|--|-----------|
| 2,755 | Cowlitz County, Washington, Special Sewerage Revenue Refunding Bonds, CSOB Wastewater Treatment Facilities, Series 2002, 5.500%, 11/01/16 - FGIC Insured | No Opt. C |
|-------|--|-----------|

| | | |
|--------|--|-------------|
| 10,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2001A, 5.500%, 7/01/17 - FSA Insured | 7/11 at 101 |
|--------|--|-------------|

| | | |
|-------|---|-------------|
| 2,500 | King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured | 1/12 at 100 |
|-------|---|-------------|

| | | |
|--------|--|-------------|
| 33,490 | Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 - MBIA Insured | 8/10 at 100 |
|--------|--|-------------|

| | | |
|-------|--|-------------|
| 6,950 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 (Alternative Minimum Tax) - MBIA Insured | 8/10 at 100 |
|-------|--|-------------|

Seattle, Washington, General Obligation Refunding and Improvement Bonds, Series 2002:

| | | |
|-------|------------------|--------------|
| 6,165 | 4.400%, 12/01/19 | 12/12 at 100 |
|-------|------------------|--------------|

| | | |
|-------|------------------|--------------|
| 6,445 | 4.500%, 12/01/20 | 12/12 at 100 |
|-------|------------------|--------------|

Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A:

| | | |
|-------|-------------------------------|-------------|
| 6,630 | 5.750%, 1/01/17 - FSA Insured | 1/11 at 101 |
|-------|-------------------------------|-------------|

| | | |
|-------|-------------------------------|-------------|
| 3,500 | 5.750%, 1/01/18 - FSA Insured | 1/11 at 101 |
|-------|-------------------------------|-------------|

| | | |
|--------|--|-------------|
| 12,600 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |
|--------|--|-------------|

| | | |
|-------|--|-------------|
| 9,000 | Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured | 1/12 at 100 |
|-------|--|-------------|

| | | |
|-------|--|--------------|
| 7,890 | Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University, Series 1999, 5.950%, 11/01/29 - RAAI Insured | 11/09 at 101 |
|-------|--|--------------|

| | | |
|-------|---|--------------|
| 3,520 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
|-------|---|--------------|

WISCONSIN - 0.2% (0.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., | 3/08 at 101 |
|-------|---|-------------|

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Series 1998, 5.700%, 3/01/28

42

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | WYOMING - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| \$ 2,800 | Jackson National Rural Utilities Cooperative Financing Corporation, Wyoming, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power and Light Inc., Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax) | 5/07 at 101 |
| \$ 1,057,109 | Total Long-Term Investments (cost \$991,461,689) - 151.5% | |
| | Other Assets Less Liabilities - 2.4% | |
| | Preferred Shares, at Liquidation Value - (53.9)% | |
| | Net Assets Applicable to Common Shares - 100% | |

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

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

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

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

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

N/R Investment is not rated.

See accompanying notes to financial statements.

43

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Nuveen Dividend Advantage Municipal Fund (NAD)
 Portfolio of
 INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ALABAMA - 0.2% (0.2% OF TOTAL INVESTMENTS) | |
| \$ 1,500 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20 | 6/10 at 102 |
| ----- | | |
| | ARIZONA - 2.5% (1.7% OF TOTAL INVESTMENTS) | |
| 15,000 | Maricopa County Pollution Control Corporation, Arizona, Remarketed Revenue Bonds, El Paso Electric Company, Series 1994A, 6.375%, 7/01/14 (Mandatory put 8/01/05) | No Opt. C |
| ----- | | |
| | CALIFORNIA - 2.5% (1.7% OF TOTAL INVESTMENTS) | |
| 2,605 | California, General Obligation Bonds, Series 1997, 5.000%, 10/01/18 - AMBAC Insured | 10/07 at 101 |
| 2,475 | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2001A-3, 5.375%, 7/01/20 | 7/06 at 100 |
| 9,375 | Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.875%, 12/01/27 | 12/05 at 101 |
| ----- | | |
| | COLORADO - 3.1% (2.1% OF TOTAL INVESTMENTS) | |
| 10,250 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 2,950 | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/22 - XLCA Insured | 12/13 at 100 |
| 1,475 | Denver City and County, Colorado, FHA-Insured Mortgage Loan, Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) | 10/07 at 102 |
| 3,205 | Denver City and County, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A, 6.000%, 1/01/12 (Alternative Minimum Tax) - MBIA Insured | 1/09 at 101 |
| ----- | | |
| | CONNECTICUT - 0.4% (0.3% OF TOTAL INVESTMENTS) | |

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| | | |
|---|---|---------------------|
| 2,700 | Connecticut Development Authority, Health Facilities Revenue Refunding Bonds, Alzheimer's Resource Center of Connecticut Inc., Series 1994A, 7.125%, 8/15/14 | 2/05 at 102 |
| ----- | | |
| FLORIDA - 3.0% (2.0% OF TOTAL INVESTMENTS) | | |
| 1,630 | Florida Housing Finance Agency, Housing Revenue Bonds, Mar Lago Village Apartments, Series 1997F, 5.800%, 12/01/17 (Alternative Minimum Tax) - AMBAC Insured | 12/07 at 102 |
| 13,625 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at 102 |
| 2,405 | Venice, Florida, Revenue Bonds, Bon Secours System, Revenue Bonds, Series 1996, 5.600%, 8/15/16 - MBIA Insured | 8/06 at 102 |
| ----- | | |
| GEORGIA - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 4,000 | Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2000, 6.000%, 4/01/25 (Pre-refunded to 4/01/10) | 4/10 at 102 |
| 3,500 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 1999, 5.500%, 5/15/29 - MBIA Insured | 5/09 at 101 |
| ----- | | |
| IDAHO - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 710 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1999E, 5.750%, 1/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 865 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.350%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 850 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| ILLINOIS - 35.3% (23.6% OF TOTAL INVESTMENTS) | | |
| \$ 3,635 | Channahon, Illinois, Revenue Refunding Bonds, Morris | 12/09 at 102 |

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| | | |
|--------|--|--------------|
| | Hospital, Series 1999, 5.750%, 12/01/12 | |
| 22,750 | Chicago, Illinois, General Obligation Refunding Bonds, Emergency Telephone System, Series 1999, 5.500%, 1/01/23 - FGIC Insured | No Opt. C |
| 7,250 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured | No Opt. C |
| 2,300 | Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured | No Opt. C |
| | Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A: | |
| 905 | 5.500%, 12/20/19 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,210 | 5.600%, 12/20/29 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,925 | 5.650%, 12/20/40 (Alternative Minimum Tax) | 10/10 at 101 |
| | Chicago, Illinois, Wastewater Transmission Revenue Bonds, Series 1995: | |
| 3,795 | 5.125%, 1/01/25 (Pre-refunded to 1/01/06) - FGIC Insured | 1/06 at 102 |
| 1,145 | 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 5,100 | Chicago, Illinois, Water Revenue Bonds, Series 1997, 5.250%, 11/01/27 (Pre-refunded to 11/01/07) - FGIC Insured | 11/07 at 102 |
| 1,000 | DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003B, 5.250%, 11/01/20 - FSA Insured | 11/13 at 100 |
| 24,835 | Illinois Development Finance Authority, Revenue Bonds, Presbyterian Home of Lake Forest Project, Series 1999, 5.625%, 9/01/31 - FSA Insured | 9/07 at 102 |
| 3,935 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Round Lake Community Unit School District 116 Project, Series 1999, 0.000%, 1/01/15 - MBIA Insured | No Opt. C |
| 5,570 | Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2004A, 5.000%, 7/01/34 (WI, settling 11/10/04) | 7/14 at 100 |
| | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 1997A: | |
| 1,600 | 5.000%, 7/01/24 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 101 |
| 5,400 | 5.000%, 7/01/24 - MBIA Insured | 7/07 at 101 |
| 5,490 | Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16 | 2/07 at 102 |
| 17,280 | Illinois Health Facilities Authority, Converted Adjustable Rate Revenue Bonds, Highland Park Hospital, Series 1991A, 6.000%, 10/01/15 (Pre-refunded to 10/01/07) - FGIC Insured | 10/07 at 102 |
| 9,920 | Illinois Health Facilities Authority, Remarketed Revenue Bonds, University of Chicago Project, Series 1985A, 5.500%, 8/01/20 | 8/11 at 103 |
| 7,245 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital, Series 1991, 7.375%, 1/01/23 | 1/05 at 100 |

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| | | |
|--------|---|--------------|
| 5,000 | Kane, McHenry, Cook and DeKalb Counties Community Unit School District 300, Carpentersville, Illinois, General Obligation Bonds, Series 2000, 5.500%, 12/01/19 - MBIA Insured | 12/11 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A: | |
| 9,750 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/23 - MBIA Insured | No Opt. C |
| 20,500 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999: | |
| 22,650 | 5.750%, 6/01/19 - FSA Insured | No Opt. C |
| 3,500 | 5.750%, 6/01/23 - FSA Insured | No Opt. C |
| 1,300 | Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 - FGIC Insured | 12/14 at 100 |
| 4,500 | Will County School District 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured | No Opt. C |

45

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | INDIANA - 3.8% (2.5% OF TOTAL INVESTMENTS) | |
| \$ 8,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 - MBIA Insured | 8/10 at 101 |
| 8,755 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded to 11/15/09) - MBIA Insured | 11/09 at 101 |
| 4,190 | Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation Inc., Project, Series 1999, 5.700%, 6/01/24 | 6/09 at 101 |
| ----- | | |
| | IOWA - 1.9% (1.2% OF TOTAL INVESTMENTS) | |
| 11,095 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Waldorf College, Series 1999, 7.375%, 10/01/19 | 10/10 at 102 |

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| | | |
|--|---|--------------|
| ----- | | |
| KANSAS - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| 3,825 | Wichita, Kansas, Water and Sewer Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured | 10/06 at 101 |
| ----- | | |
| KENTUCKY - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| 3,030 | Hardin County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20 | 2/10 at 101 |
| 1,850 | Kentucky Economic Development Finance Authority, Hospital System Revenue Refunding and Improvement Bonds, Appalachian Regional Healthcare Inc. Project, Series 1997: 5.850%, 10/01/17 | 4/08 at 102 |
| 5,000 | 5.875%, 10/01/22 | 4/08 at 102 |
| ----- | | |
| LOUISIANA - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| 2,245 | Lafayette, Louisiana, Sales Tax Revenue Bonds, Public Improvements, Series 2000B, 5.625%, 5/01/25 - FGIC Insured | 5/10 at 101 |
| 1,750 | Louisiana Local Government Environmental Facilities and Community Development Authority, GNMA Collateralized Mortgage Revenue Refunding Bonds, Sharlo Apartments Project, Series 2002A, 6.500%, 6/20/37 | 6/12 at 105 |
| 9,545 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30 | 5/11 at 101 |
| ----- | | |
| MARYLAND - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 5,000 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2000G, 5.950%, 9/01/29 (Alternative Minimum Tax) | 9/09 at 100 |
| ----- | | |
| MASSACHUSETTS - 1.7% (1.1% OF TOTAL INVESTMENTS) | | |
| 1,500 | Boston Industrial Development Financing Authority, Massachusetts, Subordinate Revenue Bonds, Crosstown Center Project, Series 2002, 8.000%, 9/01/35 (Alternative Minimum Tax) | 9/12 at 102 |
| 785 | Massachusetts Port Authority, Special Facilities Revenue Bonds, US Airways Group Inc., Series 1996A, 5.875%, 9/01/23 (Alternative Minimum Tax) - MBIA Insured | 9/06 at 102 |
| 7,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.500%, 7/01/18 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| 555 | Massachusetts Housing Finance Agency, Single Family | 12/04 at 102 |

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Housing Revenue Bonds, Series 32, 6.600%, 12/01/26
(Alternative Minimum Tax)

| | | |
|---|--|--------------|
| MICHIGAN - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A: | | |
| 2,565 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 2,435 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 4,000 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |

46

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|---------------------|
| MINNESOTA - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| \$ 2,250 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax) | 4/11 at 101 |
| 1,685 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 101 |
| MISSOURI - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A: | | |
| 4,370 | 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| 3,670 | 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |
| MONTANA - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| 1,800 | Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 1,000 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax) | 12/09 at 100 |
| NEBRASKA - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,800 | Nebraska Higher Education Loan Program Incorporated, Senior Subordinate Bonds, Series 1993A-5A, 6.200%, 6/01/13 | No Opt. C |

