

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

Form N-30D

May 08, 2002

SEMIANNUAL REPORT February 28, 2002

[LOGO: NUVEEN Municipal Closed-End Exchange-Traded FUNDS]

[PHOTO OF MEN WALKING]

[PHOTO OF WOMAN WITH CHILDREN]

CALIFORNIA  
NPC  
NCL  
NCU  
NAC  
NVX  
NZH

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

[LOGO: NUVEEN Investments]

RECEIVE YOUR  
NUVEEN  
FUND  
UPDATES  
FASTER  
THAN EVER!

By registering for online access, you can view and save on your computer the Fund information you currently receive in the mail. This information then can be retrieved any time, and you can select only the specific pages you want to view or print.

Once you sign up, you'll receive an e-mail notice the moment Fund reports are ready. This notice will contain a link to the report - all you have to do is click on the internet address provided. You'll be saving time, as well as saving printing and distribution expenses for your Fund.

Registering for electronic access is easy and only takes a few minutes. (see instructions at right)

## Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Your e-mail address is strictly confidential and will not be used for anything other than notifications of shareholder information.

And if you decide you don't like receiving your reports electronically, it's a simple process to go back to regular mail delivery.

SIGN UP TODAY -- HERE'S ALL YOU NEED TO DO...

IF YOUR NUVEEN FUND  
DIVIDENDS AND STATEMENTS

COME FROM YOUR  
FINANCIAL ADVISOR  
BROKERAGE ACCOUNT,

FOLLOW THE STEPS  
OUTLINED BELOW:

- 1 Go to [WWW.INVESTORDELIVERY.COM](http://WWW.INVESTORDELIVERY.COM)
- 2 Look at the address sheet that accompanied this report. Enter the personal 13-CHARACTER ENROLLMENT NUMBER imprinted near your name on the address sheet.
- 3 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen. Once there, enter your e-mail address (e.g. [yourID@providerID.com](mailto:yourID@providerID.com)), and a personal, 4-digit PIN of your choice. (Pick a number that's easy to remember.)
- 4 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 5 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 6 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND  
DIVIDENDS AND STATEMENTS

COME DIRECTLY TO  
YOU FROM NUVEEN,

FOLLOW THE STEPS  
OUTLINED BELOW:

- 1 Go to [WWW.NUVEEN.COM](http://WWW.NUVEEN.COM)
- 2 Select the Access Account tab. Select the E-REPORT ENROLLMENT section. Click on Enrollment Page.
- 3 You'll be taken to a screen that asks for your social security number and e-mail address. Fill in this information, then click Enroll.

- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

[PHOTO OF Timothy R. Schwertfeger]

Timothy R. Schwertfeger  
Chairman of the Board

[sidebar text]

"I URGE YOU TO CONSIDER RECEIVING FUTURE FUND REPORTS AND OTHER INFORMATION ELECTRONICALLY ...SEE THE INSIDE FRONT COVER OF THIS REPORT FOR DETAILED INSTRUCTIONS."

Dear  
SHAREHOLDER

This letter is dated April 15 - income tax day for most Americans. While most of us recognize the need to pay taxes, we also look for ways to keep our taxes as low as possible. One popular way to do this is through an investment in high quality municipal bonds, such as those owned by your Nuveen Fund.

During the period covered by this report, your Fund continued to meet its primary objective of providing attractive monthly income, while at the same time offering opportunities to reduce overall portfolio volatility. Detailed information on your Fund's performance can be found in the Portfolio Managers' Comments and Performance Overview sections of this report. I urge you to take the time to read them.

I also urge you to consider receiving future Fund reports and other information electronically via the Internet and e-mail rather than in hard copy. Not only will you be able to receive the information faster, but this also may help lower Fund expenses. Sign up is quick and easy - see the inside front cover of this report for detailed instructions.

In addition to providing you with steady tax-free income, your Nuveen Fund also features several characteristics that can help make it an essential part of your overall investment strategy. These include careful research, constant surveillance and judicious trading by Nuveen's seasoned portfolio management team, with every action designed to supplement income, improve Fund structure, better adapt to current market conditions or increase diversification. In uncertain markets like these, prudent investors understand the importance of diversification, balance, and risk management, all attributes your Nuveen Fund can bring to your portfolio.

For more than 100 years, Nuveen has specialized in offering quality investments such as these Nuveen Funds to those seeking to accumulate and preserve wealth. Our mission continues to be to assist you and your financial advisor by offering the investment services and products that can help you meet your financial objectives. We thank you for continuing to choose Nuveen Investments as a partner as you work toward that goal.

/s/ TIMOTHY R. SCHWERTFEGER

TIMOTHY R. SCHWERTFEGER

# Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Chairman of the Board

April 15, 2002

1

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

Portfolio Managers'

COMMENTS

Portfolio managers Steve Krupa and Bill Fitzgerald review economic and market conditions, key strategies, and recent Fund performance. With 23 years of investment management experience at Nuveen, Steve has managed NPC and NCL since March 2001. Bill, who joined Nuveen in 1988, assumed portfolio management responsibility for NCU in 1998, NAC in 1999, and NVX and NZH upon their inceptions in 2001.

WHAT WERE THE MAJOR DRIVERS OF THE U.S. ECONOMY AND THE MUNICIPAL MARKET DURING THIS REPORTING PERIOD?

The major forces at work during the twelve months ended February 28, 2002, were the general slowdown in economic growth and the Federal Reserve's aggressive approach to easing short-term interest rates. In addition, the events of September 11, 2001, and the uncertain geopolitical climate that followed, also have impacted the economy and the markets.

These factors produced a generally positive environment for fixed-income investments, and over the past twelve months many municipal securities have performed well. During 2001, national new municipal supply reached its highest level - \$286.3 billion - since 1993. This strong new issue supply has continued during the first two months of 2002, with \$41.3 billion in new issuance, up 23% over January/February 2001. On the demand side, municipal bonds continued to be highly sought after by individual investors looking for diversification, tax-free income, quality, and an alternative to a volatile stock market. Institutional investors, especially traditional purchasers such as insurance companies and pension plans, also have been active buyers in the new issue market.

HOW WAS THE ECONOMIC AND MARKET ENVIRONMENT IN CALIFORNIA?

Over the past year, the California economy has contended with the same economic weakness that has affected the rest of the nation. Because the state remains heavily dependent on economically sensitive revenue sources, such as sales, income, and capital gains taxes, the economic decline has had a major impact on the state's general revenues. As a result, California is now facing a budget deficit estimated at \$7 billion. The state also continues to deal with the aftermath of the 2001 power crisis. Unless the state can issue a proposed offering of power bonds by the conclusion of fiscal 2002 on June 30, its general fund reserves and resources may continue to dwindle, and California may have to seek new and broader revenue sources.

On the positive side, one byproduct of the declining economy was lower electricity prices. California also remained the nation's top state for exports, selling \$107 billion of goods, primarily computer and electronic products, to other countries in 2001.

During calendar year 2001, California experienced a 33% increase in new municipal bond issuance over 2000 totals. In January and February 2002, the

state continued to see strong new supply, with issuance up 37% over the same period in 2001. However, the possible budget shortfall, combined with the uncertainties surrounding the resolution of the state's power problems, have put pressure on California's credit ratings. In November 2001, Moody's downgraded the rating on California general obligation bonds for the second time in twelve months. Moody's rating currently stands at A1, while Standard & Poor's and Fitch have maintained their ratings at A+/AA over the past six months. All three agencies also maintained a negative outlook for the state.

HOW DID THESE NUVEEN CALIFORNIA FUNDS PERFORM OVER THE PAST TWELVE MONTHS? During the twelve months ended February 28, 2002, the Fed's policy of interest rate easing, combined with favorable market technicals, created a generally positive total return environment for municipal bonds. Individual results for the Nuveen California Funds are presented in the accompanying table.

2

	MARKET YIELD		TOTAL RETURN ON NAV	LEHMAN TOTAL RETURN <sup>1</sup>	LIPPER AVERAGE <sup>2</sup>
	2/28/02	TAXABLE- EQUIVALENT <sup>3</sup>	1 YEAR ENDED 2/28/02	1 YEAR ENDED 2/28/02	1 YEAR ENDED 2/28/02
NPC	5.40%	8.50%	7.30%	6.90%	6.98%
NCL	5.55%	8.74%	7.70%	6.90%	6.98%
NCU	5.81%	9.15%	9.14%	6.68%	7.33%
NAC	5.88%	9.26%	9.05%	6.68%	7.33%
NVX	6.00%	9.45%	NA	-	-
NZH	6.24%	9.83%	NA	-	-

Past performance is not predictive of future results.

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

Overall, the market environment of the past twelve months favored funds with longer durations. As of February 28, 2002, the durations<sup>4</sup> of the two insured Funds were 9.54 and 8.31, compared with 8.63 for the unleveraged Lehman Brothers California Insured Tax-Exempt Bond Index, while NCU and NAC had durations of 11.30 and 12.42, respectively, versus 8.12 for the Lehman California Tax-Exempt Index. The durations of NVX and NZH, which were established in 2001, were 15.01 and 18.29, respectively, which is typical of newer Funds. Over time, we plan to move these durations in line with the other Nuveen California Municipal Closed-End Exchange-Traded Funds. In addition to duration, the performance of these Funds was influenced by market activity, portfolio structure, including call exposure, and individual holdings.

HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES? With the Fed's interest rate cuts, the dividend-payment capabilities of these Funds benefited from the use of leverage, a strategy that can potentially

enhance the dividends paid to common shareholders. This benefit is tied in part to the short-term rates these leveraged Funds pay their MuniPreferred(R) shareholders. For example, declining short-term rates can enable the Funds to reduce the amount of income they pay preferred shareholders, which can leave more earnings to support common share dividends.

During the year ended February 28, 2002, steady or falling short-term interest rates helped us to implement three dividend increases in NCL and NCU and two increases in NPC and NAC. NVX and NZH, which were introduced during 2001, began paying regular monthly dividends on schedule and are currently providing very attractive levels of tax-free income to shareholders. Over the next twelve months, the level of short-term rates, the number of bond calls, and the interest rates at which we can reinvest the proceeds of any calls will continue to influence the dividends of these Nuveen Funds.

Over the past year, continued fluctuations in the stock market and the strong performance of the bond market prompted many investors to turn to tax-free fixed-income investments as a way to rebalance their portfolios and reduce overall volatility. As investors recognized the opportunities offered by the Nuveen Funds, the share prices of the insured NPC and NCL improved, causing the discount (share price below NAV) on NPC to move to a premium (share price above NAV), while NCL's discount shrank considerably. Because the NAVs of NCU and NAC appreciated more rapidly than their share prices, these Funds saw their discounts widen over the past year.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE NUVEEN CALIFORNIA FUNDS DURING THE YEAR ENDED FEBRUARY 28, 2002?

In view of recent world events, maintaining strong credit quality remained a primary area of emphasis. All of these Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 55% to 92% in the four non-insured Funds as of February 28, 2002. These Funds also had a portion of their assets invested in BBB and/or non-rated bonds, which serve to enhance the Funds' income streams. As insured Funds, NPC and NCL are 100% invested in insured and/or U.S. guaranteed securities, which means that credit quality is not an issue.

As mentioned previously, continued uncertainty over the timing of a possible power bond issuance, together with the potential of a state budget shortfall, resulted in downgrades of California's credit ratings during the past twelve months. In anticipation of this, we sold California general obligation bonds from the non-insured Funds. As credit spreads subsequently widened, these bonds underperformed, reinforcing our decision to sell. Over this period, these Funds maintained their positions in California's three major utilities: Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric. While these holdings restrained the performance of some of the Funds during the power crisis last year, the bonds have recovered much of their value over the past six months.

[SIDEBAR FOOTNOTES]:

- 1 The performance of the insured Funds - NPC and NCL - is compared with that of the Lehman Brothers California Insured Tax-Exempt Bond Index, an unleveraged index comprising a broad range of insured California municipal bonds, while the performance of the non-insured Funds is compared with that of the Lehman California Tax-Exempt Bond Index, an unleveraged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman indexes do not reflect any expenses.
- 2 The total returns of NPC and NCL are compared with the average annualized

return of the 9 funds in the Lipper California Insured Municipal Debt Funds category, while the non-insured Funds are compared with the average annualized return of the 18 funds in the Lipper California Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.

- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the fund's market yield on the indicated date and a combined federal and state in-come tax rate of 36.5%.
- 4 Duration is a measure of a Fund's 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 noted.

3

The financial situation in California also illustrates the value that fully insured Funds can add to the portfolios of investors with moderate risk tolerance. As credit spreads widened on unenhanced California general obligation bonds, municipal securities with higher credit ratings, especially insured bonds, outperformed the rest of the California market.

In investing new cash and proceeds from sales and bond calls over the past twelve months, we focused on attractive bonds with the potential to support the Funds' long-term dividend-payment capabilities, enhance total return potential, and add value and diversification. In the insured Funds, we found value in the healthcare sector and in selected airport offerings. In the non-insured Funds, we took advantage of opportunities in insured bonds in the 15-year to 20-year part of the yield curve across several sectors, particularly healthcare. This sector remains an important strategic selection for us, providing attractive income as well as competitive total returns.

In terms of bond calls, the Funds offer excellent levels of call protection in 2002 and 2003, with call exposure ranging from 2% in NAC and NVX to 18% in NCU over the next 22 months. NPC, which was established in November 1992, faces a slightly higher level of potential calls (24% in 2002 and 2003) as the Fund works its way past its 10-year anniversary, a period normally associated with increased call exposure. The number of actual calls experienced by the Funds will depend largely on market interest rates over this time. We believe the overall call exposure of these Funds is very manageable, and we foresee no problems in working through the call risk. Our general approach has been to watch for opportunities to sell holdings with short calls and use the occasion to buy bonds that can extend call protection and enhance structure. Over the past twelve months, increased levels of municipal supply have helped us to implement this strategy.

In September 2001, we introduced the Nuveen California Dividend Advantage Municipal Fund 3 (NZH). This Fund is now fully invested and, in our opinion, performing well for shareholders. As mentioned earlier, NZH paid its first dividend on target in December 2001, and we believe the Fund's holdings place it in an excellent position to pay an attractive, stable dividend on a monthly basis going forward.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THE NUVEEN

CALIFORNIA FUNDS IN PARTICULAR?

In general, our outlook for the fixed-income markets over the next twelve months remains positive. The U.S. economy appears headed for a recovery, but one characterized by a more moderate pace of growth, with inflation and interest rates remaining low over the near term. Nationally, new municipal issuance should continue to be strong, and we expect issuance in California to increase over 2001's high levels, as the state deals with the budget deficit, the issuance of power bonds, and the continued need for essential services such as schools and roads. Given the current situation, we expect much of this issuance to be offered as insured bonds. Shortly after the conclusion of this reporting period, California issued \$1.1 billion in general obligation bonds as part of the state's plan to restructure debt and provide some budgetary relief. We also expect demand for tax-exempt municipal bonds to remain robust, as investors continue to look for ways to rebalance their portfolios and reduce risk.

One of our priorities will be managing portfolio structure, including duration and - in the non-insured Funds - credit quality, to strategically position the Funds for an economic recovery. Depending on the direction of interest rates, we plan to use coupon characteristics to help us manage the duration of the non-insured Funds. As California addresses the issue of balancing the state budget, we believe the performance of the state's general obligation bonds should improve. As a result, we are once again looking for opportunities to increase our exposure to California GOs in the non-insured Funds. In the insured Funds, we plan to watch for opportunities presented by increased issuance, including the California power bonds when they finally come to market. In NVX and NZH, our focus will be on enhancing diversification and lowering durations. Overall, we believe the Nuveen California Funds represent an important element of investors' long-range financial programs, providing dependable tax-free income as well as balance, diversification, and quality.

Nuveen Insured California Premium Income Municipal Fund, Inc.

Performance

OVERVIEW As of February 28, 2002

NPC

[PIE CHART DATA]

CREDIT QUALITY

Insured	82%
U.S. Guaranteed	18%

PORTFOLIO STATISTICS

Share Price	\$15.90
Net Asset Value	\$15.80
Market Yield	5.40%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.71%



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.50%
-----	
Fund Net Assets (\$000)	\$146,682
-----	
Average Effective Maturity (Years)	20.13
-----	
Leverage-Adjusted Duration	9.54
-----	

ANNUALIZED TOTAL RETURN (Inception 11/92)

	ON SHARE PRICE	ON NAV
1-Year	11.45%	7.30%
5-Year	8.88%	6.71%
Since Inception	6.50%	6.97%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/General	23%
U.S. Guaranteed	18%
Water and Sewer	17%
Healthcare	10%
Tax Obligation/Limited	9%

[BAR CHART DATA]

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	\$0.0695
Apr	0.0695
May	0.0695
Jun	0.0695
Jul	0.0695
Aug	0.0695
Sep	0.0705
Oct	0.0705
Nov	0.0705
Dec	0.0715
Jan	0.0715
Feb	0.0715

[LINE CHART DATA]

SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/1/01	\$15.3
	15.02
	15.2
	15.2
	15.25

15.19  
 15  
 14.78  
 14.78  
 14.92  
 14.85  
 14.65  
 14.64  
 15.1  
 14.85  
 14.81  
 14.9  
 15  
 15.2  
 14.95  
 14.8  
 14.9  
 14.98  
 15.01  
 15.08  
 15.05  
 15.25  
 15.45  
 15.65  
 15.7  
 15.69  
 15.42  
 15.57  
 15  
 15.25  
 15.45  
 15.2  
 15.2  
 15.6  
 15.87  
 15.9  
 15.91  
 15.71  
 15.95  
 15.9  
 15.5  
 15.79  
 15.5  
 15.5  
 15.7  
 15.69  
 15.85  
 15.9  
 16  
 15.84  
 15.95

2/28/02

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

Nuveen Insured California Premium Income Municipal Fund 2, Inc.

Performance

OVERVIEW As of February 28, 2002

NCL

[PIE CHART DATA]

CREDIT QUALITY

-----	
Insured	89%
-----	
Insured and U.S. Guaranteed	8%
-----	
U.S. Guaranteed	3%

PORTFOLIO STATISTICS

-----	
Share Price	\$14.80
-----	
Net Asset Value	\$14.82
-----	
Market Yield	5.55%
-----	
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.93%
-----	
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.74%
-----	
Fund Net Assets (\$000)	\$282,268
-----	
Average Effective Maturity (Years)	17.70
-----	
Leverage-Adjusted Duration	8.31
-----	

ANNUALIZED TOTAL RETURN (Inception 3/93)

-----		
	ON SHARE PRICE	ON NAV
-----		
1-Year	9.36%	7.70%
-----		
5-Year	8.72%	7.22%
-----		
Since Inception	5.70%	6.29%
-----		

TOP FIVE SECTORS (as a % of total investments)

-----	
Tax Obligation/Limited	36%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

U.S. Guaranteed	11%
Tax Obligation/General	11%
Water and Sewer	9%
Utilities	8%

[BAR CHART DATA]  
 2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	\$0.0645
Apr	0.0645
May	0.0645
Jun	0.066
Jul	0.066
Aug	0.066
Sep	0.067
Oct	0.067
Nov	0.067
Dec	0.0685
Jan	0.0685
Feb	0.0685

[LINE CHART DATA]  
 SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/1/01	\$14.67
	14.51
	14.45
	14.35
	14.39
	14.2
	13.88
	13.63
	14.02
	13.91
	13.61
	13.72
	13.66
	13.79
	13.91
	13.96
	13.8
	13.9
	13.96
	13.82
	13.96
	14
	14.05
	14.1
	14.26
	14.47
	14.53
	14.85

14.88  
 14.91  
 14.83  
 14.83  
 14.84  
 14.2  
 14.47  
 15  
 14.73  
 14.94  
 14.88  
 15.24  
 15.47  
 15.16  
 14.92  
 14.84  
 14.7  
 14.66  
 14.36  
 14.62  
 14.51  
 14.45  
 14.77  
 14.7  
 14.71  
 14.87  
 14.71  
 2/28/02 14.87

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

6

Nuveen California Premium Income Municipal Fund

Performance

OVERVIEW As of February 28, 2002

NCU

[PIE CHART DATA]  
 CREDIT QUALITY

AAA/U.S. Guaranteed	62%
AA	9%
A	7%
BBB	9%

NR	10%
Other	3%

PORTFOLIO STATISTICS

Share Price	\$13.94
Net Asset Value	\$14.13
Market Yield	5.81%
Taxable-Equivalent Yield (Federal Income Tax Rate)1	8.30%
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	9.15%
Fund Net Assets (\$000)	\$124,585
Average Effective Maturity (Years)	16.62
Leverage-Adjusted Duration	11.30

ANNUALIZED TOTAL RETURN (Inception 6/93)

	ON SHARE PRICE	ON NAV
1-Year	5.47%	9.14%
5-Year	8.00%	7.23%
Since Inception	5.18%	5.96%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	33%
U.S. Guaranteed	16%
Healthcare	13%
Housing/Multifamily	11%
Tax Obligation/General	8%

[BAR CHART DATA]  
2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	\$0.064
Apr	0.064
May	0.064
Jun	0.065

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Jul	0.065
Aug	0.065
Sep	0.066
Oct	0.066
Nov	0.066
Dec	0.0675
Jan	0.0675
Feb	0.0675

[LINE CHART DATA]

SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/1/01	\$14.08
	13.97
	14
	14
	14.02
	14
	13.56
	13
	13.3
	13.49
	13.18
	13.05
	13.09
	13.01
	13.18
	13.35
	13.28
	13.25
	13.48
	13.41
	13.36
	13.53
	13.45
	13.46
	13.5
	13.54
	13.9
	14.03
	14.21
	14.2
	14.17
	13.81
	13.77
	13.44
	13.53
	13.87
	14.04
	14.03
	13.86
	14.05
	14.39
	14.14
	14.18
	13.95
	13.84
	13.63
	13.34
	13.38

	13.51
	13.58
	13.69
	13.72
	13.82
	14.01
	14
2/28/02	13.96

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

7

Nuveen California Dividend Advantage Municipal Fund

Performance

OVERVIEW As of February 28, 2002

NAC

[PIE CHART DATA]

CREDIT QUALITY

-----	
AAA/U.S. Guaranteed	49%
-----	
AA	6%
-----	
A	22%
-----	
BBB	14%
-----	
NR	9%

PORTFOLIO STATISTICS

-----	
Share Price	\$14.38
-----	
Net Asset Value	\$14.89
-----	
Market Yield	5.88%
-----	
Taxable-Equivalent Yield (Federal Income Tax Rate)1	8.40%
-----	
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	9.26%



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Fund Net Assets (\$000)	\$523,621
Average Effective Maturity (Years)	22.78
Leverage-Adjusted Duration	12.42

ANNUALIZED TOTAL RETURN (Inception 5/99)

	ON SHARE PRICE	ON NAV
1-Year	6.42%	9.05%
Since Inception	4.50%	7.52%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	30%
Transportation	16%
Healthcare	11%
Utilities	11%
Housing/Multifamily	9%

[BAR CHART DATA]

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	\$0.067
Apr	0.067
May	0.067
Jun	0.069
Jul	0.069
Aug	0.069
Sep	0.0705
Oct	0.0705
Nov	0.0705
Dec	0.0705
Jan	0.0705
Feb	0.0705

[LINE CHART DATA]

SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/1/01	\$14.38
	14.45
	14.24
	14.2
	14.48
	14.15
	14.06
	13.41

14.3  
13.7  
13.44  
13.49  
13.44  
13.7  
14  
14  
13.92  
13.9  
14  
14  
13.98  
13.94  
14.13  
14.19  
14.25  
14.42  
14.7  
14.81  
14.9  
14.81  
14.89  
14.66  
14.74  
14.25  
14.24  
14.97  
14.68  
14.75  
14.89  
14.98  
15.15  
15.1  
15.15  
14.66  
14.44  
14.02  
14.05  
14.4  
14.27  
14.32  
14.34  
14.25  
14.59  
14.73  
14.49  
2/28/02 14.38

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

Nuveen California Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of February 28, 2002

NVX

[PIE CHART DATA]

CREDIT QUALITY

AAA/U.S. Guaranteed	73%
AA	9%
A	9%
BBB	2%
NR	7%

PORTFOLIO STATISTICS

Share Price	\$14.39
Net Asset Value	\$14.67
Market Yield	6.00%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	8.57%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	9.45%
Fund Net Assets (\$000)	\$326,939
Average Effective Maturity (Years)	26.27
Leverage-Adjusted Duration	15.01

TOTAL RETURN (Inception 3/01)

	ON SHARE PRICE	ON NAV
Since Inception	0.77%	7.53%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	30%
Tax Obligation/General	14%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Education and Civic Organizations	14%
Water and Sewer	11%
Utilities	11%

[BAR CHART DATA]

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Mar	\$0.072
Apr	0.072
May	0.072
Jun	0.072
Jul	0.072
Aug	0.072
Sep	0.072
Oct	0.072
Nov	0.072
Dec	0.072
Jan	0.072
Feb	0.072

[LINE CHART DATA]

SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/30/01	\$15
	15.12
	15.01
	15.07
	15.01
	15.14
	15.07
	14.99
	14.72
	14.7
	14.5
	14.56
	14.39
	14.42
	14.79
	15
	15.02
	14.8
	15.07
	15.1
	15.24
	15.34
	15.21
	15.07
	15.04
	14.41
	15.07
	15.2
	15
	14.95

	14.74
	15.14
	15.1
	15.1
	14.76
	14.89
	14.75
	14.44
	13.97
	13.75
	14.02
	14.37
	14.49
	14.46
	14.48
	14.52
	14.37
2/28/02	14.45

Past performance is not predictive of future results.

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

Nuveen California Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of February 28, 2002

NZH

[PIE CHART DATA]

CREDIT QUALITY

-----	
AAA/U.S. Guaranteed	82%
-----	
AA	10%
-----	
A	7%
-----	
BBB	1%

PORTFOLIO STATISTICS

-----	
Share Price	\$13.84
-----	

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Net Asset Value	\$14.11
-----	-----
Market Yield	6.24%
-----	-----
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	8.91%
-----	-----
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	9.83%
-----	-----
Fund Net Assets (\$000)	\$527,141
-----	-----
Average Effective Maturity (Years)	26.58
-----	-----
Leverage-Adjusted Duration	18.29
-----	-----

TOTAL RETURN (Inception 9/01)

	ON SHARE PRICE	ON NAV
-----	-----	-----
Since Inception	-5.82%	0.51%
-----	-----	-----

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	37%
-----	-----
Tax Obligation/General	20%
-----	-----
Water and Sewer	16%
-----	-----
Education and Civic Organizations	8%
-----	-----
Healthcare	7%
-----	-----

[BAR CHART DATA]

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Nov	\$0.072
Dec	0.072
Jan	0.072
Feb	0.072

[LINE CHART DATA]

SHARE PRICE PERFORMANCE

	Weekly Closing Price
3/28/01	\$15.05
	15.03
	15.02
	15.01
	15.01
	14.83
	14.95
	14.84

	14.29
	14.5
	14.42
	14.33
	13.78
	13.14
	13.87
	14.06
	14.16
	14.07
	14.15
	14.4
	13.97
2/28/02	14.15

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36.5%.

Shareholder  
MEETING REPORT

The Shareholder Meeting was held in Chicago, Illinois on November 15, 2001.