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(Alternative Minimum Tax) - MBIA Insured

| NEVADA - 0.9% (0.5% OF TOTAL INVESTMENTS) | | |
|---|---|-------------|
| 2,115 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 - FGIC Insured | 6/11 at 100 |
| 6,000 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 0.000%, 1/01/19 - AMBAC Insured | No Opt. C |

| NEW HAMPSHIRE - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 2,105 | New Hampshire Housing Finance Agency, Single Family Mortgage Acquisition Revenue Bonds, Series 1995D, 6.550%, 7/01/26 (Alternative Minimum Tax) | 7/05 at 102 |

| NEW JERSEY - 7.9% (5.3% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 2,910 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Jersey City Medical Center, Series 2001, 4.800%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| 15,600 | New Jersey Economic Development Authority, Solid Waste Facilities Revenue Bonds, Bridgewater Resources Inc. Project, Series 1999B, 8.250%, 6/01/19 (Alternative Minimum Tax) # | No Opt. C |
| 675 | New Jersey Economic Development Authority, Solid Waste Revenue Bonds, Bridgewater Resources Inc. Project, Series 2003C, 0.000%, 6/30/05# | No Opt. C |
| 4,130 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18 | No Opt. C |
| 10,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.900%, 12/01/17 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| 11,085 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32 | 6/12 at 100 |
| 3,165 | 6.125%, 6/01/42 | 6/12 at 100 |

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NEW MEXICO - 0.7% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 4,000 | University of New Mexico, FHA-Insured Mortgage Hospital Revenue Bonds, Series 2004, 5.000%, 7/01/32 (WI, settling 11/18/04) - FSA Insured | 7/14 at 100 |
|-------|---|-------------|

47

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| NEW YORK - 19.5% (13.1% OF TOTAL INVESTMENTS) | | |
| \$ 5,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - FSA Insured | 6/08 at 101 |
| | Nassau County, New York, General Obligation Improvement Bonds, Series 1999B: | |
| 4,005 | 5.250%, 6/01/19 (Pre-refunded to 6/01/09) - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/20 (Pre-refunded to 6/01/09) - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/21 - AMBAC Insured | 6/09 at 102 |
| 2,000 | New York City, New York, General Obligation Bonds, Fiscal Series 1998E, 5.250%, 8/01/14 - AMBAC Insured | 2/08 at 101 |
| 14,000 | New York City, New York, General Obligation Bonds, Fiscal Series 1998F, 5.375%, 8/01/19 - MBIA Insured | 2/08 at 101 |
| 12,350 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000C, 5.500%, 11/01/29 (Pre-refunded to 5/01/10) | 5/10 at 101 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 4,600 | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996E, 5.250%, 2/15/18 - AMBAC Insured | 2/07 at 102 |
| 2,170 | Dormitory Authority of the State of New York, Insured Revenue Bonds, Franciscan Health Partnership Obligated Group - Frances Sherwier Home and Hospital, Series 1997, 5.500%, 7/01/17 - RAAI Insured | 7/07 at 102 |
| | Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996B: | |
| 4,305 | 5.125%, 8/15/21 (Pre-refunded to 2/15/06) - MBIA Insured | 2/06 at 100 |
| 165 | 5.125%, 8/15/21 - MBIA Insured | 2/06 at 102 |
| 7,500 | Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - MBIA Insured | 2/08 at 101 |

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| | | |
|---|---|--------------|
| 10,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | 7/09 at 101 |
| 2,000 | Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| 7,500 | New York State Urban Development Corporation, Correctional Facilities Revenue Bonds, Series 1995-6, 5.375%, 1/01/25 (Pre-refunded to 1/01/06) - AMBAC Insured | 1/06 at 102 |
| 8,800 | New York City Sales Tax Asset Receivable Corporation, New York, Local Government Assistance Corporation Dedicated Revenue Bonds, Series 2004A, 5.000%, 10/15/32 (WI, settling 11/04/04) - AMBAC Insured | 10/14 at 100 |
| ----- | | |
| NORTH CAROLINA - 0.5% (0.4% OF TOTAL INVESTMENTS) | | |
| 3,000 | Wake County, North Carolina, General Obligation School Bonds, Series 2001B, 5.250%, 2/01/17 | 2/11 at 102 |
| ----- | | |
| OHIO - 4.0% (2.7% OF TOTAL INVESTMENTS) | | |
| 2,300 | Amherst Exempted Village School District, Ohio, Unlimited Tax General Obligation School Improvement Bonds, Series 2001, 5.125%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 3,635 | Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | 1/05 at 103 |
| 3,650 | Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30 (WI, settling 11/18/04) | 5/14 at 100 |
| 13,300 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| 1,115 | Warren County, Ohio, Special Assessment Bonds, Waterstone Boulevard Project, Series 1997, 5.500%, 12/01/17 | 12/07 at 101 |
| ----- | | |
| OREGON - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 2,355 | Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Revenue Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured | 6/10 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | PENNSYLVANIA - 4.9% (3.3% OF TOTAL INVESTMENTS) | |
| \$ 3,480 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/22 | 11/10 at 102 |
| 2,180 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 18,900 | Philadelphia Airport System, Pennsylvania, Revenue Refunding Bonds, Series 1998A, 5.500%, 6/15/18 (Alternative Minimum Tax) - FGIC Insured | 6/08 at 102 |
| 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |
| ----- | | |
| | PUERTO RICO - 2.0% (1.4% OF TOTAL INVESTMENTS) | |
| 12,500 | Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23 | No Opt. C |
| ----- | | |
| | RHODE ISLAND - 2.8% (1.8% OF TOTAL INVESTMENTS) | |
| 2,015 | Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured | 5/09 at 102 |
| 3,500 | Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.750%, 4/01/29 - AMBAC Insured | 4/10 at 101 |
| 12,000 | Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32 | 6/12 at 100 |
| ----- | | |
| | TENNESSEE - 2.2% (1.5% OF TOTAL INVESTMENTS) | |
| 6,400 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 2,425 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 2,210 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| 1,335 | Tennessee Housing Development Agency, Homeownership | 7/10 at 100 |

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Program Bonds, Series 2000-2B, 6.250%, 1/01/20
(Alternative Minimum Tax)

TEXAS - 14.7% (9.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/04 at 100 |
| 1,660 | Austin, Texas, Prior Lien Airport System Revenue Bonds, Series 1995A: 6.125%, 11/15/25 (Alternative Minimum Tax) (Pre-refunded to 11/15/05) - MBIA Insured | 11/05 at 102 |
| 8,340 | 6.125%, 11/15/25 (Alternative Minimum Tax) - MBIA Insured | 11/05 at 102 |
| 2,560 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax) | 4/13 at 101 |
| 4,675 | Carrollton-Farmers Branch Independent School District, Dallas County, Texas, Unlimited Tax School Building Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded to 2/15/09) | 2/09 at 100 |
| 5,130 | Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999: 0.000%, 8/15/20 | 8/09 at 52 |
| 7,000 | 0.000%, 8/15/21 | 8/09 at 49 |
| 7,345 | 0.000%, 8/15/23 | 8/09 at 44 |
| 7,000 | 0.000%, 8/15/24 | 8/09 at 41 |
| 7,350 | 0.000%, 8/15/25 | 8/09 at 39 |
| 7,000 | 0.000%, 8/15/26 | 8/09 at 36 |
| 2,000 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 6,000 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS October 31, 2004

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

TEXAS (continued)

| | | |
|--------|---|--------------|
| \$ 820 | Dallas Area Rapid Transit, Texas, Senior Lien Sales Tax Revenue Bonds, Series 2001A, 5.000%, 12/01/31 - AMBAC Insured | 12/11 at 100 |
|--------|---|--------------|

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| | | |
|--------|---|-------------|
| | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A: | |
| 12,240 | 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 11,000 | 5.375%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 2,205 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/20 - MBIA Insured | No Opt. C |
| 2,500 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 2,500 | Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded to 8/01/10) - FSA Insured | 8/10 at 100 |
| 4,245 | Laredo Independent School District, Webb County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.250%, 8/01/24 | 8/09 at 100 |
| 2,000 | Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 - FGIC Insured | 3/09 at 100 |
| 1,500 | Port Arthur, Texas, Jefferson County, General Obligation Bonds, Series 1997, 5.000%, 2/15/21 - MBIA Insured | 2/07 at 100 |
| 10,000 | Tarrant County Health Facilities Development Corporation, Texas, Revenue Bonds, Texas Health Resources System, Series 1997A, 5.250%, 2/15/17 - MBIA Insured | 2/08 at 102 |

UTAH - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 40 | Utah Housing Finance Agency, FHA-Insured Single Family Mortgage Senior Bonds, Series 1994F-2, 7.000%, 7/01/27 (Alternative Minimum Tax) | 1/05 at 102 |
| | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999C-2, Class II: | |
| 940 | 5.700%, 7/01/19 (Alternative Minimum Tax) | 1/10 at 101 |
| 315 | 5.750%, 7/01/21 (Alternative Minimum Tax) | 1/10 at 101 |
| 345 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 150 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 1,705 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |

VIRGINIA - 0.5% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,395 | Virginia Small Business Financing Authority, Industrial Development Water Revenue Bonds, S.I.L. Clean Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative | 11/09 at 102 |
|-------|--|--------------|

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Minimum Tax)

| WASHINGTON - 11.0% (7.3% OF TOTAL INVESTMENTS) | | |
|--|--|-------------|
| 4,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2003A, 5.500%, 7/01/17 | 7/13 at 100 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B: | |
| 1,755 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 2,590 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C: | |
| 875 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 1,260 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 9,760 | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.625%, 1/01/21 - FSA Insured | 1/11 at 101 |
| 7,530 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |
| 11,605 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured | 7/09 at 100 |
| 3,350 | Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured | No Opt. C |

50

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|------------------------|
| <hr/> | | |
| | WASHINGTON (continued) | |
| | Washington, General Obligation Compound Interest Bonds, Series 1999S-3: | |
| \$ 17,650 | 0.000%, 1/01/20 | No Opt. C |
| 18,470 | 0.000%, 1/01/21 | No Opt. C |
| 4,800 | Washington Public Power Supply System, Nuclear Project 3 Revenue Refunding Bonds, Series 1997A, 5.250%, 7/01/16 - FSA Insured | 7/07 at 102 |
| <hr/> | | |
| WISCONSIN - 6.7% (4.5% OF TOTAL INVESTMENTS) | | |
| 2,250 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured | 11/14 at 100 |
| 3,810 | La Crosse, Wisconsin, Industrial Development Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |

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| | | |
|------------|---|--------------|
| 4,180 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc., Series 1999, 5.625%, 5/15/29 | 5/09 at 101 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Development Inc., Series 1999: | |
| 8,375 | 6.250%, 11/15/20 | 11/09 at 101 |
| 5,000 | 6.250%, 11/15/28 | 11/09 at 101 |
| 12,700 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured | 8/09 at 101 |
| 2,200 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
| ----- | | |
| \$ 912,125 | Total Long-Term Investments (cost \$822,982,975) - 145.4% | |
| ===== | | |

SHORT-TERM INVESTMENTS - 4.0% (2.7% OF TOTAL INVESTMENTS)

| | |
|-----------|---|
| 1,050 | Carbon County, Utah, Pollution Control Revenue Refunding Bonds, Pacificorp Projects, Variable Rate Demand Obligations, Series 1994 1.750%, 11/01/24 - AMBAC Insured+ |
| 12,000 | Clark County School District, Nevada, General Obligation Bonds, Variable Rate Demand Obligations, Series 2001B, 1.630%, 6/15/21 - FSA Insured+ |
| 2,500 | Connecticut Health and Educational Facilities Authority, Revenue Bonds, Yale University, Variable Rate Demand Obligations, Series 1997, 1.630%, 7/01/29+ |
| 1,850 | Massachusetts Development Finance Authority, Revenue Bonds, Boston University, Variable Rate Demand Obligations, Series 2002R-4, 1.690%, 10/01/42 - XLCA Insured+ |
| 3,000 | New York City, New York, General Obligation Bonds, Variable Rate Demand Obligations, Fiscal Series 2002A-7, 1.660%, 11/01/24 - AMBAC Insured+ |
| 2,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Variable Rate Demand Obligations, Fiscal Series 1993C, 1.700%, 6/15/22 - FGIC Insured+ |
| 2,100 | Power County, Idaho, Variable Rate Demand Pollution Control Revenue Bonds, FMC Corporation Project, Variable Rate Demand Bonds, Series 1985, 1.750%, 12/01/10+ |
| ----- | |
| \$ 24,500 | Total Short-Term Investments (cost \$24,500,000) |
| ===== | |

Total Investments (cost \$847,482,975) - 149.4%

Other Assets Less Liabilities - (1.3)%

Preferred Shares, at Liquidation Value - (48.1)%

Net Assets Applicable to Common Shares - 100%

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

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

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

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

N/R Investment is not rated.

Non-income producing security. In June 2003, Waste Solutions Group, Inc. (an entity formed for the benefit of Nuveen Dividend Advantage Municipal Fund (NAD) which owns various interests in the Bridgewater Resources Inc. project) took possession of 45% of the Bridgewater Resources Inc. assets on behalf of the Fund. Bridgewater Resources Inc. emerged from bankruptcy in June 2003. NAD, via Waste Solutions Group Inc., has agreed to allow debt service reserve monies to be used for capital expenses, and has also agreed to a debt service moratorium until December 2004. Nuveen Advisory Corp. will continue to actively monitor the Bridgewater Resources, Inc. project, and to cause NAD and Waste Solutions Group Inc. to act in what it believes is in the best interests of fund shareholders.

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

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

See accompanying notes to financial statements.

Nuveen Dividend Advantage Municipal Fund 2 (NXZ)
Portfolio of
INVESTMENTS October 31, 2004

PRINCIPAL
AMOUNT (000) DESCRIPTION(1)

OPTIONAL C
PROVISIO

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ALABAMA - 4.2% (2.9% OF TOTAL INVESTMENTS)

| | | | |
|----|--------|--|-------------|
| \$ | 18,500 | Huntsville Healthcare Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31 | 6/11 at 101 |
|----|--------|--|-------------|

ARIZONA - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,500 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
|-------|--|-------------|

ARKANSAS - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,470 | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 2002C, 5.400%, 1/01/34 (Alternative Minimum Tax) | 1/12 at 100 |
|-------|--|-------------|

CALIFORNIA - 11.1% (7.6% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 6,000 | California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32 | 6/11 at 101 |
| 13,825 | California, Department of Veterans Affairs, Home Purchase Revenue Bonds, Series 2001A, 5.550%, 12/01/25 - AMBAC Insured | 6/06 at 101 |
| 11,200 | California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28 | 8/13 at 100 |
| 1,500 | California Statewide Community Development Authority, Senior Lien Revenue Bonds, East Valley Tourist Authority, Series 2003B, 9.250%, 10/01/20 | 10/15 at 103 |
| 6,000 | California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2004G, 2.300%, 4/01/34 (Mandatory put 5/01/07) | No Opt. C |
| 5,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at 100 |
| 6,000 | Los Angeles Regional Airports Improvement Corporation, California, Sublease Revenue Bonds, Los Angeles International Airport, American Airlines Inc. Terminal 4 Project, Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax) | 12/12 at 102 |
| 220 | Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company, Series 1966A, 4.000%, 3/01/16 | 3/05 at 100 |

COLORADO - 5.9% (4.0% OF TOTAL INVESTMENTS)

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| | | |
|--------|--|-------------|
| 3,000 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2001, 7.500%, 8/15/21 (Pre-refunded to 8/15/11) | 8/11 at 100 |
| 2,500 | Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Colorado Lutheran High School Association, Series 2004A, 7.625%, 6/01/34 | 6/14 at 100 |
| 10,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured | 9/10 at 31 |
| 1,885 | Eagle County Air Terminal Corporation, Colorado, Airport Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31 (Alternative Minimum Tax) | 5/11 at 101 |
| 5,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured | 6/11 at 102 |
| 22,000 | Northwest Parkway Public Highway Authority, Colorado, Senior Lien Revenue Bonds, Series 2001B: 0.000%, 6/15/28 - FSA Insured | 6/11 at 35 |
| 17,650 | 0.000%, 6/15/29 - AMBAC Insured | 6/11 at 33 |
| 1,000 | Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |

52

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | FLORIDA - 5.1% (3.5% OF TOTAL INVESTMENTS) | |
| \$ 15,000 | Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured | 10/11 at 100 |
| 3,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 4,000 | Miami-Dade County Health Facility Authority, Florida, Hospital Revenue Refunding Bonds, Miami Children's Hospital, Series 2001A, 5.125%, 8/15/26 - AMBAC Insured | 8/11 at 101 |
| ----- | | |
| | GEORGIA - 1.3% (0.9% OF TOTAL INVESTMENTS) | |
| 5,940 | DeKalb County, Georgia, General Obligation Bonds, Series 2003A, 3.000%, 1/01/05 | No Opt. C |
| ----- | | |
| | HAWAII - 2.2% (1.4% OF TOTAL INVESTMENTS) | |

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Honolulu Board of Water Supply, Hawaii, Water System
 Revenue Bonds, Series 2001:
 3,000 5.250%, 7/01/26 - FSA Insured 7/11 at 100
 6,725 5.250%, 7/01/31 - FSA Insured 7/11 at 100

 ILLINOIS - 11.1% (7.6% OF TOTAL INVESTMENTS)

15,270 Chicago, Illinois, General Obligation Refunding Bonds, 1/11 at 101
 Series 2001A, 5.250%, 1/01/33 - MBIA Insured
 3,690 Chicago, Illinois, FHA/GNMA Collateralized Multifamily 12/11 at 100
 Housing Revenue Bonds, Stone Terrace Apartments,
 Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax)
 1,755 Chicago, Illinois, Special Facility Revenue Bonds, O'Hare No Opt. C
 International Airport, United Air Lines Inc. Project,
 Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax)
 (Mandatory put 5/01/13)#
 2,330 Chicago, Illinois, FNMA/GNMA Collateralized Single Family 4/11 at 105
 Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32
 (Alternative Minimum Tax)
 3,180 Illinois Development Finance Authority, Revenue Bonds, 12/21 at 100
 Chicago Charter School Foundation Project, Series 2002A,
 6.250%, 12/01/32
 5,000 Illinois Development Finance Authority, Revenue Bonds, 9/11 at 100
 Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 -
 AMBAC Insured
 3,100 Illinois Development Finance Authority, Revenue Bonds, 5/11 at 101
 Midwestern University, Series 2001B, 6.000%, 5/15/31
 5,000 Illinois Health Facilities Authority, Revenue Bonds, Edward 2/11 at 101
 Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 -
 FSA Insured
 3,000 Illinois Educational Facilities Authority, Student Housing 5/12 at 101
 Revenue Bonds, Educational Advancement Foundation Fund,
 University Center Project, Series 2002, 6.250%, 5/01/34
 2,275 Illinois, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16 6/11 at 100
 4,980 Metropolitan Pier and Exposition Authority, Illinois, Revenue 6/06 at 102
 Refunding Bonds, McCormick Place Expansion Project,
 Series 1996A, 5.250%, 6/15/27 - AMBAC Insured

 INDIANA - 4.8% (3.3% OF TOTAL INVESTMENTS)

2,000 Indiana Health Facility Financing Authority, Hospital Revenue 9/11 at 100
 Bonds, Methodist Hospitals Inc., Series 2001, 5.500%, 9/15/31
 2,500 Indiana Health Facility Financing Authority, Hospital Revenue No Opt. C
 Refunding Bonds, Columbus Regional Hospital, Series 1993,
 7.000%, 8/15/15 - FSA Insured
 Indiana Transportation Finance Authority, Highway Revenue

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| | | | |
|-------|--|--|--------------|
| | Bonds, Series 2003A: | | |
| 4,000 | 5.000%, 6/01/23 - FSA Insured | | 6/13 at 100 |
| 6,000 | 5.000%, 6/01/24 - FSA Insured | | 6/13 at 100 |
| 2,978 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | | 11/05 at 102 |
| 6,100 | St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.800%, 2/15/24 | | 2/09 at 102 |

IOWA - 0.2% (0.2% OF TOTAL INVESTMENTS)

| | | | |
|-------|---|--|--------------|
| 1,000 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College, Series 2002, 5.500%, 10/01/28 - ACA Insured | | 10/12 at 100 |
|-------|---|--|--------------|

53

Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|---------------------|
| KANSAS - 3.9% (2.7% OF TOTAL INVESTMENTS) | | |
| \$ 17,000 | Wichita, Kansas, Hospital Facilities Revenue Refunding and Improvement Bonds, Via Christi Health System Inc., Series 2001-III, 5.625%, 11/15/31 | 11/11 at 101 |
| LOUISIANA - 3.2% (2.2% OF TOTAL INVESTMENTS) | | |
| 17,060 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |
| MASSACHUSETTS - 4.0% (2.7% OF TOTAL INVESTMENTS) | | |
| 2,875 | Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.750%, 7/01/39 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| 15,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |
| MICHIGAN - 14.5% (9.8% OF TOTAL INVESTMENTS) | | |

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| | | | |
|--------|---|--|--------------|
| | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A: | | |
| 20,000 | 5.500%, 7/01/33 - FGIC Insured | | 7/11 at 101 |
| 14,610 | 5.250%, 7/01/33 - FGIC Insured | | 7/11 at 100 |
| 15,390 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | | 7/11 at 100 |
| 4,000 | Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy of Arts and Sciences Charter School, Series 2001A, 8.000%, 10/01/31 | | 10/09 at 102 |
| | Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A: | | |
| 2,000 | 6.250%, 8/15/13 | | 2/05 at 101 |
| 4,000 | 6.500%, 8/15/18 | | 2/05 at 101 |
| 2,000 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18 | | 8/08 at 101 |
| ----- | | | |
| | MINNESOTA - 3.2% (2.2% OF TOTAL INVESTMENTS) | | |
| 14,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/32 - FGIC Insured | | 1/11 at 100 |
| ----- | | | |
| | MISSISSIPPI - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 4,000 | Mississippi, Highway Revenue Bonds, Series 1999, 5.250%, 6/01/05 | | No Opt. C |
| ----- | | | |
| | MISSOURI - 4.8% (3.3% OF TOTAL INVESTMENTS) | | |
| 21,000 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured | | 6/11 at 101 |
| ----- | | | |
| | MONTANA - 1.0% (0.7% OF TOTAL INVESTMENTS) | | |
| 4,370 | Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax) | | 12/10 at 100 |
| ----- | | | |
| | NEVADA - 4.5% (3.1% OF TOTAL INVESTMENTS) | | |
| 12,275 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | | 1/10 at 100 |
| 3,500 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 | | 1/10 at 102 |

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| | | |
|-------|--|-------------|
| | Henderson, Nevada, Healthcare Facility Revenue Bonds, Catholic Healthcare West, Series 1998A: | |
| 1,670 | 5.250%, 7/01/18 (Pre-refunded to 7/01/08) | 7/08 at 101 |
| 2,330 | 5.250%, 7/01/18 | 7/08 at 101 |

NEW HAMPSHIRE - 2.4% (1.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 8,000 | New Hampshire Business Finance Authority, Pollution Control Remarketed Revenue Refunding Bonds, Connecticut Light and Power Company, Series 1992A, 5.850%, 12/01/22 | 10/08 at 102 |
| 2,360 | New Hampshire Housing Finance Agency, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax) | 5/11 at 100 |

54

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

NEW JERSEY - 1.3% (0.8% OF TOTAL INVESTMENTS)

| | | |
|----------|---|--------------|
| \$ 3,995 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | 11/10 at 101 |
| 425 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: 6.750%, 6/01/39 | 6/13 at 100 |
| 2,700 | 6.250%, 6/01/43 | 6/13 at 100 |

NEW MEXICO - 5.2% (3.6% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A: | |
| 12,000 | 5.500%, 8/01/25 | 8/11 at 101 |
| 10,800 | 5.500%, 8/01/30 | 8/11 at 101 |

NEW YORK - 6.0% (4.1% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 6,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2000L, 5.375%, 5/01/33 | 5/11 at 100 |
| 12,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33 | 6/11 at 101 |
| 5,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, JFK Airport - American Airlines Inc., Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax) | 8/12 at 101 |