NPC

-----  
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

	Common Shares	Preferred Shares Series-T
=====		
Robert P. Bremner		
For	5,857,657	1,713
Withhold	47,864	1
-----		
Total	5,905,521	1,714
=====		
Lawrence H. Brown		
For	5,857,257	1,713
Withhold	48,264	1
-----		
Total	5,905,521	1,714
=====		
Anne E. Impellizzeri		
For	5,853,157	1,713
Withhold	52,364	1

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Total	5,905,521	1,714
=====		
Peter R. Sawers		
For	5,853,540	1,713
Withhold	51,981	1
-----		
Total	5,905,521	1,714
=====		
Judith M. Stockdale		
For	5,852,657	1,713
Withhold	52,864	1
-----		
Total	5,905,521	1,714
=====		
William J. Schneider		
For	--	1,713
Withhold	--	1
-----		
Total	--	1,714
=====		
Timothy R. Schwertfeger		
For	--	1,713
Withhold	--	1
-----		
Total	--	1,714
=====		

11

Shareholder  
MEETING REPORT (continued)

NCU

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

	Common Shares	Preferred Shares Series-M
=====		
Robert P. Bremner		
For	5,428,357	1,523
Withhold	37,627	30
-----		
Total	5,465,984	1,553
=====		
Lawrence H. Brown		
For	5,427,468	1,523
Withhold	38,516	30
-----		
Total	5,465,984	1,553
=====		
Anne E. Impellizzeri		
For	5,426,768	1,523
Withhold	39,216	30
-----		



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Total	5,465,984	1,553
=====		
Peter R. Sawers		
For	5,427,968	1,523
Withhold	38,016	30
-----		
Total	5,465,984	1,553
=====		
Judith M. Stockdale		
For	5,428,357	1,523
Withhold	37,627	30
-----		
Total	5,465,984	1,553
=====		
William J. Schneider		
For	--	1,523
Withhold	--	30
-----		
Total	--	1,553
=====		
Timothy R. Schwertfeger		
For	--	1,523
Withhold	--	30
-----		
Total	--	1,553
=====		

12

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC)

Portfolio of  
INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
	EDUCATION AND CIVIC ORGANIZATIONS - 5.7%	
\$ 2,000	California Educational Facilities Authority, Revenue Bonds (Santa Clara University), Series 1996, 5.750%, 9/01/26	9/06 a
6,620	California Educational Facilities Authority, Revenue Bonds (Loyola Marymount University), Series 2001A Refunding, 0.000%, 10/01/35	No O
5,000	California Educational Facilities Authority, Student Loan Revenue Bonds (California Loan Program), Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax)	3/08 a
-----		
	HEALTHCARE - 9.4%	
3,000	California Health Facilities Financing Authority, Insured Revenue Bonds (Sutter Health), Series 1998A, 5.375%, 8/15/30	8/08 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,500	California Statewide Communities Development Authority, Certificates of Participation (Members of the Sutter Health Obligated Group), 5.500%, 8/15/19	8/09 a
4,000	California Statewide Communities Development Authority, Certificates of Participation (Sutter Health Obligated Group), 6.125%, 8/15/22	8/02 a
4,800	The Regents of the University of California, Hospital Revenue Bonds (UC Davis Medical Center), Series 1996, 5.750%, 7/01/24	7/06 a
-----		
HOUSING/MULTIFAMILY - 6.0%		
1,000	ABAG Finance Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds (Civic Center Drive Apartments Project), 1999 Series A, 5.800%, 9/01/20 (Alternative Minimum Tax)	9/09 a
3,650	California Housing Finance Agency, Multi-Unit Rental Housing Revenue Bonds, Series 1992A-II, 6.625%, 2/01/24 (Alternative Minimum Tax)	2/03 a
3,935	City of Los Angeles, California, Tax-Exempt Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loans - Section 8 Assisted Projects), Series 1993A, 6.300%, 1/01/25	7/02 a
-----		
HOUSING/SINGLE FAMILY - 3.2%		
1,495	California Housing Finance Agency, Single Family Mortgage Bonds II, 1997 Series A-1, 6.000%, 8/01/20 (Alternative Minimum Tax)	2/07 a
3,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1998Q, 5.050%, 8/01/17	8/08 a
-----		
TAX OBLIGATION/GENERAL - 22.1%		
State of California, Various Purpose General Obligation Bonds:		
7,995	5.750%, 3/01/22	3/10 a
2,000	5.750%, 3/01/27	3/10 a
2,000	State of California, Veterans General Obligation Bonds, 2001 Series BZ, 5.375%, 12/01/24 (Alternative Minimum Tax)	6/07 a
1,225	Fresno Unified School District, Fresno County, California, 1998 General Obligation Refunding Bonds, Series A, 6.550%, 8/01/20	2/13 a
2,500	Fresno Unified School District, Fresno County, California, General Obligation Bonds (Election of 2001), Series 2001A, 5.125%, 8/01/26	8/09 a
2,000	Los Angeles Unified School District, California, General Obligation Bonds, 1997 Series A, 5.000%, 7/01/21	7/08 a
500	Los Angeles Unified School District, California, General Obligation Bonds (Election of 1997), Series 2000D, 5.375%, 7/01/25	7/10 a
3,000	Pomona Unified School District, California, General Obligation Refunding Bonds, Series 1997-A, 6.500%, 8/01/19	8/11 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC) ( )  
 Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	TAX OBLIGATION/GENERAL (continued)	
	San Diego Unified School District, San Diego County, California, General Obligation Bonds (Election of 1998), Series 2001C:	
\$ 1,335	5.000%, 7/01/21	7/11 a
3,500	5.000%, 7/01/22	7/11 a
4,895	5.000%, 7/01/23	7/11 a
-----		
	TAX OBLIGATION/LIMITED - 9.1%	
2,000	California State Public Works Board, Department of Health Services, Lease Revenue Bonds (Richmond Laboratory Project), 1999 Series A, 5.750%, 11/01/24	11/09 a
5,000	El Monte Department of Public Services Facility Phase II, California, Certificates of Participation, Senior Lien Series 2001, 5.250%, 1/01/34	1/11 a
2,135	City of San Buenaventura, California, 1993 Refunding Certificates of Participation (Capital Improvements Project), 5.500%, 1/01/17	1/03 a
3,890	Santa Clara County Financing Authority, California, Lease Revenue Bonds (VMC Facility Replacement Project), 1994 Series A, 5.000%, 11/15/22	11/07 a
-----		
	U.S. GUARANTEED - 18.1%	
6,000	Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, 1986 Series A, 8.000%, 12/01/19	No O
5,135	Palmdale Community Redevelopment Agency, California, Single Family Mortgage Revenue Bonds, Series 1986A Restructured, 8.000%, 3/01/16 (Alternative Minimum Tax)	No O
6,220	Riverside County, California, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Issue 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax)	No O
1,485	City of San Jose, California, Single Family Mortgage Revenue Bonds, 1985 Series A, 9.500%, 10/01/13	No O
-----		
	UTILITIES - 8.4%	
4,000	California Pollution Control Financing Authority, Pollution Control Revenue Bonds (Southern California Edison Company), 1992 Series B, 6.400%, 12/01/24 (Alternative Minimum Tax)	12/02 a
4,000	City of Chula Vista, California, Industrial Development Revenue Bonds (San Diego Gas and Electric Company), 1992 Series A, 6.400%, 12/01/27 (Alternative Minimum Tax)	12/02 a
2,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002	7/12 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Series II, 5.125%, 7/01/26

2,000	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, 1992 Series A, 5.750%, 8/15/13	8/02 a
-----		
WATER AND SEWER - 16.4%		
7,000	City of Los Angeles, California, Wastewater System Revenue Bonds, Series 1993D, 4.700%, 11/01/19	11/03 a
2,750	San Diego Public Facilities Financing Authority, California, Sewer Revenue Bonds, Series 1995, 5.000%, 5/15/25	5/05 a
3,400	San Diego Public Facilities Financing Authority, California, Sewer Revenue Bonds, Series 1997A, 5.250%, 5/15/22	5/07 a
2,000	City and County of San Francisco Public Utilities Commission, California, Water Revenue Bonds, Series 2001A, 5.000%, 11/01/20	11/11 a
5,000	Wheeler Ridge-Maricopa Water Storage District, Kern County, California, 1996 Water Refunding Bonds, 5.700%, 11/01/15	11/06 a
3,425	City of Woodland, Yolo County, California, Certificates of Participation (1992 Wastewater System Refunding Project), 5.500%, 3/01/18	3/03 a
-----		
\$ 138,390	Total Investments (cost \$133,567,448) - 98.4%	
=====		
Other Assets Less Liabilities - 1.6%		
-----		
Net Assets - 100%		
=====		

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

- \* Optional Call Provisions: 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: Using the higher of Standard & Poor's or Moody's rating.

See accompanying notes to financial statements.

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 7.0%	
	California Educational Facilities Authority, Revenue Bonds (Santa Clara University), Series 1996:	
\$ 2,400	5.750%, 9/01/21	9/06 a
3,000	5.750%, 9/01/26	9/06 a
2,000	California Educational Facilities Authority, Revenue Bonds (University of the Pacific), Series 2000, 5.875%, 11/01/20	11/10 a
	California Educational Facilities Authority, Revenue Bonds (Loyola Marymount University), Series 2001A Refunding:	
6,615	0.000%, 10/01/33	No O
6,615	0.000%, 10/01/34	No O
5,000	California Educational Facilities Authority, Student Loan Revenue Bonds (California Loan Program), Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax)	3/08 a
	California Infrastructure and Economic Development Bank, Revenue Bonds (Asian Art Museum of San Francisco Project), Series 2000:	
1,295	5.500%, 6/01/19	6/10 a
1,000	5.500%, 6/01/20	6/10 a
1,900	The Regents of the University of California, Housing System Revenue Bonds (University of California), Series A, 5.500%, 11/01/18	11/03 a
-----		
	HEALTHCARE - 3.5%	
1,450	California Health Facilities Financing Authority, Insured Health Facility Refunding Revenue Bonds (Mark Twain St. Joseph's Healthcare), 1996 Series A, 6.000%, 7/01/19	7/06 a
5,000	California Health Facilities Financing Authority, Insured Health Facility Refunding Revenue Bonds (Catholic Healthcare West), 1996 Series A, 6.000%, 7/01/25	7/06 a
2,500	City of Oakland, California, Insured Revenue Bonds (1800 Harrison Foundation - Kaiser Permanente), Series 1999A, 6.000%, 1/01/29	1/10 a
-----		
	HOUSING/MULTIFAMILY - 6.2%	
	ABAG Financing Authority for Nonprofit Corporations, California, Multifamily Housing Revenue Bonds (Civic Center Drive Apartments Project), 1999 Series A:	
4,000	5.800%, 9/01/20 (Alternative Minimum Tax)	9/09 a
1,370	5.875%, 3/01/32 (Alternative Minimum Tax)	9/09 a
3,785	Los Angeles Community Redevelopment Agency, California, Multifamily Housing Revenue Refunding Bonds (Angelus Plaza Project), 1995 Series A, 7.400%, 6/15/10	6/05 a
7,400	Santa Cruz Housing Authority, California, Tax-Exempt Multifamily Housing Revenue Refunding Bonds (GNMA Collateralized - Meadowview Apartments), Series 1993A, 6.125%, 5/20/28	5/03 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

---

HOUSING/SINGLE FAMILY - 2.9%		
4,375	California Housing Finance Agency, Single Family Mortgage Bonds II, 1997 Series C-2, 5.625%, 8/01/20 (Alternative Minimum Tax)	8/07 a
1,065	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1996 Series E, 6.150%, 8/01/25 (Alternative Minimum Tax)	2/06 a
12,745	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1999 Series B, 0.000%, 2/01/30 (Alternative Minimum Tax)	2/09

---

TAX OBLIGATION/GENERAL - 11.3%		
1,460	ABC Unified School District, Los Angeles County, California, General Obligation Bonds (Election of 1997), Series B, 5.750%, 8/01/16	8/10 a
485	State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/24 (Alternative Minimum Tax)	12/03 a

15

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
TAX OBLIGATION/GENERAL (continued)		
\$ 7,995	State of California, Various Purpose General Obligation Bonds: 5.750%, 3/01/22	3/10 a
2,500	5.500%, 9/01/24	9/09 a
2,000	5.750%, 3/01/27	3/10 a
3,000	State of California, General Obligation Veterans Bonds, 2001 Series BZ, 5.375%, 12/01/24 (Alternative Minimum Tax)	6/07 a
2,575	Calipatria Unified School District, Imperial County, California, General Obligation Bonds, 1996 Series A, 5.625%, 8/01/13	8/06 a
3,000	Escondido Union High School District, San Diego County, California, General Obligation Bonds (Election of 1996), 5.700%, 11/01/10	11/06 a
	Fresno Unified School District, Fresno County, California, General Obligation Bonds (Election of 1995), Series 2001F:	
1,065	5.125%, 8/01/21	8/09 a
1,160	5.125%, 8/01/22	8/09 a
1,220	5.125%, 8/01/23	8/09 a
1,500	Hacienda La Puente Unified School District, City of Los Angeles, California, General Obligation Bonds (Election of 2000), Series A, 5.250%, 8/01/25	8/10 a
1,750	Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds (Election of 1999), Series A, 5.250%, 8/01/24	8/09 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,125	San Diego Unified School District, California, 1999 General Obligation Bonds (Election of 1998), Series A, 0.000%, 7/01/21	No O
-------	--	------

-----  
TAX OBLIGATION/LIMITED - 35.0%

Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds (Anaheim Public Improvements Project), 1997 Series C:		
5,130	0.000%, 9/01/18	No O
8,000	0.000%, 9/01/21	No O
1,800	California Public School District Financing Authority, Lease Revenue Bonds (Southern Kern Unified School District Projects), Series 1996B, 5.800%, 9/01/16	9/06 a
5,250	California State Public Works Board, Department of Corrections, Lease Revenue Bonds (California Substance Abuse Treatment Facility and State Prison at Corcoran II), 1996 Series A, 5.250%, 1/01/21	1/06 a
3,450	California State Public Works Board, Department of Health Services, Lease Revenue Bonds (Richmond Laboratory Project), 1999 Series A, 5.750%, 11/01/24	11/09 a
5,000	Compton Community Redevelopment Agency, California, Refunding Tax Allocation Bonds (Compton Redevelopment Project), Series 1995A (Project Tax Revenues, Subventions and Housing Tax Revenues), 6.500%, 8/01/13	8/05 a
4,000	Contra Costa County, California, Certificates of Participation (Merrithew Memorial Hospital Replacement Project), Refunding Series 1997, 5.500%, 11/01/22	11/07 a
6,000	El Monte Department of Public Services Facility Phase II, California, Certificates of Participation, Senior Lien Series 2001, 5.000%, 1/01/21	1/11 a
3,000	Galt Schools Joint Powers Authority, Sacramento County, California, 1997 Refunding Revenue Bonds (High School and Elementary School Facilities), Series A, 5.875%, 11/01/24	11/07 a
5,000	Kern County Board of Education, California, Refunding Certificates of Participation, 1998 Series A 5.200%, 5/01/28	5/08 a
5,000	La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds (La Quinta Redevelopment Project Area No. 1), Series 1998, 5.200%, 9/01/28	9/07 a
3,865	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Lien Series 2000A, 5.250%, 7/01/30	7/10 a
2,020	Menifee Union School District, Riverside County, California, Certificates of Participation (1996 School Project), 6.125%, 9/01/24	9/06 a
2,690	Norwalk Community Facilities Financing Authority, Los Angeles County, California, Tax Allocation Refunding Revenue Bonds, 1995 Series A, 6.000%, 9/01/15	9/05 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 2,000	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), Series 2000, 5.750%, 6/15/33	12/10 a
9,000	City of Redlands, California, Certificates of Participation (1993 Refunding of 1986 and 1987 Projects), 5.800%, 9/01/17	9/03 a
5,000	San Bernardino Joint Powers Financing Authority, California, Refunding Certificates of Participation (Police Station South Valle Refunding and 201 Building Projects), 5.500%, 9/01/20	9/09 a
3,500	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 1999, 5.500%, 7/01/34	7/09 a
1,930	Santa Margarita/Dana Point Authority, Orange County, California, Revenue Bonds (1994 Improvement Districts Nos. 1, 2, 2A and 8 General Obligation Bond Refinancing), Series A, 7.250%, 8/01/05	No O
	South Orange County Public Financing Authority, California, Special Tax Revenue Bonds (Foothill Area), 1994 Series C:	
3,000	8.000%, 8/15/08	No O
6,830	8.000%, 8/15/09	No O
3,770	Suisun City Redevelopment Agency, Solano County, California, 1993 Tax Allocation Refunding Bonds (Suisun City Redevelopment Project), 5.900%, 10/01/23	10/03 a
5,450	Visalia Public Financing Authority, California, Refunding Certificates of Participation (Motor Vehicle License Fee Enhancement), Series 1996A, 5.375%, 12/01/26	12/06 a
-----		
TRANSPORTATION - 4.8%		
6,500	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 0.000%, 1/15/18	1/10
2,000	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 15A, Second Series, 5.000%, 5/01/28 (Alternative Minimum Tax)	1/08 a
5,000	City and County of San Francisco Airports Commission, California, Revenue Refunding Bonds (San Francisco International Airport), Issue 27A, Second Series, 5.250%, 5/01/31 (Alternative Minimum Tax)	5/11 a
3,750	City of San Jose, California, Airport Revenue Bonds, Series 1993, 5.700%, 3/01/18 (Alternative Minimum Tax)	3/03 a
-----		
U.S. GUARANTEED - 11.3%		
3,620	Alameda County, California, Certificates of Participation (1991 Financing Project - Alameda County Public Facilities Corporation), 6.000%, 9/01/21 (Pre-refunded to 9/01/06)	9/06 a



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

4,485	Alameda County, California, 1993 Refunding Certificates of Participation (Santa Rita Jail Project), 5.700%, 12/01/14 (Pre-refunded to 12/01/03)	12/03 a
3,000	Central Unified School District, Fresno County, California, General Obligation Bonds (Election of 1992), 5.625%, 3/01/18 (Pre-refunded to 3/01/03)	3/03 a
4,320	Riverside County, California, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Issue 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax)	No O
1,850	City of Sacramento Unified School District, Sacramento County, California, General Obligation Bonds, Series 2000A, 5.750%, 7/01/18 (Pre-refunded to 7/01/09)	7/09 a
9,000	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 8B, Second Series, 6.100%, 5/01/20 (Pre-refunded to 5/01/04)	5/04 a
1,515	City of Torrance, California, Hospital Revenue Bonds (Little Company of Mary Hospital), 1985 Series A, 7.100%, 12/01/15 (Pre-refunded to 12/01/05)	12/05 a

-----  
UTILITIES - 8.1%

3,740	California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, 1999 Series B, 5.450%, 9/01/29	9/09 a
3,215	Modesto Irrigation District Financing Authority, California, Refunding Revenue Bonds, Series A, 6.000%, 10/01/15	10/06 a
3,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.125%, 7/01/26	7/12 a

17

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL)  
Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
UTILITIES (continued)		
\$ 1,790	Sacramento Financing Authority, California, 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects), 5.800%, 12/01/19	12/09 a
3,500	Sacramento Municipal Utility District, California, Electric Revenue Bonds, 1996 Series J, 5.600%, 8/15/24	8/06 a
6,650	Turlock Irrigation District, California, Revenue Refunding Bonds, Series 1992-A, 5.750%, 1/01/18	7/02 a

-----

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

WATER AND SEWER - 8.7%

3,530	Castaic Lake Water Agency, California, Refunding Revenue Certificates of Participation (Water System Improvement Projects), Series 1994A, 8.000%, 8/01/04	No O
2,975	Chino Basin Regional Financing Authority, California, Revenue Bonds (Chino Basin Municipal Water District Sewer System Project), Series 1994, 6.000%, 8/01/16	8/04 a
2,775	Pomona Public Financing Authority, California, 1999 Revenue Bonds (Water Facilities Project), Series AC, 5.500%, 5/01/29	5/09 a
1,000	Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds (Sacramento Regional County Sanitation District), Series 2000A, 5.500%, 12/01/20	6/10 a
2,900	City and County of San Francisco, California, Sewer Revenue Refunding Bonds, Series 1992, 5.500%, 10/01/15	10/02 a
2,520	City and County of San Francisco Public Utilities Commission, California, Water Revenue Bonds, Series 2001A, 5.000%, 11/01/20	11/11 a
2,000	South San Joaquin Irrigation District, San Joaquin County, California, 1993 Refunding Revenue Certificates of Participation (1987 and 1992 Project), 5.500%, 1/01/15	1/03 a
5,410	City of Tulare, California, 1996 Sewer Revenue Bonds, 5.750%, 11/15/21	11/06 a
-----		
\$ 295,080	Total Investments (cost \$260,267,944) - 98.8%	
=====		
	Other Assets Less Liabilities - 1.2%	
-----		
	Net Assets - 100%	
=====		

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

\* Optional Call Provisions: 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: Using the higher of Standard & Poor's or Moody's rating.

See accompanying notes to financial statements

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Portfolio of  
INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	HEALTHCARE - 12.4%	
\$ 5,150	California Health Facilities Financing Authority, Hospital Revenue Bonds (Downey Community Hospital), Series 1993, 5.750%, 5/15/15	5/03 a
8,100	California Statewide Community Development Authority, Revenue Refunding Bonds (Sherman Oaks Project), Series 1998A, 5.000%, 8/01/22	No O
2,000	City of Loma Linda, California, Hospital Revenue Bonds (Loma Linda University Medical Center Project), Series 1993-A, 6.000%, 12/01/06	12/03 a
-----		
	HOUSING/MULTIFAMILY - 11.0%	
2,000	California Statewide Communities Development Authority, Apartment Development Revenue Refunding Bonds (Irvine Apartment Communities, L.P.), Series 1998A, 5.250%, 5/15/25 (Mandatory put 5/15/13)	7/08 a
6,785	Los Angeles Community Redevelopment Agency, California, Multifamily Housing Revenue Refunding Bonds (Angelus Plaza Project), 1995 Series A, 7.400%, 6/15/10	6/05 a
3,890	City of Stanton, California, Multifamily Housing Revenue Bonds (Continental Gardens Apartments), Series 1997, 5.625%, 8/01/29 (Alternative Minimum Tax) (Mandatory put 8/01/09)	8/07 a
-----		
	HOUSING/SINGLE FAMILY - 6.8%	
2,795	California Housing Finance Agency, Single Family Mortgage Bonds II, 1997 Series A-1, 6.000%, 8/01/20 (Alternative Minimum Tax)	2/07 a
1,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1994 Series A, 6.550%, 8/01/26	8/04 a
1,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1994 Series F-3, 6.100%, 8/01/15 (Alternative Minimum Tax)	8/05 a
2,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1997 Series B, 6.000%, 8/01/16 (Alternative Minimum Tax)	2/07 a
1,165	California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 1996 Series C, 7.500%, 8/01/27 (Alternative Minimum Tax)	No O
-----		
	TAX OBLIGATION/GENERAL - 8.4%	
4,000	State of California, General Obligation Veterans Welfare Bonds, Series BR, 5.300%, 12/01/29 (Alternative Minimum Tax)	6/04 a
3,000	Pomona Unified School District, California, General Obligation Refunding	8/11 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Bonds, Series 1997-A, 6.150%, 8/01/15

3,000	San Diego Unified School District, California, 2000 General Obligation Bonds (Election of 1998), Series B, 5.125%, 7/01/22	7/10 a
-------	--	--------

-----  
TAX OBLIGATION/LIMITED - 32.2%

4,500	Bonita Canyon Public Facilities Financing Authority, California, Special Tax Bonds (Community Facilities District No. 98-1), Series 1998, 5.375%, 9/01/28	3/02 a
-------	---	--------

5,920	California State Public Works Board, Department of Veterans Affairs of the State of California, Lease Revenue Bonds (Southern California Veterans Home - Chula Vista Facility), 1999 Series A, 5.600%, 11/01/19	11/09 a
-------	---	---------

2,480	City of Carlsbad, California, Limited Obligation Improvement Bonds (Assessment District No. 96-1 - Rancho Carillo), 5.500%, 9/02/28	3/02 a
-------	---	--------

1,000	Carson Redevelopment Agency, California, Refunding Tax Allocation Bonds (Redevelopment Project Area No. 2), Series 1993, 5.875%, 10/01/09	10/03 a
-------	---	---------

3,500	City of Livermore, California, Tax Allocation Revenue Bonds (Livermore Redevelopment Project Area), Series 2001A, 5.000%, 8/01/26	8/11 a
-------	---	--------

2,160	Los Angeles Community Redevelopment Financing Authority of the Community Redevelopment Agency, California, Grand Central Square Multifamily Housing Bonds, 1993 Series A, 5.750%, 12/01/13 (Alternative Minimum Tax)	6/03 a
-------	--	--------

19

Nuveen California Premium Income Municipal Fund (NCU) (continued)

Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
---------------------------	-------------	--------------

-----

TAX OBLIGATION/LIMITED (continued)

\$ 1,000	Poway Community Facilities District No. 88-1, California, Special Tax Refunding Bonds (Parkway Business Centre), Series 1998, 6.500%, 8/15/09	8/08 a
----------	---	--------

1,205	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.375%, 7/01/36	7/12 a
-------	---	--------

5,000	Riverside County Redevelopment Agency, California, 2001 Tax Allocation Bonds (Jurupa Valley Project Area), 5.150%, 10/01/21	10/11 a
-------	---	---------

6,200	Sacramento Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20	No O
-------	---	------

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	San Marcos Public Facilities Authority, California, Refunding Revenue Bonds, Series 1998:		
1,500	5.800%, 9/01/18		9/08 a
1,000	5.800%, 9/01/27		9/08 a
2,050	Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19		12/11 a
2,000	City of Vista, California, Mobile Home Park Subordinate Revenue Bonds (Vista Manor Mobile Home Park Project), Series 1999B, 5.750%, 3/15/29		3/09 a
-----			
	TRANSPORTATION - 4.1%		
2,750	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 5, Second Series, 6.500%, 5/01/24 (Alternative Minimum Tax)		5/04 a
2,000	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 10A, Second Series, 5.700%, 5/01/26 (Alternative Minimum Tax)		5/06 a
-----			
	U.S. GUARANTEED - 15.8%		
1,500	ABAG Financing Authority for Nonprofit Corporations, California, Certificates of Participation (Stanford University Hospital), Series 1993, 5.250%, 11/01/20		No O
3,200	California State Public Works Board, The Trustees of the California State University, Lease Revenue Bonds (Various California State University Projects), 1994 Series A, 6.375%, 10/01/14 (Pre-refunded to 10/01/04)		10/04 a
4,000	California Statewide Communities Development Authority, Hospital Revenue Certificates of Participation (Cedars-Sinai Medical Center), Series 1992, 6.500%, 8/01/15 (Pre-refunded to 8/01/02)		8/02 a
6,500	Commonwealth of Puerto Rico, General Obligation Public Improvement Bonds of 2000, 5.750%, 7/01/21 (Pre-refunded to 7/01/10)		7/10 a
2,475	City of Torrance, California, Hospital Revenue Bonds (Little Company of Mary Hospital), 1985 Series A, 7.100%, 12/01/15 (Pre-refunded to 12/01/05)		12/05 a
-----			
	UTILITIES - 3.2%		
1,000	California Pollution Control Financing Authority, Pollution Control Revenue Bonds (Southern California Edison Company), 1992 Series B, 6.400%, 12/01/24 (Alternative Minimum Tax)		12/02 a
3,000	Merced Irrigation District, California, 2001 Electric System Refunding Revenue Bonds (Electric System Project), 6.500%, 9/01/22		9/05 a
-----			
	WATER AND SEWER - 4.3%		
5,000	Culver City, California, Wastewater Facilities Refunding Revenue Bonds, 1999 Series A, 5.700%, 9/01/29		9/09 a
-----			

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

\$ 116,825 Total Investments (cost \$116,710,411) - 98.2%

=====

SHORT-TERM INVESTMENTS - 0.9%

\$ 1,140 California Statewide Community Development Authority, Revenue  
 =====  
 Bonds (Fremont-Rideout Health Group), Variable Rate Demand  
 Bonds, Series 2001A, 1.250%, 1/01/31+

-----

Other Assets Less Liabilities - 0.9%

-----

Net Assets - 100%

=====

\* Optional Call Provisions: 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: 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. Securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

+ 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.