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| | | |
|---|---|--------------|
| 4,900 | Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Health Obligated Group, Series 2000A, 6.625%, 7/01/19 | 7/10 at 101 |
| ----- | | |
| NORTH CAROLINA - 1.7% (1.1% OF TOTAL INVESTMENTS) | | |
| 2,950 | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 - XLCA Insured | 4/13 at 100 |
| 4,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15 | 1/09 at 102 |
| ----- | | |
| NORTH DAKOTA - 0.7% (0.5% OF TOTAL INVESTMENTS) | | |
| 3,255 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2001A, 5.550%, 1/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| OHIO - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| 1,845 | Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/28 - FGIC Insured | 6/13 at 100 |
| ----- | | |
| OKLAHOMA - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| | Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A: | |
| 2,655 | 5.125%, 8/15/10 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 1,000 | 5.200%, 8/15/11 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| ----- | | |
| OREGON - 3.9% (2.7% OF TOTAL INVESTMENTS) | | |
| 8,000 | Clackamas County Hospital Facility Authority, Oregon, Revenue Refunding Bonds, Legacy Health System, Series 2001, 5.250%, 5/01/21 | 5/11 at 101 |
| 9,000 | Oregon Department of Administrative Services, Certificates of Participation, Series 2001D, 5.000%, 5/01/26 - AMBAC Insured | 5/11 at 101 |
| ----- | | |
| PENNSYLVANIA - 3.7% (2.5% OF TOTAL INVESTMENTS) | | |
| 5,000 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/30 | 11/10 at 102 |
| 2,460 | Carbon County Industrial Development Authority, | No Opt. C |

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Pennsylvania, Resource Recovery Revenue Refunding
Bonds, Panther Creek Partners Project, Series 2000,
6.650%, 5/01/10 (Alternative Minimum Tax)

8,000 Pennsylvania Higher Educational Facilities Authority, Revenue
Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31 1/11 at 101

55

Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | SOUTH CAROLINA - 0.1% (0.1% OF TOTAL INVESTMENTS) | |
| \$ 630 | South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 1996A, 5.750%, 1/01/22 - MBIA Insured | 1/06 at 102 |
| ----- | | |
| | SOUTH DAKOTA - 1.1% (0.8% OF TOTAL INVESTMENTS) | |
| 4,820 | South Dakota Housing Development Authority, Remarketed Homeownership Mortgage Bonds, Series 1997E-4, 5.450%, 5/01/18 (Alternative Minimum Tax) | 5/09 at 102 |
| ----- | | |
| | TEXAS - 24.3% (16.5% OF TOTAL INVESTMENTS) | |
| 7,500 | Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - FSA Insured (PLG1) | 11/10 at 100 |
| 15,000 | Dallas-Fort Worth International Airport Public Facility Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001: 5.250%, 1/15/26 - FSA Insured | 1/09 at 100 |
| 1,750 | 5.200%, 1/15/31 - FSA Insured | 1/09 at 100 |
| 6,000 | Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.125%, 9/01/34 | 9/14 at 100 |
| 10,000 | Gulf Coast Industrial Development Authority, Texas, Solid Waste Disposal Revenue Bonds, Citgo Petroleum Corporation Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 40,000 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - MBIA Insured (PLG2) | 11/30 at 54 |

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| | | |
|---|--|--------------|
| 30,980 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at 100 |
| | Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001: | |
| 10,715 | 0.000%, 8/15/25 | 8/11 at 43 |
| 12,940 | 0.000%, 8/15/26 | 8/11 at 40 |
| | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B: | |
| 5,000 | 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 5,000 | 0.000%, 9/01/31 - AMBAC Insured | No Opt. C |
| 5,000 | Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital, Series 2001, 7.250%, 1/01/31 | 1/11 at 100 |
| 10,500 | Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35 | 8/11 at 100 |
| 2,000 | Tom Green County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21 | 5/11 at 101 |
| ----- | | |
| VIRGINIA - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| 5,000 | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/33 | 8/08 at 23 |
| ----- | | |
| WASHINGTON - 5.9% (4.0% OF TOTAL INVESTMENTS) | | |
| | Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001: | |
| 4,820 | 5.500%, 3/01/19 - FSA Insured | 3/11 at 100 |
| 7,250 | 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 3,500 | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/18 - FSA Insured | 1/11 at 101 |
| 2,000 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured | 7/09 at 100 |
| 7,500 | Washington State Healthcare Facilities Authority, Revenue Bonds, Sisters of Providence Health System, Series 2001A, 5.250%, 10/01/21 - MBIA Insured | 10/11 at 100 |

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

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WEST VIRGINIA - 1.1% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|----|-------|---|--------------|
| \$ | 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
|----|-------|---|--------------|

 WISCONSIN - 0.7% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26 | 5/12 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 2,100 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
|-------|---|-------------|

 \$ 751,003 Total Long-Term Investments (cost \$632,726,167) - 146.7%

 Other Assets Less Liabilities - 1.8%

 Preferred Shares, at Liquidation Value - (48.5)%

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

FORWARD SWAP CONTRACTS OUTSTANDING AT OCTOBER 31, 2004:

| | NOTIONAL AMOUNT | EFFECTIVE DATE |
|---|-----------------|----------------|
| ----- | | |
| Agreement with JPMorgan dated July 1, 2004, to pay semi-annually the notional amount multiplied by 5.805% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$20,000,000 | 2/02/05 |
| Agreement with Morgan Stanley dated July 15, 2004, to pay semi-annually the notional amount multiplied by 5.717% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 21,000,000 | 1/14/05 |
| ----- | | |

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

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

* Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional

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call or redemption. There may be other call provisions at varying prices at later dates.

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

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

N/R Investment is not rated.

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

(PLG1) Portion of security, with an aggregate market value of \$1,772,649, has been pledged to collateralize the net payment obligations under forward swap contracts.

(PLG2) Portion of security, with an aggregate market value of \$2,268,882, has been pledged to collateralize the net payment obligations under forward swap contracts.

See accompanying notes to financial statements.

57

Nuveen Dividend Advantage Municipal Fund 3 (NZF)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|------------------------|
| ALABAMA - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| \$ 5,655 | Alabama State Port Authority, Revenue Bonds, State Docks Department Facilities, Series 2001, 5.250%, 10/01/26 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 100 |
| ALASKA - 0.7% (0.5% OF TOTAL INVESTMENTS) | | |
| 4,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured | 7/08 at 100 |

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ARKANSAS - 0.9% (0.6% OF TOTAL INVESTMENTS)

Sebastian County Health Facilities Board, Arkansas, Hospital Revenue Improvement Bonds, Sparks Regional Medical Center, Series 2001A:

| | | |
|-------|------------------|--------------|
| 1,805 | 5.500%, 11/01/13 | 11/11 at 101 |
| 1,900 | 5.500%, 11/01/14 | 11/11 at 101 |
| 1,555 | 5.250%, 11/01/21 | 11/11 at 101 |

CALIFORNIA - 10.3% (7.0% OF TOTAL INVESTMENTS)

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

COLORADO - 7.9% (5.3% OF TOTAL INVESTMENTS)

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

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| | | |
|--------|---|--------------|
| | and Improvement Bonds, Series 1997A, 5.375%, 11/15/26 | |
| 2,000 | Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1996A: | |
| 19,150 | 5.750%, 11/15/16 - MBIA Insured | 11/06 at 101 |
| 1,105 | 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 1,000 | Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 | 6/14 at 101 |

58

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | DELAWARE - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| \$ 3,390 | Delaware State Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24 | 7/12 at 100 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| 6,000 | District of Columbia, Revenue Bonds, Catholic University of America, Series 1999, 5.625%, 10/01/29 - AMBAC Insured | 10/09 at 101 |
| ----- | | |
| | FLORIDA - 2.0% (1.4% OF TOTAL INVESTMENTS) | |
| 2,000 | Dade County, Florida, Water and Sewerage System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured | 10/07 at 102 |
| 2,230 | Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Refunding Bonds, Series 1995D, 4.750%, 6/01/22 | 6/05 at 101 |
| | Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G: | |
| 1,105 | 5.400%, 12/01/32 - FSA Insured | 12/11 at 100 |
| 2,195 | 5.450%, 12/01/41 - FSA Insured | 12/11 at 100 |
| 4,175 | Pace Property Finance Authority Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured | 9/07 at 102 |
| ----- | | |
| | GEORGIA - 2.3% (1.5% OF TOTAL INVESTMENTS) | |
| 5,000 | Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 (Alternative Minimum Tax) - FGIC Insured | 1/10 at 101 |

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| | | |
|---|---|--------------|
| 2,700 | Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24 | 12/11 at 101 |
| 3,600 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| 2,000 | Henry County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2000, 5.625%, 2/01/30 - FGIC Insured | 2/10 at 101 |
| ----- | | |
| HAWAII - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 5,125 | Hawaii, Highway Revenue Bonds, Series 2001, 5.375%, 7/01/21 - FSA Insured | 7/11 at 100 |
| ----- | | |
| ILLINOIS - 16.3% (11.0% OF TOTAL INVESTMENTS) | | |
| 3,000 | Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2001A, 5.500%, 1/01/31 - FGIC Insured | 1/11 at 100 |
| 8,375 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 (Alternative Minimum Tax) - FSA Insured | 1/11 at 101 |
| 4,950 | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 1,750 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at 102 |
| 10,800 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded to 1/01/09) - FGIC Insured | 1/09 at 101 |
| | Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A: | |
| 2,220 | 5.500%, 1/01/16 - MBIA Insured | No Opt. C |
| 8,610 | 5.500%, 1/01/26 (Pre-refunded to 1/01/11) - AMBAC Insured | 1/11 at 100 |
| 10,000 | Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 (Pre-refunded to 11/01/11) - AMBAC Insured | 11/11 at 100 |
| 1,100 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30 | 5/10 at 101 |
| 15,000 | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31 | 7/11 at 100 |
| 9,000 | Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31 | 12/11 at 101 |
| 2,000 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 - FGIC Insured | No Opt. C |

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59

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 16,900 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| ----- | | |
| | INDIANA - 4.7% (3.2% OF TOTAL INVESTMENTS) | |
| | Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| 1,255 | 5.000%, 7/15/21 - AMBAC Insured | 1/12 at 100 |
| 1,000 | 5.000%, 1/15/26 - AMBAC Insured | 1/12 at 100 |
| | Evansville Vanderburgh Public Library Lease Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| 2,000 | 5.750%, 7/15/18 - MBIA Insured | 7/12 at 100 |
| 2,750 | 5.125%, 1/15/24 - MBIA Insured | 1/12 at 100 |
| 3,455 | Gary, Indiana, GNMA/FHA Mortgage Revenue Bonds, Windsor Square Project, Series 2001A, 5.375%, 10/20/41 (Alternative Minimum Tax) | 11/11 at 102 |
| 1,250 | Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 - AMBAC Insured | 1/12 at 100 |
| 9,500 | Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 2,650 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Airlines Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 3,500 | University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| | Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| 1,150 | 5.625%, 7/15/18 - AMBAC Insured | 1/13 at 101 |
| 1,090 | 5.500%, 7/15/22 - AMBAC Insured | 1/13 at 101 |
| ----- | | |
| | IOWA - 4.7% (3.2% OF TOTAL INVESTMENTS) | |

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| | | |
|--|--|------------------------|
| 2,000 | Iowa Finance Authority, Healthcare Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA Insured | 5/11 at 100 |
| | Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B: | |
| 28,000 | 5.300%, 6/01/25 | 6/11 at 101 |
| 3,950 | 5.600%, 6/01/35 | 6/11 at 101 |
| ----- | | |
| KENTUCKY - 3.1% (2.1% OF TOTAL INVESTMENTS) | | |
| 18,500 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 - MBIA Insured | 11/11 at 101 |
| ----- | | |
| LOUISIANA - 3.8% (2.6% OF TOTAL INVESTMENTS) | | |
| 19,890 | Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |
| 6,000 | West Feliciana Parish, Louisiana, Remarketed Pollution Control Revenue Bonds, Gulf States Utilities Company, Series 1985A, 7.500%, 5/01/15 | 11/04 at 101 |
| ----- | | |
| MAINE - 1.2% (0.8% OF TOTAL INVESTMENTS) | | |
| | Maine State Housing Authority, Mortgage Purchase Bonds, Series 2001B: | |
| 4,610 | 5.400%, 11/15/21 (Alternative Minimum Tax) | 11/10 at 100 |
| 2,285 | 5.500%, 11/15/32 (Alternative Minimum Tax) | 11/10 at 100 |
| ----- | | |
| MARYLAND - 2.1% (1.4% OF TOTAL INVESTMENTS) | | |
| | Maryland Community Development Administration, Multifamily Housing Insured Mortgage Loans, Series 2001B: | |
| 715 | 5.250%, 5/15/21 (Alternative Minimum Tax) | 5/11 at 100 |
| 1,570 | 5.250%, 7/01/21 (Alternative Minimum Tax) | 7/11 at 100 |
| 10,600 | Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) | 9/05 at 102 |
| ----- | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| MASSACHUSETTS - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |

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| | | | |
|----|-------|---|-------------|
| \$ | 5,000 | Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series 2001A, 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| | 405 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured | 6/09 at 100 |

MICHIGAN - 8.6% (5.8% OF TOTAL INVESTMENTS)

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

MINNESOTA - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|--|--------------|
| | 2,370 | Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax) | 10/11 at 105 |
|--|-------|--|--------------|

MISSISSIPPI - 1.4% (1.0% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-------------|
| | 2,155 | Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34 | 5/09 at 103 |
| | 6,420 | Mississippi, Highway Revenue Bonds, Series 1999, 5.250%, 6/01/05 | No Opt. C |

MISSOURI - 2.6% (1.6% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | 2,000 | Fenton, Missouri, Tax Increment Refunding and Improvement | 10/12 at 100 |
|--|-------|---|--------------|

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Revenue Bonds, Gravois Bluffs Redevelopment Project,
Series 2002, 6.125%, 10/01/21

Missouri Development Finance Board, Cultural Facilities
Revenue Bonds, Nelson Gallery Foundation, Series 2001A:

| | | |
|-------|---------------------------------|--------------|
| 3,335 | 5.250%, 12/01/19 - MBIA Insured | 12/11 at 100 |
| 3,510 | 5.250%, 12/01/20 - MBIA Insured | 12/11 at 100 |
| 3,695 | 5.250%, 12/01/21 - MBIA Insured | 12/11 at 100 |
| 2,040 | 5.250%, 12/01/22 - MBIA Insured | 12/11 at 100 |

MONTANA - 0.9% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,000 | Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company Project, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 101 |
|-------|--|-------------|

NEBRASKA - 1.2% (0.8% OF TOTAL INVESTMENTS)

Nebraska Investment Finance Authority, Single Family Housing
Revenue Bonds, Series 2001D:

| | | |
|-------|---|-------------|
| 2,980 | 5.250%, 9/01/21 (Alternative Minimum Tax) | 9/11 at 100 |
| 4,020 | 5.375%, 9/01/32 (Alternative Minimum Tax) | 9/11 at 100 |

NEVADA - 7.6% (5.2% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 35,000 | Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured | 7/10 at 100 |
| 4,000 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 | 1/10 at 102 |
| 570 | Nevada Housing Division, Single Family Mortgage Senior Bonds, Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax) | 4/08 at 101 |

61

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEVADA (continued) | |
| \$ 4,290 | University of Nevada, Revenue Bonds, Community College System, Series 2001A, 5.250%, 7/01/26 - FGIC Insured | 1/12 at 100 |

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NEW HAMPSHIRE - 0.4% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 2,000 | New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - FSA Insured | 10/11 at 101 |
|-------|---|--------------|

NEW JERSEY - 2.4% (1.7% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 10,000 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, American Water Company, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 101 |
| 4,125 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |

NEW YORK - 5.3% (3.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,780 | East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing Inc. Project, Series 2001, 5.300%, 4/20/31 | 10/11 at 101 |
| 5,350 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, 5.000%, 11/15/31 - FGIC Insured | 11/11 at 100 |
| 4,155 | Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 2,500 | New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 - MBIA Insured | 8/12 at 100 |
| 8,610 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001A: 5.500%, 6/15/33 - MBIA Insured | 6/10 at 101 |
| 5,710 | 5.500%, 6/15/33 - FGIC Insured | 6/10 at 101 |
| 2,000 | New York Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003B-1C, 5.500%, 6/01/16 | 6/11 at 100 |

NORTH CAROLINA - 0.3% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-----------|
| 1,800 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.500%, 1/01/13 | No Opt. C |
|-------|--|-----------|

OHIO - 2.8% (1.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,265 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 (Alternative | 3/08 at 101 |
|-------|---|-------------|

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Minimum Tax) - FSA Insured

| | | |
|-------|--|--------------|
| 7,800 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| 1,870 | Portage County, Ohio, General Obligation Bonds, Series 2001: 5.000%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 1,775 | 5.000%, 12/01/23 - FGIC Insured | 12/11 at 100 |

OKLAHOMA - 0.5% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,500 | Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A, 5.625%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 101 |
|-------|---|-------------|

OREGON - 2.5% (1.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 4,700 | Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 - AMBAC Insured | 11/11 at 101 |
| 10,000 | Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax) | 7/10 at 100 |

PENNSYLVANIA - 1.9% (1.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 2,000 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B: 9.250%, 11/15/22 | 11/10 at 102 |
| 2,000 | 9.250%, 11/15/30 | 11/10 at 102 |

62

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

PENNSYLVANIA (continued)

| | | |
|----------|---|-------------|
| \$ 3,500 | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.600%, 1/01/19 (Alternative Minimum Tax) | 1/05 at 101 |
| 3,205 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |

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

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2,185 Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 - AMBAC Insured 4/11 at 101

6,850 South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded to 10/01/11) - AMBAC Insured 10/11 at 100

 TENNESSEE - 1.5% (1.0% OF TOTAL INVESTMENTS)

5,210 Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured 3/11 at 100

1,820 Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax) 1/09 at 101

1,870 Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax) 7/11 at 100

 TEXAS - 18.1% (12.3% OF TOTAL INVESTMENTS)

1,125 Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured 6/09 at 100

3,850 Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured 11/11 at 100

5,000 Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25 9/14 at 100

Collins and Denton Counties, Frisco, Texas, General Obligation Bonds, Series 2001:

1,910 5.000%, 2/15/20 - FGIC Insured 2/11 at 100

2,005 5.000%, 2/15/21 - FGIC Insured 2/11 at 100

4,040 Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27 8/11 at 100

7,000 Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured 7/08 at 101

Houston, Texas, Airport System Subordinate Lien Revenue Refunding Bonds, Series 2001A:

2,525 5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured 1/12 at 100

2,905 5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured 1/12 at 100

6,000 Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - MBIA Insured No Opt. C

Jefferson County Health Facilities Development Corporation,

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| | | |
|--------|---|--------------|
| | Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001: | |
| 8,500 | 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |
| 8,500 | 5.500%, 8/15/41 -AMBAC Insured | 8/11 at 100 |
| 10,700 | Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25 | 8/11 at 100 |
| 2,500 | Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 1,540 | Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 | 2/11 at 100 |
| 5,430 | Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22 | 2/08 at 100 |
| 3,000 | North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26- MBIA Insured | 2/08 at 102 |
| 3,045 | Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |

63

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| | TEXAS (continued) | |
| \$ 11,985 | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) | 7/11 at 100 |
| 15,700 | Texas Water Development Board, Senior Lien State Revolving Fund Revenue Bonds, Series 1996B, 5.125%, 7/15/18 | 1/07 at 100 |
| | UTAH - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E: | |
| 2,235 | 5.200%, 1/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 695 | 5.500%, 1/01/23 (Alternative Minimum Tax) | 7/11 at 100 |

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| | | |
|-------|--|-------------|
| | Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1: | |
| 2,765 | 4.950%, 7/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 690 | 5.300%, 7/01/23 (Alternative Minimum Tax) | 7/11 at 100 |

VIRGINIA - 1.4% (1.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 7,000 | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/13 | 8/08 at 77 |
| 4,945 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001J-1, 5.200%, 7/01/19 - MBIA Insured | 7/11 at 100 |

WASHINGTON - 16.1% (10.9% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| | Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A: | |
| 1,000 | 5.500%, 12/01/27 - MBIA Insured | 12/11 at 100 |
| 2,000 | 5.600%, 12/01/36 - MBIA Insured | 12/11 at 100 |
| 2,090 | Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured | 11/11 at 100 |
| 1,500 | Grays Harbor County Public Utility District 1, Washington, Electric System Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured | 1/11 at 100 |
| 2,475 | Klickitat County Public Utility District 1, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured | 12/11 at 100 |
| 12,955 | Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/08 at 101 |
| | Port of Seattle, Washington, Revenue Bonds, Series 2001B: | |
| 2,535 | 5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 16,000 | 5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured | 10/08 at 100 |
| 5,680 | Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured | 3/11 at 100 |
| 4,530 | Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 - AMBAC Insured | 12/11 at 100 |
| 2,250 | Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured | 7/09 at 100 |
| | Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: | |
| 3,005 | 5.375%, 12/01/17 - AMBAC Insured | 12/11 at 101 |
| 2,915 | 5.375%, 12/01/18 - AMBAC Insured | 12/11 at 101 |

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| | | |
|--------|---|--------------|
| 3,720 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured | 10/11 at 100 |
| | Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001: | |
| 5,480 | 5.500%, 10/01/21 - RAAI Insured | 10/11 at 101 |
| 25,435 | 5.625%, 10/01/31 - RAAI Insured | 10/11 at 101 |

64

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | WISCONSIN - 5.1% (3.4% OF TOTAL INVESTMENTS) | |
| | Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001: | |
| \$ 3,705 | 5.375%, 1/01/20 - FGIC Insured | 1/12 at 100 |
| 1,850 | 5.000%, 1/01/21 - FGIC Insured | 1/12 at 100 |
| 1,735 | Evansville Community School District, Dane, Green and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 - FGIC Insured | 4/11 at 100 |
| 12,250 | La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |
| 3,180 | Wisconsin, Clean Water Revenue Bonds, Series 1999-1, 5.500%, 6/01/17 | 6/09 at 100 |
| 4,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedtert and Community Health Obligated Group, Series 2001, 5.375%, 10/01/30 | 10/11 at 101 |
| 2,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25 | 2/12 at 100 |
| ----- | | |
| \$ 876,545 | Total Long-Term Investments (cost \$877,468,248) - 148.2% | |
| ===== | | |
| | Other Assets Less Liabilities - 2.2% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (50.4)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

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

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

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at varying prices at later dates.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

65

Statement of
ASSETS AND LIABILITIES October 31, 2004

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Investments, at market value (cost \$1,303,375,376, \$951,726,119, \$991,461,689, \$847,482,975, \$632,726,167 and \$877,468,248, respectively) | \$1,404,887,231 | \$1,029,461,604 | \$1,068,021,733 | \$916,365,782 |
| Cash | 3,660,074 | -- | -- | 1,005,900 |
| Receivables: | | | | |
| Interest | 22,415,885 | 19,054,156 | 17,614,333 | 13,925,385 |
| Investments sold | 3,815,906 | 105,738 | 675,820 | 2,066,440 |
| Other assets | 67,752 | 59,034 | 62,801 | 57,062 |
| Total assets | 1,434,846,848 | 1,048,680,532 | 1,086,374,687 | 933,420,569 |
| LIABILITIES | | | | |
| Cash overdraft | -- | 657,569 | 732,910 | -- |
| Payable for investments purchased | 3,702,086 | -- | -- | 24,582,900 |
| Forward swaps, at value | -- | -- | -- | -- |
| Accrued expenses: | | | | |
| Management fees | 737,096 | 544,982 | 564,005 | 283,074 |
| Other | 325,170 | 214,187 | 241,482 | 179,837 |
| Preferred share dividends payable | 89,189 | 73,412 | 76,665 | 46,562 |
| Total liabilities | 4,853,541 | 1,490,150 | 1,615,062 | 25,092,373 |
| Preferred shares, at liquidation value | 479,000,000 | 358,000,000 | 380,000,000 | 295,000,000 |
| Net assets applicable to Common shares | \$ 950,993,307 | \$ 689,190,382 | \$ 704,759,625 | \$613,328,196 |
| Common shares outstanding | 59,914,073 | 43,025,594 | 45,540,872 | 39,267,491 |

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| | | | | |
|----------------------------------|----------------|----------------|----------------|---------------|
| ===== | | | | |
| Net asset value per Common share | | | | |
| outstanding (net assets | | | | |
| applicable to Common | | | | |
| shares, divided by | | | | |
| Common shares outstanding) | \$ 15.87 | \$ 16.02 | \$ 15.48 | \$ 15.62 |
| ===== | | | | |
| NET ASSETS APPLICABLE TO | | | | |
| COMMON SHARES CONSIST OF: | | | | |
| ----- | | | | |
| Common shares, \$.01 | | | | |
| par value per share | \$ 599,141 | \$ 430,256 | \$ 455,409 | \$ 392,675 |
| Paid-in surplus | 836,423,631 | 601,030,545 | 635,502,550 | 558,053,977 |
| Undistributed net | | | | |
| investment income | 11,485,116 | 9,357,409 | 6,496,073 | 6,910,277 |
| Accumulated net realized | | | | |
| gain (loss) | | | | |
| from investments | 973,564 | 636,687 | (14,254,451) | (20,911,540) |
| Net unrealized appreciation | | | | |
| of investments and forward | | | | |
| swap transactions | 101,511,855 | 77,735,485 | 76,560,044 | 68,882,807 |
| ----- | | | | |
| Net assets applicable to | | | | |
| Common shares | \$ 950,993,307 | \$ 689,190,382 | \$ 704,759,625 | \$613,328,196 |
| ===== | | | | |
| Authorized shares: | | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 | Unlimited |
| ===== | | | | |

See accompanying notes to financial statements.