20

Nuveen California Dividend Advantage Municipal Fund (NAC)

Portfolio of  
 INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
\$ 5,000	CONSUMER STAPLES - 3.3% California Statewide Communities Development Authority, Certificates of Participation (Pride Industries and Pride One, Inc), 7.250%, 11/01/29	11/09 a
	Northern California Tobacco Securitization Authority, Tobacco Settlement	

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Asset-Backed Bonds, Series 2001A:		
2,500	5.250%, 6/01/31		6/11 a
4,500	5.375%, 6/01/41		6/11 a
5,000	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation), Senior Series 2001A, 5.250%, 6/01/27		6/12 a
-----			
	EDUCATION AND CIVIC ORGANIZATIONS - 2.0%		
3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds (The Aquarium of the South Pacific), 5.500%, 11/01/17		11/11 a
700	The Regents of the University of California, Certificates of Participation (San Diego Campus and Sacramento Projects), 2002 Series A, 5.250%, 1/01/22		1/10 a
6,000	The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.000%, 9/01/12		9/08 a
-----			
	HEALTHCARE - 11.2%		
8,400	California Health Facilities Financing Authority, Kaiser Permanente Revenue Bonds, Series 1998B, 5.250%, 10/01/14 (Optional put 10/01/08)		10/08 a
15,000	California Health Facilities Financing Authority, Revenue Bonds (Cedars- Sinai Medical Center), Series 1999A, 6.125%, 12/01/30		12/09 a
9,755	California Health Facilities Financing Authority, Revenue Bonds (USCF - Stanford Healthcare), 1998 Series A, 5.000%, 11/15/28		11/08 a
8,000	Central California Joint Powers Health Financing Authority, Certificates of Participation (Community Hospitals of Central California Obligated Group Project), Series 2000, 6.000%, 2/01/30		2/10 a
10,500	City of Duarte, California, Certificates of Participation (City of Hope National Medical Center), Series 1999A, 5.250%, 4/01/31		4/09 a
4,000	City of Upland, California, Certificates of Participation (San Antonio Community Hospital), 1993 Series, 5.250%, 1/01/08		1/04 a
2,500	City of Whittier, California, Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital), Series 2002, 5.600%, 6/01/22		6/12 a
-----			
	HOUSING/MULTIFAMILY - 8.7%		
15,000	California Statewide Communities Development Authority, Apartment Development Revenue Refunding Bonds (Irvine Apartment Communities, L.P.), Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08)		7/08 a
10,000	California Statewide Communities Development Authority, Multifamily Housing Revenue Refunding Bonds (Archstone/LeClub Apartments), Issue 1999, Series G, 5.300%, 6/01/29 (Mandatory put 6/01/08)		No O
5,000	Contra Costa County, California, Multifamily Housing Revenue Bonds (Delta View Apartments), Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax)		6/09 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

15,000	San Bernardino County Housing Authority, California, Multifamily Housing Revenue Refunding Bonds (Equity Residential/Redlands Lawn and Tennis Apartments), Series 1999, 5.200%, 6/15/29 (Mandatory put 6/15/09)	No O
-----		
HOUSING/SINGLE FAMILY - 3.8%		
40,795	California Housing Finance Agency, Single Family Mortgage Bonds II, 1999 Series D2, 0.000%, 2/01/29 (Alternative Minimum Tax)	2/09
11,500	California Housing Finance Agency, Home Mortgage Revenue Bonds, 1998 Series E, 5.250%, 2/01/33 (Alternative Minimum Tax)	2/09 a

21

Nuveen California Dividend Advantage Municipal Fund (NAC) (continued)  
Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
LONG-TERM CARE - 1.6%		
\$ 8,500	Riverside County Public Financing Authority, California, Certificates of Participation (Air Force Village West, Inc), 5.800%, 5/15/29	5/09 a
-----		
TAX OBLIGATION/GENERAL - 4.7%		
18,500	Los Angeles Unified School District, California, General Obligation Bonds (Election of 1997), Series 1999C, 5.250%, 7/01/24	7/09 a
3,600	Los Angeles Unified School District, California, General Obligation Bonds (Election of 1997), Series 2000D, 5.625%, 7/01/14	7/10 a
1,750	Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2001, 5.125%, 8/01/21	8/08 a
-----		
TAX OBLIGATION/LIMITED - 29.9%		
8,665	Bonita Canyon Public Facilities Financing Authority, California, Community Facilities District No. 98-1 Special Tax Bonds, Series 1998, 5.375%, 9/01/28	3/02 a
Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001:		
1,110	5.375%, 11/01/18	11/11 a
1,165	5.375%, 11/01/19	11/11 a
3,515	Dinuba Redevelopment Agency, California, Tax Allocation Bonds (Redevelopment Project 2), Refunding Series 2001, 4.875%, 9/01/21	9/11 a
3,490	Fontana Community Facilities District No. 2, California, Senior Lien Special Tax Refunding Bonds, 1998 Series A, 5.250%, 9/01/17	9/08 a



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

13,290	Mira Loma Area of Jurupa Community Services District, California, 1998 Special Tax Bonds (Community Facilities District No. 1), 4.750%, 9/01/24 (Optional put 9/01/10)	9/08 a
5,500	Los Angeles County, California, Certificates of Participation (1998 Disney Parking Refunding Project), 4.750%, 3/01/23	9/08 a
5,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Bonds, Series 1998A Refunding, 5.000%, 7/01/23	7/08 a
10,000	Los Angeles County Public Works Financing Authority, California, Revenue Bonds (Los Angeles County Regional Park and Open Space District), Series 1997A, 5.000%, 10/01/16	10/07 a
4,245	Nevada County, California, Certificates of Participation, Series 2001 Refunding, 5.250%, 10/01/19	10/11 a
9,200	Norco Redevelopment Agency, California, Tax Allocation Bonds (Project Area No. 1), Series 2001 Refunding, 5.000%, 3/01/19	3/11 a
4,670	Oakland Joint Powers Financing Authority, California, Lease Revenue Refunding Bonds (Oakland Convention Centers), Series 2001, 5.500%, 10/01/14	No O
14,160	Oakland State Building Authority, California, Lease Revenue Bonds (Elihu M. Harris State Office Building), 1998 Series A, 5.000%, 4/01/23	4/08 a
4,000	Orange County Local Transportation Authority, California, Measure M Sales Tax Revenue Refunding Bonds, Limited Tax Bonds, Second Senior Bonds, Series 1997A, 5.700%, 2/15/08	No O
5,600	Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds (Convention Center Project), Series 2001A, 5.000%, 11/01/22	11/11 a
8,100	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), Series 2000, 5.750%, 6/15/33	12/10 a
6,500	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.375%, 7/01/36	7/12 a
11,925	Riverside County Public Financing Authority, California, Junior Lien Reassessment Revenue Bonds (Rancho Village Project/AD No. 159), 1999 Series B, 6.000%, 9/02/07	No O
2,980	San Diego County, California, Certificates of Participation (MTS Tower), Refunding Series 2001, 5.250%, 11/01/19	11/11 a

22

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
---------------------------	-------------	--------------

---

TAX OBLIGATION/LIMITED (continued)

City and County of San Francisco, California, Certificates of Participation (30 Van Ness Avenue Property), Series 2001A:

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

\$	1,205	4.600%, 9/01/18	9/09 a
	1,260	4.700%, 9/01/19	9/09 a
	1,340	4.750%, 9/01/20	9/09 a
	1,400	4.800%, 9/01/21	9/09 a
	25,060	San Jose Redevelopment Agency, California, Tax Allocation Bonds (Merged Area Redevelopment Project), Series 1998, 5.250%, 8/01/29	8/08 a

---

TRANSPORTATION - 16.1%

	21,150	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999, 5.750%, 1/15/40	1/10 a
	8,515	Los Angeles Harbor Department, California, Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18 (Alternative Minimum Tax)	8/11 a
	23,000	Port of Oakland, California, Revenue Bonds, 2000 Series K, 5.750%, 11/01/29 (Alternative Minimum Tax)	5/10 a
	5,000	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 13B, Second Series, 5.625%, 5/01/21 (Alternative Minimum Tax)	5/06 a
	23,275	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 25, Second Series, 5.750%, 5/01/30 (Alternative Minimum Tax)	5/10 a

---

U.S. GUARANTEED - 1.1%

	5,000	Commonwealth of Puerto Rico, General Obligation Public Improvement Bonds of 2000, 5.750%, 7/01/16 (Pre-refunded to 7/01/10)	7/10 a
--	-------	--	--------

---

UTILITIES - 10.5%

	8,370	Los Angeles Department of Water and Power, California, Power System Revenue Refunding Bonds, Series 2001A2, 5.375%, 7/01/19	7/11 a
	10,000	Merced Irrigation District, California, 2001 Electric System Refunding Revenue Bonds (Electric System Project), 6.750%, 9/01/31	9/05 a
	10,500	Northern California Power Agency, Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A, 5.200%, 7/01/32	7/08 a
	10,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series DD, 5.000%, 7/01/28	7/08 a
	15,000	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, 1999 Series M, 5.250%, 7/01/28	7/04 a

---

WATER AND SEWER - 6.1%

	2,000	Carmichael Water District, Sacramento County, California, 1999 Water Revenue Certificates of Participation, 5.125%, 9/01/29	9/09 a
	7,200	Castaic Lake Water Agency, California, Revenue Certificates of Participation (Water System Improvement Project), Series 1999A, 5.125%, 8/01/30	8/09 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

14,000	Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29	8/09 a
8,250	Pico Rivera Water Authority, California, Revenue Bonds, 2001 Series A, 6.250%, 12/01/32	12/11 a
-----		
\$ 539,640	Total Investments (cost \$498,861,491) - 99.0%	
=====		
	Other Assets Less Liabilities - 1.0%	
-----		
	Net Assets - 100%	
=====		

\* Optional Call Provisions: 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: Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

See accompanying notes to financial statements.

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)

Portfolio of  
INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	CONSUMER STAPLES - 1.8%	
\$ 3,000	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41	6/11 a
2,800	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation), Senior Series 2001A, 5.500%, 6/01/36	6/12 a
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 13.4%	
5,000	California Educational Facilities Authority, Revenue Bonds (Stanford University), Series Q, 5.250%, 12/01/32	6/11 a
7,620	California Educational Facilities Authority, Revenue Bonds (Loyola Marymount University), Series 2001A Refunding: 0.000%, 10/01/26	No O

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

7,365	0.000%, 10/01/27	No O
4,120	0.000%, 10/01/28	No O
15,000	California Educational Facilities Authority, Student Loan Revenue Bonds (California Loan Program), Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax)	3/08 a
9,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds (The Aquarium of the South Pacific), 5.250%, 11/01/30	11/11 a
9,000	The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.300%, 9/01/30	9/08 a
-----		
HEALTHCARE - 5.9%		
5,000	California Health Facilities Financing Authority, Kaiser Permanente Revenue Bonds, 1993 Series C, 5.600%, 5/01/33	5/03 a
7,000	California Infrastructure and Economic Development Bank, Revenue Bonds (Kaiser Hospital Assistance I-LLC), Series 2001A, 5.550%, 8/01/31	8/11 a
3,000	Central California Joint Powers Health Financing Authority, Certificates of Participation (Community Hospitals of Central California Obligated Group Project), Series 2000, 6.000%, 2/01/30	2/10 a
2,500	City of Torrance, California, Revenue Bonds (Torrance Memorial Medical Center), Series 2001A, 5.500%, 6/01/31	6/11 a
1,500	City of Whittier, California, Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital), Series 2002, 5.600%, 6/01/22	6/12 a
-----		
HOUSING/MULTIFAMILY - 5.0%		
10,200	California Statewide Communities Development Authority, Multifamily Housing Revenue Bonds (Citrus Gardens Apartments Project), Series 2001J, 6.250%, 6/01/37 (Mandatory put 6/01/02)	No O
5,962	California Statewide Communities Development Authority, Multifamily Housing Revenue Refunding Bonds (Claremont Village Apartments), Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16)	6/11 a
-----		
HOUSING/SINGLE FAMILY - 1.9%		
6,000	California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 2001 Series A, 5.650%, 12/01/31 (Alternative Minimum Tax)	6/11 a
-----		
LONG-TERM CARE - 1.5%		
4,650	City and County of San Francisco Redevelopment Agency, California, Multifamily Housing Revenue Bonds (Kokoro Assisted Living Project), GNMA Series 2001A, 5.675%, 4/20/43	10/11 a
-----		
TAX OBLIGATION/GENERAL - 13.5%		

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

9,000	State of California, Veterans General Obligation Bonds, Series BV, 5.600%, 12/01/32	6/06 a
8,330	Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25	7/10 a

24

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	TAX OBLIGATION/GENERAL (continued)	
\$ 275	Sacramento Unified School District, Sacramento County, California, General Obligation Bonds (Election of 1999), Series 2001B, 5.000%, 7/01/30	7/10 a
14,190	City of San Jose, California, General Obligation Bonds (Libraries and Parks Projects), Series 2001, 5.125%, 9/01/31	9/11 a
4,050	Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26	5/11 a
7,600	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25	8/11 a
-----		
	TAX OBLIGATION/LIMITED - 29.9%	
9,000	Anitoch Area Public Facilities Financing Authority, California, Special Tax Bonds (Community Facilities District No. 1989-1), Series 2001, 5.250%, 8/01/25	8/08 a
7,595	Encinitas Public Financing Authority, California, Lease Revenue Bonds (Acquisition Project), Series 2001A, 5.250%, 4/01/31	4/08 a
8,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Sales Tax Revenue Bonds, Second Senior Bonds, Series 1998A Refunding, 5.000%, 7/01/23	7/08 a
3,300	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.375%, 7/01/36	7/12 a
4,400	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, 2002 Series E, 6.000%, 8/01/26	No O
9,000	Riverside County Redevelopment Agency, California, 2001 Tax Allocation Bonds (Jurupa Valley Project Area), 5.250%, 10/01/35	10/11 a
9,000	Sacramento Financing Authority, California, 2001 Capital Improvement Revenue Bonds (Water and Capital Improvement Projects), Series A, 5.000%, 12/01/32	6/11 a
7,000	San Diego Redevelopment Agency, California, Tax Allocation Bonds (Merged Area Redevelopment Project), Series 2002, 5.000%, 8/01/27	8/10 a
	Santa Clara Valley Transportation Authority, California, Sales Tax	

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
Revenue Bonds, Series 2001A:		
16,090	5.000%, 6/01/25	6/11 a
15,345	5.000%, 6/01/26	6/11 a
3,045	Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds (Rancho del Sol and Grandview), Series 2001A, 6.750%, 5/15/36	5/11 a
5,600	City of Yucaipa, Chapman Heights, San Bernardino County, California, 1998 Special Tax Bonds (Community Facilities District No. 98-1), 6.000%, 9/01/28	9/09 a
-----		
TRANSPORTATION - 4.5%		
5,500	California Statewide Communities Development Authority, Special Facility Revenue Bonds (United Air Lines, Inc. - Los Angeles International Airport Cargo Project), Series 2001, 6.250%, 10/01/35 (Alternative Minimum Tax)	10/11 a
3,840	Sacramento-Yolo Port District, Sacramento and Yolo Counties, California, Port Facilities Refunding and Improvement Revenue Bonds, Series 2001, 5.125%, 7/01/14	7/08 a
1,750	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 23B, Second Series, 5.000%, 5/01/30 (Alternative Minimum Tax)	5/09 a
6,100	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 26A, Second Series, 5.250%, 5/01/30 (Alternative Minimum Tax)	5/10 a
-----		
UTILITIES - 10.7%		
5,000	California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company), 1996A Series Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax)	4/11 a
30,000	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28	8/11 a

25

Nuveen California Dividend Advantage Municipal Fund 2 (NVX) (continued)  
Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
WATER AND SEWER - 10.8%		
\$ 15,000	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26	6/11 a
13,400	Los Angeles Department of Water and Power, California, Waterworks	7/11 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Revenue Bonds, Series 2001A Refunding, 5.125%, 7/01/41

6,850	Southern California Metropolitan Water District, Water Revenue Bonds (1997 Authorization), Series A, 5.000%, 7/01/37	1/08 a
-----		
\$ 336,977	Total Investments (cost \$316,654,377) - 98.9%	
=====		
	Other Assets Less Liabilities - 1.1%	
-----		
	Net Assets - 100%	
=====		

\* Optional Call Provisions: 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: Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

See accompanying notes to financial statements.