66

Statement of
OPERATIONS Year Ended October 31, 2004

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---------------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| INVESTMENT INCOME | \$73,552,668 | \$55,588,787 | \$55,311,914 | \$47,201,65 |
| ----- | | | | |
| EXPENSES | | | | |
| Management fees | 8,700,777 | 6,441,514 | 6,670,810 | 5,597,58 |
| Preferred shares - auction fees | 1,200,780 | 897,450 | 952,603 | 739,52 |
| Preferred shares - dividend | | | | |
| disbursing agent fees | 50,138 | 50,138 | 40,110 | 30,08 |
| Shareholders' servicing | | | | |
| agent fees | | | | |
| and expenses | 204,827 | 121,894 | 134,571 | 16,49 |
| Custodian's fees and expenses | 288,564 | 202,911 | 202,048 | 176,23 |
| Directors'/Trustees' | | | | |
| fees and expenses | 31,402 | 24,017 | 25,228 | 18,90 |
| Professional fees | 97,222 | 59,742 | 109,946 | 60,43 |
| Shareholders' reports - | | | | |
| printing and | | | | |
| mailing expenses | 146,944 | 95,818 | 106,904 | 83,33 |

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| | | | | |
|---|--------------|--------------|--------------|-------------|
| Stock exchange listing fees | 24,100 | 17,323 | 18,348 | 15,94 |
| Investor relations expense | 124,174 | 84,185 | 93,509 | 79,77 |
| Other expenses | 78,480 | 56,192 | 57,694 | 31,31 |
| ----- | | | | |
| Total expenses before custodian fee credit, and expense reimbursement and legal fee refund | 10,947,408 | 8,051,184 | 8,411,771 | 6,849,61 |
| Custodian fee credit | (30,955) | (20,251) | (20,616) | (23,73 |
| Expense reimbursement | -- | -- | -- | (2,580,48 |
| Legal fee refund | -- | -- | (121,443) | - |
| ----- | | | | |
| Net expenses | 10,916,453 | 8,030,933 | 8,269,712 | 4,245,39 |
| ----- | | | | |
| Net investment income | 62,636,215 | 47,557,854 | 47,042,202 | 42,956,26 |
| ----- | | | | |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | | | | |
| Net realized gain (loss) from investments | 6,618,657 | 687,024 | (1,201,262) | 1,200,35 |
| Change in net unrealized appreciation (depreciation) of investments | 18,902,259 | 17,410,047 | 17,743,454 | 16,389,36 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | -- | -- | - |
| ----- | | | | |
| Net gain from investments | 25,520,916 | 18,097,071 | 16,542,192 | 17,589,71 |
| ----- | | | | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | | |
| From net investment income | (4,452,180) | (3,307,419) | (3,607,167) | (2,680,80 |
| From accumulated net realized gains from investments | -- | (42,016) | -- | - |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (4,452,180) | (3,349,435) | (3,607,167) | (2,680,80 |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | \$83,704,951 | \$62,305,490 | \$59,977,227 | \$57,865,17 |
| ===== | | | | |

See accompanying notes to financial statements.

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| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | |
|--|------------------------|------------------------|---------------------------|------------------------|
| | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 |
| OPERATIONS | | | | |
| Net investment income | \$ 62,636,215 | \$ 64,017,626 | \$ 47,557,854 | \$ 48,689,930 |
| Net realized gain (loss) from investments | 6,618,657 | (5,880,620) | 687,024 | 634,280 |
| Change in net unrealized appreciation (depreciation) of investments | 18,902,259 | 8,871,335 | 17,410,047 | 9,982,880 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | -- | -- | -- |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (4,452,180) | (4,280,974) | (3,307,419) | (3,175,590) |
| From accumulated net realized gains from investments | -- | (139,879) | (42,016) | (242,540) |
| Net increase in net assets applicable to Common shares from operations | 83,704,951 | 62,587,488 | 62,305,490 | 55,888,960 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (58,236,491) | (56,921,521) | (44,397,396) | (44,027,550) |
| From accumulated net realized gains from investments | -- | (1,515,794) | (599,790) | (2,984,330) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (58,236,491) | (58,437,315) | (44,997,186) | (47,011,890) |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | -- | 734,804 | -- |
| Preferred shares offering costs | -- | (1,000) | -- | -- |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | -- | (1,000) | 734,804 | -- |
| Net increase in net assets applicable to Common shares | 25,468,460 | 4,149,173 | 18,043,108 | 8,877,070 |

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| | | | | |
|---|---------------|---------------|---------------|--------------|
| Net assets applicable to Common shares at the beginning of year | 925,524,847 | 921,375,674 | 671,147,274 | 662,270,19 |
| Net assets applicable to Common shares at the end of year | \$950,993,307 | \$925,524,847 | \$689,190,382 | \$671,147,27 |
| Undistributed net investment income at the end of year | \$ 11,485,116 | \$ 11,883,367 | \$ 9,357,409 | \$ 9,507,29 |

See accompanying notes to financial statements.

68

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | |
|---|--------------------------|------------------------|----------------------------|------------------------|
| | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 |
| OPERATIONS | | | | |
| Net investment income | \$ 42,956,260 | \$ 42,988,353 | \$ 32,923,303 | \$ 33,824,20 |
| Net realized gain (loss) from investments | 1,200,358 | (4,617,432) | (470,534) | 890,82 |
| Change in net unrealized appreciation (depreciation) of investments | 16,389,360 | 12,311,762 | 18,712,940 | 4,294,73 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | -- | (3,532,408) | -- |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (2,680,807) | (2,660,192) | (2,061,411) | (2,029,37 |
| From accumulated net realized gains from investments | -- | -- | (52,111) | (28,71 |
| Net increase in net assets applicable to Common shares from operations | 57,865,171 | 48,022,491 | 45,519,779 | 36,951,67 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (40,278,262) | (38,956,575) | (30,219,035) | (29,486,97 |
| From accumulated net realized gains from investments | -- | -- | (850,299) | (272,34 |
| Decrease in net assets applicable to Common shares from distributions to | | | | |

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| | | | | |
|---------------------------------|---------------|---------------|---------------|--------------|
| Common shareholders | (40,278,262) | (38,956,575) | (31,069,334) | (29,759,31) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from | | | | |
| Common shares issued | | | | |
| to shareholders due | | | | |
| to reinvestment | | | | |
| of distributions | 475,057 | 155,266 | -- | |
| Preferred shares offering costs | -- | -- | -- | 2,13 |
| ----- | | | | |
| Net increase (decrease) | | | | |
| in net assets | | | | |
| applicable to | | | | |
| Common shares | | | | |
| from capital | | | | |
| share transactions | 475,057 | 155,266 | -- | 2,13 |
| ----- | | | | |
| Net increase in net | | | | |
| assets applicable | | | | |
| to Common shares | 18,061,966 | 9,221,182 | 14,450,445 | 7,194,49 |
| Net assets applicable | | | | |
| to Common shares | | | | |
| at the beginning | | | | |
| of year | 595,266,230 | 586,045,048 | 443,101,258 | 435,906,76 |
| ----- | | | | |
| Net assets applicable | | | | |
| to Common shares | | | | |
| at the end of year | \$613,328,196 | \$595,266,230 | \$457,551,703 | \$443,101,25 |
| ===== | | | | |
| Undistributed net | | | | |
| investment income at | | | | |
| the end of year | \$ 6,910,277 | \$ 6,991,496 | \$ 6,314,546 | \$ 5,895,33 |
| ===== | | | | |

See accompanying notes to financial statements.

69

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations

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issued by state and local government authorities.

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.

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2004, Performance Plus (NPP) and Dividend Advantage (NAD) had outstanding when-issued purchase commitments of \$3,702,086 and \$24,582,900, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

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

Professional Fees

Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of the Fund's shareholders. Legal fee refund presented on the Statement of Operations for Market Opportunity (NMO) reflects a refund of workout expenditures paid in a prior reporting period.

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2004, have been designated Exempt Interest Dividends. Net realized capital gains and

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ordinary income distributions made by the Funds are subject to federal taxation.

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

70

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

Preferred Shares

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

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

Forward Swap Transactions

The Funds may invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net earnings. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment. The amount of the payment obligation is based on the notional or nominal amount of the forward swap contract. The Funds may close out a contract prior to the effective date. When a forward swap is terminated, it does not involve the delivery of securities of other underlying assets or principal, but rather is settled in cash. Each Fund intends to, but is not obligated to, terminate its forward swaps before the effective date. Accordingly, the risk of loss with

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respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment. To minimize such credit risk, all counterparties are required to segregate 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. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to segregate assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss. The Funds help reduce the credit risks associated with forward swap transactions by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the swap counterparties.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

Indemnifications

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

| PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | | MARK OPPORTUNI |
|----------------------------------|---------------|------------------------------|---------------|-------------------|
| YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED |
| 10/31/04 | 10/31/03 | 10/31/04 | 10/31/03 | 10/31/04 |
| Common shares issued to | | | | |
| shareholders due to | | | | |
| reinvestment of distributions -- | | | | |
| -- | -- | 45,261 | -- | -- |
| | | | | |

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Notes to
FINANCIAL STATEMENTS (continued)

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | | DIVIDE ADVANTAGE |
|--|-----------------------------|---------------|-------------------------------|---------------|---------------------|
| | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED | YEAR ENDED |
| | 10/31/04 | 10/31/03 | 10/31/04 | 10/31/03 | 10/31/04 |
| Common shares issued to shareholders due to reinvestment of distributions | 29,786 | 9,858 | -- | -- | -- |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended October 31, 2004, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|----------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|------|
| Purchases | \$148,627,283 | \$54,482,751 | \$56,709,045 | \$71,281,971 | \$35,554,626 | \$30 |
| Sales and maturities | 146,856,280 | 43,479,650 | 42,114,856 | 62,099,848 | 17,194,087 | 23 |

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses on investments, timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At October 31, 2004, the cost of investments was as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDE ADVANTAGE (NXZ) |
|---------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|------------------------------|
| Cost of investments | \$1,302,767,500 | \$950,806,597 | \$990,993,656 | \$846,818,150 | \$632,409,2 |

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Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2004, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Gross unrealized: | | | | | |
| Appreciation | \$107,113,828 | \$86,517,447 | \$95,358,716 | \$78,768,538 | \$46,170,823 |
| Depreciation | (4,994,097) | (7,862,440) | (18,330,639) | (9,220,906) | (7,231,949) |
| Net unrealized appreciation of investments | \$102,119,731 | \$78,655,007 | \$77,028,077 | \$69,547,632 | \$38,938,874 |

The tax components of undistributed net investment income and net realized gains at October 31, 2004, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Undistributed net tax-exempt income * | \$15,580,820 | \$12,161,503 | \$9,702,437 | \$9,380,605 | \$8,540,409 |
| Undistributed net ordinary income ** | 238,651 | -- | -- | 138,779 | 22,426 |
| Undistributed net long-term capital gains | 973,564 | 686,687 | -- | -- | -- |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2004, paid on November 1, 2004.

** 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 fiscal years ended October 31, 2004 and October 31, 2003, was designated for purposes of the dividends paid deduction as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|-----|
| 2004 | | | | | | |

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| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Distributions from net tax-exempt income | \$62,627,198 | \$47,642,154 | \$46,733,618 | \$42,925,745 | \$32,249,670 | \$41,800,000 |
| Distributions from net ordinary income ** | -- | 11,261 | -- | -- | 11 | -- |
| Distributions from net long-term capital gains | -- | 641,806 | -- | -- | 902,410 | -- |

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|--|------------------------|---------------------------|--------------------------|--------------------------|----------------------------|-------------------|
| 2003 | | | | | | |
| Distributions from net tax-exempt income | \$60,990,090 | \$46,876,673 | \$46,423,461 | \$41,473,029 | \$31,323,275 | \$40,000,000 |
| Distributions from net ordinary income ** | 3,729 | 179,625 | -- | -- | 185,573 | -- |
| Distributions from net long-term capital gains | 1,655,369 | 3,226,882 | -- | -- | 115,479 | -- |

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

At October 31, 2004, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | DIVIDEND ADVANTAGE 3 (NZF) |
|------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Expiration year: | | | | |
| 2007 | \$ -- | \$ 1,724,693 | \$ -- | \$ -- |
| 2008 | -- | 14,462,547 | -- | -- |
| 2009 | -- | -- | -- | -- |
| 2010 | 1,622,794 | -- | -- | 690,125 |
| 2011 | 11,657,833 | 4,594,300 | -- | -- |
| 2012 | 973,824 | -- | 246,691 | -- |
| Total | \$14,254,451 | \$20,781,540 | \$246,691 | \$690,125 |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

As approved by the Board of Directors/Trustees, effective August 1, 2004, a complex-wide management fee structure was adopted for all funds sponsored by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. and its affiliates. This fee structure separates each fund's management fee into two components - a complex-level component, based on the aggregate amount of all funds assets managed by the Adviser and its affiliates, 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 and its

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affiliates. Under no circumstances will this pricing structure result in a fund paying management fees at a rate higher than would otherwise have been applicable had the complex-wide management fee structure not been implemented. As a consequence of this new management fee structure, the funds' effective management fees were reduced by approximately .006% as of November 30, 2004.

Effective August 1, 2004, the annual fund-level fee, payable monthly, for each of the Funds is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) FUND-LEVEL FEE RATE |
|--|--|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For net assets over \$5 billion | .3750 |

73

Notes to
FINANCIAL STATEMENTS (continued)

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) FUND-LEVEL FEE RATE |
|--|---|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For net assets over \$2 billion | .3750 |

Effective August 1, 2004, 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 follows:

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

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For Managed Assets over \$91 billion (2) .1400

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- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

Each Fund paid through July 31, 2004, an annual management fee, payable monthly, at the rates set forth below, which were based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) MANAGEMENT FEE RATE |
|--|--|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

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| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) MANAGEMENT FEE RATE |
|--|---|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |

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The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of

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all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

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

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

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

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

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

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* From the commencement of operations.

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

6. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2004, to shareholders of record on November 15, 2004, as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|--------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Dividend per share | \$.0810 | \$.0860 | \$.0790 | \$.0855 | \$.0860 | \$.0860 |

75

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | |
|---------------------------|--|-----------------------------|---|---|---|---------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total |
| PERFORMANCE PLUS (NPP) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | \$15.45 | \$1.04 | \$.42 | \$ (.07) | \$ -- | \$15.45 |
| 2003 | 15.38 | 1.07 | .05 | (.07) | -- | 15.43 |
| 2002 | 15.57 | 1.09 | (.22) | (.10) | (.01) | 15.33 |
| 2001 | 14.36 | 1.10 | 1.17 | (.23) | -- | 15.30 |
| 2000 | 13.69 | 1.12 | .69 | (.29) | -- | 14.21 |
| MUNICIPAL ADVANTAGE (NMA) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 15.62 | 1.11 | .41 | (.08) | -- | 16.05 |
| 2003 | 15.41 | 1.13 | .25 | (.07) | (.01) | 16.61 |
| 2002 | 15.65 | 1.15 | (.22) | (.10) | (.03) | 16.45 |
| 2001 | 14.61 | 1.16 | 1.10 | (.24) | (.03) | 16.50 |
| 2000 | 13.98 | 1.24 | .63 | (.33) | -- | 15.52 |

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MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | | | | |
|------|-------|------|-------|-------|-------|---|
| 2004 | 15.11 | 1.03 | .37 | (.08) | -- | 1 |
| 2003 | 14.60 | 1.03 | .50 | (.08) | -- | 1 |
| 2002 | 15.24 | 1.11 | (.70) | (.11) | (.01) | 1 |
| 2001 | 14.45 | 1.16 | .80 | (.26) | (.01) | 1 |
| 2000 | 14.11 | 1.24 | .38 | (.34) | -- | 1 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | | | | |
|------|-------|------|------|-------|----|---|
| 2004 | 15.17 | 1.09 | .46 | (.07) | -- | 1 |
| 2003 | 14.94 | 1.10 | .19 | (.07) | -- | 1 |
| 2002 | 14.84 | 1.13 | .01 | (.10) | -- | 1 |
| 2001 | 13.59 | 1.16 | 1.21 | (.24) | -- | 2 |
| 2000 | 12.78 | 1.15 | .84 | (.31) | -- | 1 |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | | | |
|----------|-------|------|-------|-------|----|---|
| 2004 | 15.13 | 1.12 | .51 | (.07) | -- | 1 |
| 2003 | 14.89 | 1.16 | .17 | (.07) | -- | 1 |
| 2002 | 15.07 | 1.15 | (.32) | (.10) | -- | 1 |
| 2001 (a) | 14.33 | .52 | .88 | (.09) | -- | 1 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | | | |
|----------|-------|------|-----|-------|----|---|
| 2004 | 14.74 | 1.06 | .59 | (.07) | -- | 1 |
| 2003 | 14.56 | 1.07 | .10 | (.07) | -- | 1 |
| 2002 | 14.47 | 1.03 | .16 | (.10) | -- | 1 |
| 2001 (b) | 14.33 | .03 | .14 | -- | -- | 1 |

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

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

| | | | | | |
|------|-------|---------|-----------|-------|-------|
| 2004 | \$ -- | \$15.87 | \$14.9500 | 9.10% | 9.30% |
| 2003 | -- | 15.45 | 14.6400 | 9.58 | 6.97 |
| 2002 | (.01) | 15.38 | 14.2800 | 4.51 | 5.03 |
| 2001 | -- | 15.57 | 14.5800 | 26.96 | 14.51 |
| 2000 | (.01) | 14.36 | 12.1875 | .90 | 11.47 |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

| | | | | | |
|------|----|-------|---------|-------|-------|
| 2004 | -- | 16.02 | 15.7000 | 8.82 | 9.57 |
| 2003 | -- | 15.62 | 15.4400 | 13.17 | 8.71 |
| 2002 | -- | 15.41 | 14.6600 | 5.89 | 5.39 |
| 2001 | -- | 15.65 | 14.8500 | 23.35 | 13.97 |
| 2000 | -- | 14.61 | 12.8750 | 1.46 | 11.48 |

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MARKET OPPORTUNITY (NMO)

| Year Ended 10/31: | | | | | |
|-------------------|----|-------|---------|-------|-------|
| 2004 | -- | 15.48 | 14.4400 | 7.97 | 9.00 |
| 2003 | -- | 15.11 | 14.2900 | 10.62 | 10.24 |
| 2002 | -- | 14.60 | 13.8000 | .49 | 2.03 |
| 2001 | -- | 15.24 | 14.6500 | 20.03 | 11.93 |
| 2000 | -- | 14.45 | 13.0000 | 2.97 | 9.41 |

DIVIDEND ADVANTAGE (NAD)

| Year Ended 10/31: | | | | | |
|-------------------|-------|-------|---------|-------|-------|
| 2004 | -- | 15.62 | 15.3100 | 8.37 | 10.06 |
| 2003 | -- | 15.17 | 15.1200 | 11.41 | 8.41 |
| 2002 | -- | 14.94 | 14.5000 | 2.01 | 7.26 |
| 2001 | -- | 14.84 | 15.1400 | 27.35 | 16.03 |
| 2000 | (.01) | 13.59 | 12.6250 | (.79) | 13.61 |

DIVIDEND ADVANTAGE 2 (NXZ)

| Year Ended 10/31: | | | | | |
|-------------------|-------|-------|---------|-------|-------|
| 2004 | -- | 15.63 | 15.3800 | 11.16 | 10.67 |
| 2003 | -- | 15.13 | 14.8500 | 14.39 | 8.67 |
| 2002 | .01 | 14.89 | 13.9100 | (.81) | 5.16 |
| 2001(a) | (.12) | 15.07 | 14.9600 | 2.75 | 8.39 |

DIVIDEND ADVANTAGE 3 (NZF)

| Year Ended 10/31: | | | | | |
|-------------------|-------|-------|---------|--------|-------|
| 2004 | -- | 15.36 | 14.5000 | 12.45 | 11.10 |
| 2003 | .01 | 14.74 | 13.8000 | 9.04 | 7.82 |
| 2002 | (.09) | 14.56 | 13.5300 | (4.26) | 7.20 |
| 2001(b) | (.03) | 14.47 | 15.0700 | .47 | .98 |

Ratios/Supplemental Data

| | Before Credit/Reimbursement/Refund | | After Credit/Refund | |
|---|---|--|---|--|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ |
| Ending Net Assets Applicable to Common Shares (000) | | | | |

PERFORMANCE PLUS (NPP)

| Year Ended 10/31: | | | | |
|-------------------|-----------|-------|-------|-------|
| 2004 | \$950,993 | 1.17% | 6.69% | 1.17% |
| 2003 | 925,525 | 1.18 | 6.89 | 1.18 |
| 2002 | 921,376 | 1.18 | 7.11 | 1.17 |
| 2001 | 932,937 | 1.15 | 7.29 | 1.14 |
| 2000 | 860,556 | 1.17 | 8.09 | 1.16 |

MUNICIPAL ADVANTAGE (NMA)

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| | | | | |
|-------------------|---------|------|------|------|
| Year Ended 10/31: | | | | |
| 2004 | 689,190 | 1.19 | 7.00 | 1.18 |
| 2003 | 671,147 | 1.21 | 7.27 | 1.20 |
| 2002 | 662,270 | 1.22 | 7.55 | 1.22 |
| 2001 | 672,673 | 1.23 | 7.60 | 1.22 |
| 2000 | 628,099 | 1.23 | 8.77 | 1.23 |

MARKET OPPORTUNITY (NMO)

| | | | | |
|-------------------|---------|------|------|------|
| Year Ended 10/31: | | | | |
| 2004 | 704,760 | 1.21 | 6.75 | 1.19 |
| 2003 | 687,955 | 1.25 | 6.94 | 1.25 |
| 2002 | 664,914 | 1.24 | 7.50 | 1.24 |
| 2001 | 694,025 | 1.23 | 7.73 | 1.23 |
| 2000 | 658,070 | 1.25 | 8.76 | 1.23 |

DIVIDEND ADVANTAGE (NAD)

| | | | | |
|-------------------|---------|------|------|-----|
| Year Ended 10/31: | | | | |
| 2004 | 613,328 | 1.14 | 6.69 | .70 |
| 2003 | 595,266 | 1.35 | 6.78 | .89 |
| 2002 | 586,045 | 1.25 | 7.24 | .80 |
| 2001 | 581,089 | 1.26 | 7.56 | .78 |
| 2000 | 531,571 | 1.22 | 8.34 | .73 |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | | |
|-------------------|---------|-------|-------|------|
| Year Ended 10/31: | | | | |
| 2004 | 457,552 | 1.14 | 6.87 | .69 |
| 2003 | 443,101 | 1.17 | 7.20 | .71 |
| 2002 | 435,907 | 1.17 | 7.32 | .70 |
| 2001 (a) | 441,308 | 1.13* | 5.56* | .63* |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | | |
|-------------------|---------|------|-------|------|
| Year Ended 10/31: | | | | |
| 2004 | 619,118 | 1.15 | 6.64 | .69 |
| 2003 | 594,154 | 1.17 | 6.80 | .71 |
| 2002 | 586,799 | 1.17 | 6.78 | .70 |
| 2001 (b) | 583,100 | .72* | 2.05* | .42* |