26

Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

Portfolio of  
INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	CONSUMER STAPLES - 0.8%	
\$ 4,200	Southern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation), Senior Series 2001A, 5.500%, 6/01/36	6/12 a
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 8.1%	
9,000	California Educational Facilities Authority, Student Loan Revenue Bonds (California Loan Program), Series 2001A, 5.400%, 3/01/21 (Alternative Minimum Tax)	3/08 a
5,000	San Diego State University Foundation, California, Auxiliary Organization Revenue Bonds, Series 2002A, 5.000%, 3/01/37	3/12 a
7,595	San Francisco State University Foundation Inc, California, Auxiliary Organization Revenue Bonds (Student Housing), Series 2001, 5.000%, 9/01/26	9/11 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2,990	The Regents of the University of California, Multiple Purpose Project Revenue Bonds, Series K, 5.000%, 9/01/23	9/08 a
8,720	The Regents of the University of California, Multiple Purpose Projects Revenue Bonds, Series 2001M, 5.125%, 9/01/30	9/09 a
	The Regents of the University of California, Research Facilities Revenue Bonds, 2001 Series E:	
3,820	5.000%, 9/01/26	9/09 a
5,360	5.000%, 9/01/27	9/09 a
-----		
	HEALTHCARE - 7.3%	
6,650	California Health Facilities Financing Authority, Revenue Bonds (USCF - Stanford Healthcare), 1998 Series A, 5.000%, 11/15/31	11/08 a
	California Health Facilities Financing Authority, Revenue Bonds (Casa Colina Inc.), Series 2001:	
4,000	6.000%, 4/01/22	4/12 a
2,000	6.125%, 4/01/32	4/12 a
6,550	California Health Facilities Financing Authority, Kaiser Permanente Revenue Bonds, 1993 Series C, 5.600%, 5/01/33	5/03 a
9,000	California Infrastructure and Economic Development Bank, Revenue Bonds (Kaiser Hospital Assistance I-LLC), Series 2001A, 5.550%, 8/01/31	8/11 a
7,665	California Communities Development Authority, Insured Mortgage Hospital Revenue Bonds (Mission Community Hospital), Series 2001, 5.375%, 11/01/21	11/09 a
2,500	City of Whittier, California, Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital), Series 2002, 5.600%, 6/01/22	6/12 a
-----		
	HOUSING/MULTIFAMILY - 1.6%	
3,610	San Bernardino County Housing Authority, California, Multifamily Mortgage Revenue Bonds (GNMA Collateralized - Pacific Palms Mobile Home Park), Series 2001A, 6.700%, 12/20/41	11/11 a
	City of San Jose, California, Multifamily Housing Revenue Bonds (GNMA Mortgage-Backed Securities Program - Lenzen Housing), Series 2001B:	
1,250	5.350%, 2/20/26	8/11 a
2,880	5.450%, 2/20/43	8/11 a
-----		
	HOUSING/SINGLE FAMILY - 1.5%	
3,000	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 1998B, 5.150%, 2/01/18 (Alternative Minimum Tax)	2/08 a
27,855	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2001T, 0.000%, 8/01/32 (Alternative Minimum Tax)	8/11 a



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Nuveen California Dividend Advantage Municipal Fund 3 (NZH) (continued)  
 Portfolio of INVESTMENTS February 28, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
	TAX OBLIGATION/GENERAL - 21.2%	
\$ 8,500	State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.500%, 12/01/18 (Alternative Minimum Tax)	12/03 a
7,165	State of California, General Obligation Veterans Bonds, Series BJ, 5.500%, 12/01/18 (Alternative Minimum Tax)	12/06 a
15,000	State of California, Various Purpose General Obligation Bonds, Series 2001, 5.000%, 11/01/30	11/11 a
14,300	State of California, General Obligation Veterans Bonds, 2001 Series BZ, 5.350%, 12/01/21 (Alternative Minimum Tax)	6/07 a
5,300	Cupertino Union School District, Santa Clara County, California, General Obligation Bonds, Series 2001A, 4.750%, 8/01/26	8/11 a
15,635	Newport-Mesa Unified School District, Orange County, California, General Obligation Bonds (Election of 2000), Series 2001, 4.750%, 8/01/26	8/11 a
7,490	Palm Springs Unified School District, Riverside County, California, General Obligation Bonds, Series 2001B, 4.750%, 8/01/31	8/09 a
	Pasadena Unified School District, Los Angeles County, California, General Obligation Bonds (Election of 1997), Series 2001C:	
480	4.750%, 11/01/23	11/11 a
460	4.750%, 11/01/25	11/11 a
3,670	4.750%, 11/01/26	11/11 a
3,300	Peralta Community College District, Alameda County, California, General Obligation Bonds (Election of 2000), Series A, 5.000%, 8/01/31	8/09 a
3,000	Commonwealth of Puerto Rico, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 7/01/24	7/11 a
9,750	Commonwealth of Puerto Rico, General Obligation Public Improvement Refunding Bonds, 2002 Series A, 5.500%, 7/01/20	No O
5,000	Riverside Unified School District, Riverside County, California, General Obligation Bonds, Series 2002A, 5.000%, 2/01/27 (WI, settling 3/14/02)	2/12 a
	San Diego Unified School District, San Diego County, California, General Obligation Bonds (Election of 1998), Series 2001C:	
1,790	5.000%, 7/01/23	7/11 a
10,810	5.000%, 7/01/26	7/11 a
	TAX OBLIGATION/LIMITED - 39.0%	

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2,000	Anaheim Public Financing Authority, California, Senior Lease Revenue Bonds (Anaheim Public Improvements Project), 1997 Series A, 5.000%, 3/01/37	9/07 a
	Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001:	
7,135	5.000%, 11/01/25	11/11 a
6,955	5.000%, 11/01/31	11/11 a
4,510	California State Public Works Board, Lease Revenue Bonds (Department of Mental Health - Hospital Addition), Series 2001A, 5.000%, 12/01/26	12/11 a
15,000	California State Public Works Board, Lease Revenue Bonds (Department of General Services), Series 2002B, 5.000%, 3/01/27 (WI, settling 3/13/02)	3/12 a
3,000	Cotati Redevelopment Agency, California, Tax Allocation Bonds (Cotati Redevelopment Project), Subordinate Series 2001A, 5.000%, 9/01/31	9/11 a
6,755	Dinuba Redevelopment Agency, California, Tax Allocation Bonds (Redevelopment Project 2), Refunding Series 2001, 5.000%, 9/01/31	9/11 a
7,945	La Quinta Redevelopment Agency, Riverside County, California, Tax Allocation Bonds (La Quinta Redevelopment Project Area No. 1), Series 2001, 5.100%, 9/01/31	9/11 a
5,425	Lodi, California, Certificates of Participation (Public Improvement Financing Project), Series 2002, 5.000%, 10/01/26	10/12 a
14,410	Los Angeles Unified School District, California, Certificates of Participation (Administration Building Project), Series 2001B, 5.000%, 10/01/31	10/11 a

28

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
TAX OBLIGATION/LIMITED (continued)		
\$ 13,515	Norco Redevelopment Agency, California, Tax Allocation Bonds (Project Area No. 1), Series 2001 Refunding, 5.125%, 3/01/30	3/11 a
4,520	Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds (Capital Projects), Series 2001, 5.000%, 8/01/24	8/11 a
11,165	Palm Desert Financing Authority, California, Tax Allocation Revenue Bonds (Project Area No. 1), Series 2002 Refunding, 5.100%, 4/01/30 (WI, settling 3/13/02)	4/12 a
	Pomona Public Financing Authority, California, Revenue Bonds (Merged Redevelopment Projects), Refunding Series 2001AD:	
5,000	5.000%, 2/01/27	2/11 a
7,525	5.000%, 2/01/33	2/11 a
2,925	Pomona Valley Educational Joint Power Authority, California, Lease Revenue Bonds (Pomona Unified School District Financing),	8/09 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Series 2001, 4.875%, 8/01/26	
6,500	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.375%, 7/01/36	7/12 a
2,000	Puerto Rico Public Financing Corporation, Commonwealth Appropriation Bonds, Series 2001A, 5.500%, 8/01/19	8/11 a
4,400	Puerto Rico Public Financing Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26	No O
9,000	Sacramento Financing Authority, California, Lease Revenue Bonds, Series 1993A Refunding, 5.400%, 11/01/20	No O
2,385	San Buenaventura Public Facilities Financing Authority, California, 2001 Certificates of Participation, Series C, 4.750%, 2/01/24	2/11 a
14,505	San Diego Redevelopment Agency, California, Subordinate Tax Allocation Bonds (Centre City Redevelopment Project), Series 2001A, 5.000%, 9/01/26	9/11 a
5,805	City and County of San Francisco, California, Certificates of Participation (30 Van Ness Avenue Property), Series 2001A, 5.000%, 9/01/31	9/09 a
	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001:	
8,725	5.000%, 7/01/26	7/11 a
1,400	5.125%, 7/01/36	7/11 a
10,000	San Diego Redevelopment Agency, California, Tax Allocation Bonds (Merged Area Redevelopment Project), Series 2002, 5.000%, 8/01/27	8/10 a
12,760	San Jose Financing Authority, California, Lease Revenue Bonds (Convention Center Project), Refunding Series 2001F, 5.000%, 9/01/19	9/11 a
2,160	Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/20	12/11 a
4,595	Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/22	6/11 a
2,500	Yucaipa-Calimesa Joint Union School District, San Bernardino County, California, General Obligation Bonds, Series 2001A Refunding, 5.000%, 10/01/26	10/11 a
-----		
	TRANSPORTATION - 4.0%	
1,500	Port of Oakland, California, Refunding Revenue Bonds, 1997 Series I, 5.600%, 11/01/19	11/07 a
1,420	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 23B, Second Series, 5.125%, 5/01/30	5/09 a
6,000	City and County of San Francisco Airports Commission, California, Revenue Bonds (San Francisco International Airport), Issue 26B, Second Series, 5.000%, 5/01/30	5/10 a
10,350	City and County of San Francisco Airports Commission, California, Revenue Refunding Bonds (San Francisco International Airport),	5/11 a

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Issue 27A, Second Series, 5.250%, 5/01/26 (Alternative Minimum Tax)

1,500 City of San Jose, California, Airport Revenue Bonds, Series 2001A, 5.000%, 3/01/31 3/11 a

29

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIO PRO
-----		
	UTILITIES - 5.7%	
\$ 15,000	Anaheim Public Financing Authority, California, Revenue Bonds (Electric System Distribution Facilities), Series 2002A, 5.000%, 10/01/31 (WI, settling 3/12/02)	10/12 a
7,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, 2001 Series A1, 5.250%, 7/01/21	7/11 a
7,790	Modesto Irrigation District, California, Certificates of Participation (Capital Improvements), Series 2001A, 5.000%, 7/01/31	1/12 a
-----		
	WATER AND SEWER - 17.3%	
7,000	Carmichael Water District, Sacramento County, California, 1999 Water Revenue Certificates of Participation, 5.125%, 9/01/29	9/09 a
20,440	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26	6/11 a
12,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2001A Refunding: 5.125%, 7/01/41	7/11 a
18,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2001A Refunding: 5.125%, 7/01/41	7/11 a
17,425	Southern California Metropolitan Water District, Water Revenue Bonds (1997 Authorization), Series A, 5.000%, 7/01/37	1/08 a
2,475	Southern California Metropolitan Water District, Water Revenue Refunding Bonds, 1998 Series A, 4.750%, 7/01/22	7/08 a
12,975	South Gate Utility Authority, California, Subordinate Revenue Bonds (Water and Sewer System Projects), 2001 Series, 5.000%, 10/01/32	10/11 a
1,600	Sunnyvale Financing Authority, California, Water and Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26	10/11 a
-----		
\$ 582,290	Total Investments (cost \$560,974,307) - 106.5%	
=====		
	Other Assets Less Liabilities - (6.5)%	
-----		
	Net Assets - 100%	
=====		

\* Optional Call Provisions: 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: Using the higher of Standard & Poor's or Moody's rating.

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

See accompanying notes to financial statements.

30

Statement of  
ASSETS AND LIABILITIES February 28, 2002 (Unaudited)

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)
<b>ASSETS</b>				
Investments in municipal securities, at market value	\$144,341,589	\$278,959,687	\$122,287,350	\$518,301,81
Temporary investments in short-term municipal securities, at amortized cost, which approximates market value	--	--	1,140,000	--
Cash	652,880	27,302	--	31,16
Interest receivable	2,310,686	4,401,832	1,783,532	7,280,24
Other assets	838	11,551	6,682	7,06
<b>Total assets</b>	<b>147,305,993</b>	<b>283,400,372</b>	<b>125,217,564</b>	<b>525,620,29</b>
<b>LIABILITIES</b>				
Cash overdraft	--	--	81,370	--
Payable for investments purchased	--	--	--	--
Accrued expenses:				
Management fees	72,543	138,311	61,792	133,16
Offering costs	--	--	--	--
Other	88,989	115,665	93,797	182,67
Preferred share dividends payable	2,462	12,352	6,065	32,82
Common share dividends payable	460,010	865,743	389,760	1,650,54
<b>Total liabilities</b>	<b>624,004</b>	<b>1,132,071</b>	<b>632,784</b>	<b>1,999,21</b>
<b>Net assets</b>	<b>\$146,681,989</b>	<b>\$282,268,301</b>	<b>\$124,584,780</b>	<b>\$523,621,08</b>
Preferred shares, at liquidation value	\$ 45,000,000	\$ 95,000,000	\$ 43,000,000	\$175,000,00
Preferred shares outstanding	1,800	3,800	1,720	7,00
Common shares outstanding	6,433,708	12,638,591	5,774,216	23,412,01
Netasset value per Common				

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

share outstanding (net assets less Preferred shares at liquidation value, divided by Common shares outstanding)	\$ 15.80	\$ 14.82	\$ 14.13	\$ 14.8
NET ASSETS CONSIST OF:				
Preferred shares, \$25,000 stated value per share, at liquidation value	\$ 45,000,000	\$ 95,000,000	\$ 43,000,000	\$175,000,000
Common shares, \$.01 par value per share	64,337	126,386	57,742	234,12
Paid-in surplus	89,014,190	175,276,913	80,181,422	332,500,71
Balance of undistributed net investment income	1,558,607	1,203,410	638,777	1,733,69
Accumulated net realized gain (loss) from investment transactions	270,714	(8,030,151)	(4,870,100)	(5,287,77
Net unrealized appreciation of investments	10,774,141	18,691,743	5,576,939	19,440,32
Net assets	\$146,681,989	\$282,268,301	\$124,584,780	\$523,621,08
Authorized shares:				
Common	200,000,000	200,000,000	Unlimited	Unlimited
Preferred	1,000,000	1,000,000	Unlimited	Unlimited

See accompanying notes to financial statements.