Preferred Shares at End of Period

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

PERFORMANCE PLUS (NPP)

| | | | |
|-------------------|-----------|----------|----------|
| Year Ended 10/31: | | | |
| 2004 | \$479,000 | \$25,000 | \$74,634 |
| 2003 | 479,000 | 25,000 | 73,305 |
| 2002 | 479,000 | 25,000 | 73,089 |
| 2001 | 444,000 | 25,000 | 77,530 |
| 2000 | 444,000 | 25,000 | 73,455 |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

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| | | | |
|------|---------|--------|--------|
| 2004 | 358,000 | 25,000 | 73,128 |
| 2003 | 358,000 | 25,000 | 71,868 |
| 2002 | 358,000 | 25,000 | 71,248 |
| 2001 | 358,000 | 25,000 | 71,974 |
| 2000 | 358,000 | 25,000 | 68,862 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | |
|------|---------|--------|--------|
| 2004 | 380,000 | 25,000 | 71,366 |
| 2003 | 380,000 | 25,000 | 70,260 |
| 2002 | 380,000 | 25,000 | 68,744 |
| 2001 | 380,000 | 25,000 | 70,660 |
| 2000 | 380,000 | 25,000 | 68,294 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

| | | | |
|------|---------|--------|--------|
| 2004 | 295,000 | 25,000 | 76,977 |
| 2003 | 295,000 | 25,000 | 75,446 |
| 2002 | 295,000 | 25,000 | 74,665 |
| 2001 | 295,000 | 25,000 | 74,245 |
| 2000 | 295,000 | 25,000 | 70,048 |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | |
|---------|---------|--------|--------|
| 2004 | 222,000 | 25,000 | 76,526 |
| 2003 | 222,000 | 25,000 | 74,899 |
| 2002 | 222,000 | 25,000 | 74,089 |
| 2001(a) | 222,000 | 25,000 | 74,697 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | |
|---------|---------|--------|--------|
| 2004 | 312,000 | 25,000 | 74,609 |
| 2003 | 312,000 | 25,000 | 72,608 |
| 2002 | 312,000 | 25,000 | 72,019 |
| 2001(b) | -- | -- | -- |

* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

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

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

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See accompanying notes to financial statements.

76-77 SREAD

Board Members AND OFFICERS

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

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--|---|---|--|
| ----- BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS: ----- | | | |
| Timothy R. Schwertfeger (1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Trustee | 1994 | Chairman and Director (since 1996) of N Inc. and Nuveen Investments, LLC; Direc Chairman (since 1996) of Nuveen Advisor Institutional Advisory Corp.; Chairman 1997) of Nuveen Asset Management Inc.; 1996) of Institutional Capital Corporat Director (since 1999) of Rittenhouse AS Chairman of Nuveen Investments Advisers |
| ----- BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS: ----- | | | |
| Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Private Investor and Management Consult |
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1993 | Retired (1989) as Senior Vice President Trust Company; Director, Community Advi Highland Park and Highwood, United Way Shore (since 2002). |
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director and Fire & Casualty Company; formerly Direc Bank of Chicago; formerly, President an Officer, SCI Financial Group, Inc., a r services firm. |
| William C. Hunter | Board member | 2004 | Dean and Distinguished Professor of Fin |

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3/6/48
333 W. Wacker Drive
Chicago, IL 60606

Business at the University of Connecticut
previously Senior Vice President and Director
at the Federal Reserve Bank of Chicago
Director, Credit Research Center at Georgetown
Director of Xerox Corporation (since 2000)

78

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

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

| | | | |
|---|--------------|------|---|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Senior Partner and Chief Operating Officer of Miller-Valentine Group, Vice President, Miller-Valentine company; Chair, Miami Valley Hospital; Development Coalition; formerly, Member Advisory Board, National City Bank, Dayton Business Advisory Council, Cleveland Fed |
|---|--------------|------|---|

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

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS:

| | | | |
|--|------------------------------------|------|---|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice Assistant General Counsel of Nuveen Investment Management Company, LLC (since 2002), General Assistant Secretary, formerly, Vice President, Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice President (since 2000), of Nuveen Asset Management Director (since 2004) and Assistant Secretary of Nuveen Investments Inc.; Assistant Secretary of Investment Management Company, LLC (since 2002); President and Assistant Secretary of Nuveen Advisers Inc. (since 2002); Managing Director, General Counsel and Assistant Secretary of Nuveen Asset Management, Inc. (since 2003); Chief Financial Analyst. |
|--|------------------------------------|------|---|

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| | | | |
|---|----------------|------|--|
| Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2004 | Vice President (since 2002), formerly, (since 1999) of Nuveen Investments, LLC Financial Analyst. |
|---|----------------|------|--|

| | | | |
|---|--|------|--|
| Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 2000 | Vice President (since 2002), formerly, President (since 2000), previously, Ass Investments, LLC. |
|---|--|------|--|

79

Board Members
AND OFFICERS (CONTINUED)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|---|---------------------------------|------|---|
| Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 1999 | Vice President of Nuveen Investments, L prior thereto, Assistant Vice President President and Treasurer of Nuveen Inves 1999); Vice President and Treasurer of and Nuveen Institutional Advisory Corp President and Treasurer of Nuveen Asset (since 2002) and of Nuveen Investments 2002); Assistant Treasurer of NWQ Inves Company, LLC (since 2002); Vice Preside Nuveen Rittenhouse Asset Management, In Chartered Financial Analyst. |
|---|---------------------------------|------|---|

| | | | |
|---|---------------------------------|------|---|
| Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 2000 | Vice President (since 2002) and Assista (since 1998); formerly, Assistant Vice of Nuveen Investments, LLC; Vice Presid and Assistant Secretary (since 1998), f Vice President of Nuveen Advisory Corp. Institutional Advisory Corp. |
|---|---------------------------------|------|---|

| | | | |
|---|----------------|------|---|
| Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1998 | Managing Director (since 2004) formerly Nuveen Investments, LLC; Managing Direc formerly, Vice President (since 1998) o Corp. and Nuveen Institutional Advisory |
|---|----------------|------|---|

| | | | |
|---|----------------|------|---|
| William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1995 | Managing Director (since 2002) of Nuvee LLC; Managing Director (since 2001), fo of Nuveen Advisory Corp. and Nuveen Ins Corp. (since 1995); Managing Director o Management Inc. (since 2001); Vice Pres |
|---|----------------|------|---|

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Investment Advisers Inc. (since 2002);
Financial Analyst.

| | | | |
|---|----------------------------------|------|--|
| Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | Vice President (since 1993) and Funds C of Nuveen Investments, LLC; formerly, V Funds Controller (1998-2003) of Nuveen Certified Public Accountant. |
|---|----------------------------------|------|--|

80

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|--|--|------|---|
| James D. Grassi 4/13/56 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Chief Compliance Officer | 2004 | Vice President and Deputy Director of C (since August 2004) of Nuveen Investmen Nuveen Investments Advisers Inc., Nuvee Management Inc., Nuveen Advisory Corp., Institutional Advisory Corp. and Ritten Management, Inc.; formerly, Senior Atto (1994-July 2004), The Northern Trust Co |
|--|--|------|---|

| | | | |
|--|----------------|------|---|
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I LLC, previously Assistant Vice Presiden prior thereto, Associate of Nuveen Inve Certified Public Accountant. |
|--|----------------|------|---|

| | | | |
|--|----------------|------|--|
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999), previously President (since 1993) of Nuveen Invest |
|--|----------------|------|--|

| | | | |
|--|--|------|--|
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.; Assistant Investments, Inc. and (since 1997) Nuve Inc.; Vice President (since 2000), Assi Assistant General Counsel (since 1998) Management, Inc.; Vice President and As Nuveen Investments Advisers Inc. (since Secretary of NWQ Investment Management (since 2002). |
|--|--|------|--|

| | | | |
|---|----------------|------|--|
| Edward F. Neild, IV 7/7/65 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1996 | Managing Director (since 2002) of Nuvee Managing Director (since 1997), formerl (since 1996) of Nuveen Advisory Corp. a Advisory Corp.; Managing Director of Nu Inc. (since 1999). Chartered Financial |
|---|----------------|------|--|

- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.
- (2) Board members serve an indefinite term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) 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.

81

Reinvest Automatically
EASILY AND CONVENIENTLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS
DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

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

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commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

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.

82

Other Useful INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments and (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the most recent 12-month period ended June 30, 2004, are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's web site at www.nuveen.com.

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

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

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

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

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
William C. Hunter
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common or preferred stock, where applicable, in the future at such times and in such amounts as is deemed advisable. No shares were purchased during the period ended October 31, 2004. Any future repurchases will be reported to shareholders in the next annual or

semiannual report.

83

Nuveen Investments:
SERVING Investors
For Generations

Photo of: 2 women looking at a photo album.

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

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

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

Managing \$100 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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

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

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

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

Logo: NUVEEN Investments

EAN-B-1004D

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. The registrant has posted such code of ethics on its website at www.nuveen.com/etf.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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The registrant's Board of Directors or Trustees determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR. Mr. Evans has served as the registrant's audit committee financial expert from July 26, 2004 to the end of the reporting period on October 31, 2004.

Prior to July 26, 2004, William E. Bennett, who was "independent" for purposes of Item 3 of Form N-CSR, served as the audit committee financial expert. Although Mr. Bennett served as the audit committee financial expert during the reporting period, he unexpectedly resigned from the Board effective April 30, 2004. Accordingly for this reporting period, the registrant did not have a designated "audit committee financial expert" from May 1, 2004 to July 26, 2004.

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.

Mr. Bennett was formerly Executive Vice President and Chief Credit Officer of First Chicago Corporation and its principal subsidiary, The First National Bank of Chicago. As part of his role as Chief Credit Officer, Mr. Bennett set policy as to accrual of assets/loans; designated performing/non-performing assets; set the level of reserves against the credit portfolio; and determined the carrying value of credit related assets and exposure. Among other things, Mr. Bennett was also responsible for the oversight of the internal analysis function including setting ground rules for the review and preparation of financial analysis and financial statements for use in making credit and risk decisions for clients. Mr. Bennett has significant experience reviewing, analyzing and evaluating financial statements of domestic and international companies in a variety of industries with complex accounting issues.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3

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

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brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

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

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| FISCAL YEAR ENDED | AUDIT FEES BILLED TO FUND | AUDIT-RELATED FEES BILLED TO FUND | TAX FEES BILLED |
|--|------------------------------|--------------------------------------|--------------------|
| October 31, 2004 | \$ 25,825 | \$ 0 | \$ |
| Percentage approved pursuant to pre-approval exception | N/A | 0% | |
| October 31, 2003 | \$ 22,116 | \$ 0 | \$ |
| Percentage approved pursuant to pre-approval exception | N/A | 0% | |

The above "Tax Fees" were billed for professional services for tax advice, tax compliance and tax planning.

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

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Advisory Corp. ("NAC" or the "Adviser"), and any entity controlling, controlled by or under common control with NAC ("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 table also shows 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 | TAX FEES BILLED |
|-------------------|--------------------|-----------------|

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| | BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | ADVISER AND AFFILIATED FUND SERVICE PROVIDERS |
|---|---|---|
| October 31, 2004 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% |
| October 31, 2003 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | N/A | N/A |

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP 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 ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND) |
|-------------------|--|---|---|
| October 31, 2004 | \$ 8,046 | \$ 0 | \$ 0 |
| October 31, 2003 | \$ 2,878 | \$ 0 | \$ 0 |

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

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greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

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

ITEM 6. SCHEDULE OF INVESTMENTS.

See Schedule I in Item 1.

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

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

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

Not applicable at this time.

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

Not applicable.

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

In the event of a vacancy on the Board, the nominating and governance committee receives suggestions from various sources, including shareholders, as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Vice President for Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The nominating and governance committee sets appropriate standards and requirements for nominations for new directors or trustees and reserves the right to interview all candidates and to make the final selection of any new directors or trustees.

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

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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 Exchange Act (17 CFR 240.13a-15(b) or 240.15d-15(b)).

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

ITEM 12. EXHIBITS.

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

(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 posted on registrant's website at www.nuveen.com/etf.

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

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

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

SIGNATURES

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

(Registrant) Nuveen Dividend Advantage Municipal Fund 3

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

Jessica R. Droeger
Vice President and Secretary

Date: January 6, 2005

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

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

Gifford R. Zimmerman
Chief Administrative Officer
(Principal Executive Officer)

Date: January 6, 2005

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

Stephen D. Foy
Vice President and Controller
(Principal Financial Officer)

Date: January 6, 2005

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