31

Statement of OPERATIONS Six Months Ended February 28, 2002 (Unaudited)

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)
INVESTMENT INCOME	\$ 4,005,604	\$ 7,494,071	\$3,382,580	\$13,759,50
EXPENSES				
Management fees	470,524	897,222	400,275	1,642,99
Preferred shares - auction fees	55,788	117,773	53,308	216,95
Preferred shares - dividend disbursing agent fees	4,959	9,917	4,959	9,91
Shareholders' servicing agent fees and expenses	8,571	14,281	6,695	4,95
Custodian's fees and expenses	20,735	37,818	20,438	62,62
Directors'/Trustees' fees and expenses	892	1,736	744	3,57
Professional fees	7,501	7,537	7,253	8,90
Shareholders' reports - printing and mailing expenses	8,853	15,958	7,888	18,01
Stock exchange listing fees	11,162	15,620	2,661	15,67
Investor relations expense	7,953	18,223	8,787	22,96
Portfolio insurance expense	6,305	2,532	--	--

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Other expenses	6,558	10,143	6,247	13,47
-----				
Total expenses before custodian fee credit and expense reimbursement	609,801	1,148,760	519,255	2,020,06
Custodian fee credit	(7,108)	(8,969)	(7,427)	(9,14
Expense reimbursement	--	--	--	(778,16
-----				
Net expenses	602,693	1,139,791	511,828	1,232,75
-----				
Net investment income	3,402,911	6,354,280	2,870,752	12,526,75
-----				
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS				
Net realized gain (loss) from investment transactions	2,811,521	641,250	(38,629)	2,293,61
Change in net unrealized appreciation (depreciation) of investments	(4,661,846)	(3,686,864)	(713,743)	(9,248,61
-----				
Net gain (loss) from investments	(1,850,325)	(3,045,614)	(752,372)	(6,955,00
-----				
Net increase in net assets from operations	\$ 1,552,586	\$ 3,308,666	\$2,118,380	\$ 5,571,74
=====				

\* For the period September 25, 2001 (commencement of operations) through February 28, 2002.

See accompanying notes to financial statements.

32

Statement of  
CHANGES IN NET ASSETS (Unaudited)

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	
	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01
-----				
OPERATIONS				
Net investment income	\$ 3,402,911	\$ 6,701,784	\$ 6,354,280	\$ 12,730,70
Net realized gain (loss) from investment transactions	2,811,521	(3,088)	641,250	(518,30
Change in net unrealized appreciation (depreciation) of investments	(4,661,846)	6,344,071	(3,686,864)	12,002,37
-----				
Net increase in net assets from operations	1,552,586	13,042,767	3,308,666	24,214,78
-----				
DISTRIBUTIONS TO SHAREHOLDERS				
From and in excess of net				

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

investment income:				
Common shareholders	(2,738,575)	(5,501,796)	(5,135,587)	(9,845,91)
Preferred shareholders	(324,128)	(1,375,685)	(647,203)	(2,765,74)
-----				
Decrease in net assets from distributions to shareholders	(3,062,703)	(6,877,481)	(5,782,790)	(12,611,66)
-----				
CAPITAL SHARE TRANSACTIONS				
Common shares:				
Net proceeds from sale of shares	--	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	124,281	--	109,414	53,13
Preferred shares:				
Net proceeds from sale of shares	--	--	--	--
-----				
Net increase in net assets from capital share transactions	124,281	--	109,414	53,13
-----				
Net increase (decrease) in net assets	(1,385,836)	6,165,286	(2,364,710)	11,656,25
Net assets at the beginning of period	148,067,825	141,902,539	284,633,011	272,976,75
-----				
Net assets at the end of period	\$146,681,989	\$148,067,825	\$282,268,301	\$284,633,01
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 1,558,607	\$ 324,927	\$ 1,203,410	\$ 544,54
=====				

See accompanying notes to financial statements.

33

Statement of  
CHANGES IN NET ASSETS (Unaudited) (continued)

	CALIFORNIA DIVIDEND ADVANTAGE (NAC)		CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	
	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01	SIX MONTHS ENDED 2/28/02	FOR THE PERIOD 3/27/0 (COMMENCEMEN OF OPERATIONS THROUGH 8/31/0
-----				
OPERATIONS				
Net investment income	\$ 12,526,753	\$ 24,993,570	\$ 7,836,178	\$ 5,021,11
Net realized gain (loss) from investment transactions	2,293,614	153,449	166,059	(604,93
Change in net unrealized				



Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

appreciation (depreciation) of investments	(9,248,618)	30,026,536	(7,357,283)	13,963,69
Net increase in net assets from operations	5,571,749	55,173,555	644,954	18,379,87
DISTRIBUTIONS TO SHAREHOLDERS				
From and in excess of net investment income:				
Common shareholders	(9,902,083)	(18,957,806)	(6,389,004)	(4,258,65
Preferred shareholders	(1,330,300)	(5,398,060)	(831,015)	(765,42
Decrease in net assets from distributions to shareholders	(11,232,383)	(24,355,866)	(7,220,019)	(5,024,07
CAPITAL SHARE TRANSACTIONS				
Common shares:				
Net proceeds from sale of shares	--	--	--	211,280,10
Net proceeds from shares issued to shareholders due to reinvestment of distributions	84,644	53,132	73,486	22
Preferred shares:				
Net proceeds from sale of shares	--	--	--	108,704,00
Net increase in net assets from capital share transactions	84,644	53,132	73,486	319,984,32
Net increase (decrease) in net assets	(5,575,990)	30,870,821	(6,501,579)	333,340,12
Net assets at the beginning of period	529,197,070	498,326,249	333,440,398	100,27
Net assets at the end of period	\$523,621,080	\$529,197,070	\$326,938,819	\$333,440,39
Undistributed (Over-distribution of) net investment income at the end of period				
	\$ 1,733,695	\$ 439,325	\$ 619,720	\$ (2,96

See accompanying notes to financial statements.

Notes to  
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The California Funds (the "Funds") covered in this report and their corresponding stock exchange symbols are Nuveen Insured California Premium Income Municipal Fund, Inc. (NPC), Nuveen Insured California Premium Income Municipal Fund 2, Inc. (NCL), Nuveen California Premium Income Municipal Fund (NCU), Nuveen California Dividend Advantage Municipal Fund (NAC), Nuveen California Dividend Advantage Municipal Fund 2 (NVX) and Nuveen California Dividend Advantage Municipal Fund 3 (NZH). Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL) and California Dividend

## Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Advantage (NAC) are traded on the New York Stock Exchange while California Premium Income (NCU), California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH) are traded on the American Stock Exchange. Prior to the commencement of operations of California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH), the Funds had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company and the recording of the organizational expenses (\$15,000 and \$11,500, respectively) and their reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

Each Fund seeks to provide current income exempt from both regular federal and California state income taxes by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within the state of California. The Funds are registered under the Investment Company Act of 1940 as closed-end management investment companies.

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

### 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 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 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 in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At February 28, 2002, California Dividend Advantage 3 (NZH) had outstanding when-issued purchase commitments of \$45,865,400. There were no such outstanding purchase commitments in any of the other Funds.

### Investment Income

Interest income is determined on the basis of interest accrued, adjusted for amortization of premiums and accretion of discounts on long-term debt securities for financial reporting purposes.

### Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and California state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds.

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

Dividends and Distributions to Shareholders

Tax-exempt net investment income is declared monthly as a dividend. Generally, payment is made or reinvestment is credited to shareholder accounts on the first business day after month end. Net realized capital gains and/or market discount from investment transactions are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to 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 accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in one or more series. The dividend rate may change every seven days, as set by the Auction Agent. The number of shares outstanding, by series and in total, for each Fund is as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CA ADV
-----						
Number of shares:						
Series M	--	--	1,720	--	2,200	
Series T	1,800	1,900	--	--	--	
Series Th	--	1,900	--	3,500	--	
Series F	--	--	--	3,500	2,200	
-----						
Total	1,800	3,800	1,720	7,000	4,400	
=====						

Effective November 16, 2001, California Dividend Advantage 3 (NZH) issued 3,740 Series M and 3,740 Series Th \$25,000 stated value Preferred shares.

Insurance

Insured California Premium Income (NPC) and Insured California Premium Income 2 (NCL) invest in municipal securities which are either covered by insurance or are backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest. Each insured municipal security is covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance. Such insurance does not guarantee the market value of the municipal securities or the value of the Funds' shares. Original Issue Insurance and Secondary Market Insurance remain in effect as long as the municipal securities covered thereby

remain outstanding and the insurer remains in business, regardless of whether the Funds ultimately dispose of such municipal securities. Consequently, the market value of the municipal securities covered by Original Issue Insurance or Secondary Market Insurance may reflect value attributable to the insurance. Portfolio Insurance is effective only while the municipal securities are held by the Funds. Accordingly, neither the prices used in determining the market value of the underlying municipal securities nor the net asset value of the Funds' shares include value, if any, attributable to the Portfolio Insurance. Each policy of the Portfolio Insurance does, however, give the Funds the right to obtain permanent insurance with respect to the municipal security covered by the Portfolio Insurance policy at the time of its sale.

36

#### Derivative Financial Instruments

The Funds may invest in transactions in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the period ended February 28, 2002.

#### 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.

#### Offering Costs

Nuveen Investments has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH). California Dividend Advantage 2's (NVX) and California Dividend Advantage 3's (NZH) share of offering costs (\$443,400 and \$723,000, respectively) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by California Dividend Advantage 2 (NVX) and California Dividend Advantage 3 (NZH) in connection with their offering of Preferred shares (\$1,296,000 and 2,116,250, respectively) were recorded as a reduction of the proceeds from the sale of the Preferred shares.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 from operations during the reporting period. Actual results may differ from those estimates.

#### Change in Accounting Policy

As required, effective September 1, 2001, the Funds have adopted the provisions of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. Prior to September 1, 2001, the Funds did not accrete taxable market discount on debt securities until they were sold. The cumulative effect of this accounting change had no impact on the total net assets or the net asset values of the Funds, but resulted in an increase in the cost of securities and a corresponding decrease in unrealized appreciation based on securities held by the Funds on September 1, 2001, as follows:

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)
\$893,472	\$87,380	\$102,039	\$--	\$6,523

The effect of this change for the period ended February 28, 2002, was to increase investment income with a corresponding decrease in net unrealized appreciation as follows:

INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)
\$64,110	\$6,101	\$7,016	\$--	\$7,998

The Statement of Changes in Net Assets and Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

Notes to FINANCIAL STATEMENTS (Unaudited) (continued)

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)		CALIFORNIA PREMIUM INCOM	
	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01	SIX MONTHS ENDED 2/28/02	YE
Common shares:						
Shares sold	--	--	--	--	--	--
Shares issued to shareholders due to reinvestment of distributions	7,876	--	7,433	3,745	2,696	
	7,876	--	7,433	3,745	2,696	
Preferred shares sold	--	--	--	--	--	--
	CALIFORNIA DIVIDEND ADVANTAGE (NAC)		CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)		CALIFORNIA D ADVANTAGE 3	

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	SIX MONTHS ENDED 2/28/02	YEAR ENDED 8/31/01	SIX MONTHS ENDED 2/28/02	FOR THE PERIOD 3/27/01 (COMMENCEMENT OF OPERATIONS) THROUGH 8/31/01	FOR THE PERIOD (COMMENCEMENT OF OPERATIONS) THROUGH 2/28/02
Common shares:					
Shares sold	--	--	--	14,780,000	24,780,000
Shares issued to shareholders due to reinvestment of distributions	5,665	3,990	3,644	16	
	5,665	3,990	3,644	14,780,016	24,780,016
Preferred shares sold	--	--	--	4,400	

38

3. DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid April 1, 2002, to shareholders of record on March 15, 2002, as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)
Dividend per share	\$ .0725	\$ .0700	\$ .0690	\$ .0725	\$ .0730	\$ .0730

4. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities and short-term municipal securities during the six months ended February 28, 2002, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)
Purchases:						
Long-term municipal securities	\$23,123,402	\$12,748,050	\$3,321,639	\$75,268,647	\$37,434,087	\$669,000,000

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Short-term municipal securities	--	--	3,130,000	--	--	57
Sales and maturities:						
Long-term municipal securities	23,162,913	12,140,319	3,397,390	72,425,740	36,053,802	105
Short-term municipal securities	--	--	1,990,000	100,000	--	57

\* For the period September 25, 2001 (commencement of operations) through February 28, 2002.

At February 28, 2002, the cost of investments owned for federal income tax purposes were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CA ADV
	\$133,252,042	\$260,707,146	\$117,741,356	\$498,861,491	\$317,244,793	\$560

Notes to FINANCIAL STATEMENTS (Unaudited) (continued)

At August 31, 2001, the Funds' last fiscal year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

Expiration year:	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CA ADV
2003	\$ --	\$ 323,810	\$1,039,028	\$ --
2004	--	4,345,091	2,742,449	--
2005	165,897	1,283,948	1,049,994	--
2006	--	--	--	--
2007	--	--	--	1
2008	681,230	--	--	1
2009	1,592,883	2,185,870	--	4
Total	\$2,440,010	\$8,138,719	\$4,831,471	\$7

5. UNREALIZED APPRECIATION (DEPRECIATION)

Gross unrealized appreciation and gross unrealized depreciation of investments for federal income tax purposes at February 28, 2002, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CA ADV
Gross unrealized:						
appreciation	\$11,190,343	\$19,047,900	\$6,447,887	\$19,985,994	\$ 9,282,161	\$ 2
depreciation	(100,796)	(795,359)	(761,893)	(545,666)	(3,272,688)	(2
Net unrealized appreciation	\$11,089,547	\$18,252,541	\$ 5,685,994	\$19,440,328	\$ 6,009,473	\$

6. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Insured California Premium Income's (NPC), Insured California Premium Income 2's (NCL) and California Premium Income's (NCU) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets of each Fund as follows:

AVERAGE DAILY NET ASSETS	MANAGEMENT FEE
For the first \$125 million	.6500 of 1%
For the next \$125 million	.6375 of 1
For the next \$250 million	.6250 of 1
For the next \$500 million	.6125 of 1
For the next \$1 billion	.6000 of 1
For the next \$3 billion	.5875 of 1
For net assets over \$5 billion	.5750 of 1

40

Under California Dividend Advantage's (NAC), California Dividend Advantage 2's (NVX) and California Dividend Advantage 3's (NZH) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets of each Fund as follows:

AVERAGE DAILY NET ASSETS	MANAGEMENT FEE
For the first \$125 million	.6500 of 1%
For the next \$125 million	.6375 of 1
For the next \$250 million	.6250 of 1
For the next \$500 million	.6125 of 1
For the next \$1 billion	.6000 of 1
For net assets over \$2 billion	.5750 of 1



=====

The Adviser has agreed to waive part of its management fees or reimburse certain expenses of California Dividend Advantage (NAC) in an amount equal to .30% of the average daily net assets for the period May 26, 1999 (commencement of operations) through July 31, 2004, .25% of the average daily net assets for the year ended July 31, 2005, .20% of the average daily net assets for the year ended July 31, 2006, .15% of the average daily net assets for the year ended July 31, 2007, .10% of the average daily net assets for the year ended July 31, 2008, and .05% of the average daily net assets for the year ended July 31, 2009. The Adviser has not agreed to reimburse California Dividend Advantage (NAC) for any portion of its fees and expenses beyond July 31, 2009.

The Adviser has agreed to waive part of its management fees or reimburse certain expenses of California Dividend Advantage 2 (NVX) in an amount equal to .30% of the average daily net assets for the period March 27, 2001 (commencement of operations) through March 31, 2006, .25% of the average daily net assets for the year ended March 31, 2007, .20% of the average daily net assets for the year ended March 31, 2008, .15% of the average daily net assets for the year ended March 31, 2009, .10% of the average daily net assets for the year ended March 31, 2010, and .05% of the average daily net assets for the year ended March 31, 2011. The Adviser has not agreed to reimburse California Dividend Advantage 2 (NVX) for any portion of its fees and expenses beyond March 31, 2011.

The Adviser has agreed to waive part of its management fees or reimburse certain expenses of California Dividend Advantage 3 (NZH) in an amount equal to .30% of the average daily net assets for the period September 25, 2001 (commencement of operations) through September 30, 2006, .25% of the average daily net assets for the year ended September 30, 2007, .20% of the average daily net assets for the year ended September 30, 2008, .15% of the average daily net assets for the year ended September 30, 2009, .10% of the average daily net assets for the year ended September 30, 2010, and .05% of the average daily net assets for the year ended September 30, 2011. The Adviser has not agreed to reimburse California Dividend Advantage 3 (NZH) for any portion of its fees and expenses beyond September 30, 2011.

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.

Financial

HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

			Investment Operations			
					From and	From and
					in Excess	in Excess
					of Net	of Net
					Investment	Investment
					Income to	Income to
					Common	Preferred
					Share-	Share-
					holders	holders+
Beginning	Net	Net	Realized/	Total		
Net Asset	Investment	Investment	Unrealized			
Value	Income	Income	Investment			
			Gain (Loss)			

-----  
 INSURED CALIFORNIA  
 PREMIUM INCOME (NPC)  
 -----

Year Ended 8/31:						
2002 (d)	\$16.04	\$ .53	\$ (.29)	\$ .24	\$ (.43)	\$ (.05)
2001	15.08	1.04	.99	2.03	(.86)	(.21)
2000	14.81	1.09	.30	1.39	(.88)	(.24)
1999	16.31	1.09	(1.56)	(.47)	(.83)	(.20)
1998	15.39	1.03	.92	1.95	(.81)	(.22)
1997	14.46	1.04	.93	1.97	(.81)	(.23)

-----  
 INSURED CALIFORNIA  
 PREMIUM INCOME 2 (NCL)  
 -----

Year Ended 8/31:						
2002 (d)	15.01	.50	(.23)	.27	(.41)	(.05)
2001	14.09	1.01	.91	1.92	(.78)	(.22)
2000	13.70	1.02	.41	1.43	(.80)	(.24)
1999	14.82	1.01	(1.14)	(.13)	(.78)	(.21)
1998	14.06	.98	.77	1.75	(.75)	(.24)
1997	13.27	.99	.77	1.76	(.74)	(.23)

-----  
 CALIFORNIA PREMIUM  
 INCOME (NCU)  
 -----

Year Ended 8/31:						
2002 (d)	14.22	.50	(.13)	.37	(.40)	(.06)
2001	13.34	1.00	.90	1.90	(.79)	(.23)
2000	13.19	1.03	.14	1.17	(.79)	(.23)
1999	14.30	1.00	(1.13)	(.13)	(.77)	(.21)
1998	13.60	.98	.70	1.68	(.74)	(.24)
1997	12.70	.99	.89	1.88	(.74)	(.24)

-----  
 CALIFORNIA DIVIDEND  
 ADVANTAGE (NAC)  
 -----

Year Ended 8/31:						
2002 (d)	15.13	.54	(.30)	.24	(.42)	(.06)
2001	13.82	1.07	1.28	2.35	(.81)	(.23)
2000	13.33	1.07	.52	1.59	(.84)	(.26)
1999 (a)	14.33	.20	(.92)	(.72)	(.14)	(.03)

-----  
 CALIFORNIA DIVIDEND  
 ADVANTAGE 2 (NVX)  
 -----

Year Ended 8/31:						
2002 (d)	15.11	.53	(.48)	.05	(.43)	(.06)
2001 (b)	14.33	.34	.90	1.24	(.29)	(.05)

-----  
 CALIFORNIA DIVIDEND  
 ADVANTAGE 3 (NZH)  
 -----

Year Ended 8/31:						
2002 (c)	14.33	.33	(.11)	.22	(.29)	(.03)

=====

Tot

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Offering Costs and Preferred Share Underwriting Discounts	Ending Net Asset Value	Ending Market Value	Based on Market Value**
-----				
INSURED CALIFORNIA PREMIUM INCOME (NPC)				
-----				
Year Ended 8/31:				
2002 (d)	\$--	\$15.80	\$15.9000	4.12%
2001	--	16.04	15.6900	14.12
2000	--	15.08	14.5625	.84
1999	--	14.81	15.3750	1.62
1998	--	16.31	15.9375	15.85
1997	--	15.39	14.5000	10.69
INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)				
-----				
Year Ended 8/31:				
2002 (d)	--	14.82	14.8000	2.58
2001	--	15.01	14.8300	11.99
2000	--	14.09	14.0000	3.58
1999	--	13.70	14.3750	2.27
1998	--	14.82	14.8125	15.70
1997	--	14.06	13.5000	14.36
CALIFORNIA PREMIUM INCOME (NCU)				
-----				
Year Ended 8/31:				
2002 (d)	--	14.13	13.9400	1.27
2001	--	14.22	14.1700	12.84
2000	--	13.34	13.3125	5.93
1999	--	13.19	13.3750	.81
1998	--	14.30	14.0000	12.54
1997	--	13.60	13.1250	17.16
CALIFORNIA DIVIDEND ADVANTAGE (NAC)				
-----				
Year Ended 8/31:				
2002 (d)	--	14.89	14.3800	(.60)
2001	--	15.13	14.8900	15.06
2000	--	13.82	13.7500	(2.18)
1999 (a)	(.11)	13.33	15.0000	.96
CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)				
-----				
Year Ended 8/31:				
2002 (d)	--	14.67	14.3900	(2.54)
2001 (b)	(.12)	15.11	15.2100	3.40
CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)				
-----				
Year Ended 8/31:				

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2002 (c) (.12) 14.11 13.8400 (5.82)

Ratios/Supplemental Data				
-----				
Before Credit/Reimbursemen				
-----				
	Ending Net Assets (000)	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Ratio of Expenses to Average Total Net Asset Including Preferred
-----				
INSURED CALIFORNIA PREMIUM INCOME (NPC)				
-----				
Year Ended 8/31:				
2002 (d)	\$146,682	1.21%*	6.76%*	.84%*
2001	148,068	1.22	6.77	.84
2000	141,903	1.25	7.65	.84
1999	140,091	1.22	6.81	.85
1998	149,478	1.22	6.49	.85
1997	143,571	1.25	6.96	.85
INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)				
-----				
Year Ended 8/31:				
2002 (d)	282,268	1.24*	6.85*	.82*
2001	284,633	1.24	7.01	.82
2000	272,977	1.28	7.65	.81
1999	267,833	1.24	6.86	.82
1998	281,399	1.25	6.79	.82
1997	271,883	1.28	7.24	.83
CALIFORNIA PREMIUM INCOME (NCU)				
-----				
Year Ended 8/31:				
2002 (d)	124,585	1.29*	7.11*	.84*
2001	125,067	1.32	7.36	.85
2000	119,878	1.38	8.09	.87
1999	118,877	1.30	7.08	.85
1998	125,066	1.32	7.02	.86
1997	120,995	1.34	7.47	.86
CALIFORNIA DIVIDEND ADVANTAGE (NAC)				
-----				
Year Ended 8/31:				
2002 (d)	523,621	1.17*	6.80*	.78*
2001	529,197	1.19	7.03	.78
2000	498,326	1.24	7.93	.78
1999 (a)	486,367	.93*	5.06*	.73*
CALIFORNIA DIVIDEND				

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

ADVANTAGE 2 (NVX)

Year Ended 8/31:

2002 (d)	326,939	1.16*	6.80*	.77*
2001 (b)	333,440	1.05*	5.23*	.77*

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

Year Ended 8/31:

2002 (c)	527,141	1.02*	5.15*	.74*
----------	---------	-------	-------	------

Ratios/Supplemental Data

After Credit/Reimbursement\*\*\*

Ratio of Expenses to Average Net Assets to Common Shares++	Ratio of Net Investment Income to Average Net Assets to Common Shares++	Ratio of Expenses to Average Net Assets Including Preferred++	Ratio of Net Investment Income to Average Net Assets Including Preferred++	Portfolio Turnover Rate	Ag Am Ou (0
--	---	---	--	-------------------------	-------------

INSURED CALIFORNIA  
PREMIUM INCOME (NPC)

Year Ended 8/31:

2002 (d)	1.20%*	6.77%*	.83%*	4.69%*	16%	\$4
2001	1.21	6.79	.83	4.66	21	4
2000	1.24	7.66	.83	5.13	27	4
1999	1.22	6.82	.85	4.74	50	4
1998	1.22	6.49	.85	4.50	2	4
1997	1.25	6.96	.85	4.74	9	4

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NCL)

Year Ended 8/31:

2002 (d)	1.23*	6.86*	.82*	4.55*	4	95
2001	1.24	7.02	.81	4.61	18	95
2000	1.26	7.66	.81	4.89	26	95
1999	1.24	6.86	.82	4.53	35	95
1998	1.25	6.79	.82	4.46	13	95
1997	1.28	7.24	.83	4.67	24	95

CALIFORNIA PREMIUM  
INCOME (NCU)

Year Ended 8/31:

2002 (d)	1.27*	7.13*	.83*	4.66*	3	43
2001	1.30	7.38	.84	4.76	18	43
2000	1.36	8.10	.86	5.10	19	43
1999	1.30	7.08	.85	4.63	36	43
1998	1.32	7.02	.86	4.57	21	43
1997	1.34	7.47	.86	4.76	44	43

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

CALIFORNIA DIVIDEND  
ADVANTAGE (NAC)

Year Ended 8/31:

2002 (d)	.71*	7.26*	.48*	4.83*	14	17
2001	.72	7.50	.47	4.92	17	17
2000	.75	8.43	.47	5.30	25	17
1999 (a)	.55*	5.45*	.43*	4.29*	8	17

CALIFORNIA DIVIDEND  
ADVANTAGE 2 (NVX)

Year Ended 8/31:

2002 (d)	.70*	7.26*	.46*	4.82*	11	11
2001 (b)	.62*	5.65*	.46*	4.16*	40	11

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

Year Ended 8/31:

2002 (c)	.61*	5.57*	.44*	4.05*	26	18
----------	------	-------	------	-------	----	----

\* Annualized.

\*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in net asset value per share. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

(a) For the period May 26, 1999 (commencement of operations) through August 31, 1999.

(b) For the period March 27, 2001 (commencement of operations) through August 31, 2001.

(c) For the period September 25, 2001 (commencement of operations) through February 28, 2002.

(d) For the six months ended February 28, 2002.

See accompanying notes to financial statements.

42-43 [SPREAD]

Build Your Wealth  
AUTOMATICALLY

[Sidebar text]

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

NUVEEN EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen 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 dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

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.

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner  
Lawrence H. Brown  
Anne E. Impellizzeri  
Peter R. Sawers  
William J. Schneider  
Timothy R. Schwertfeger  
Judith M. Stockdale

FUND MANAGER

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

CUSTODIAN, TRANSFER AGENT  
AND SHAREHOLDER SERVICES

JPMorgan Chase Bank  
P.O. Box 660086  
Dallas, TX 75266-0086  
(800) 257-8787

LEGAL COUNSEL

Morgan, Lewis &  
Bockius LLP  
Washington, D.C.

INDEPENDENT AUDITORS

Ernst & Young LLP  
Chicago, IL

POLICY NOTICE:

Nuveen California Dividend Advantage Municipal Fund  
Nuveen California Dividend Advantage Municipal Fund 2  
Nuveen California Dividend Advantage Municipal Fund 3

These Funds may not invest, under normal circumstances, less than 80% of their net assets (plus any borrowings for investment purposes) in investments the income from which is exempt from both regular federal and California state income taxes.

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the six-month period ended February 28, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

Serving Investors  
FOR GENERATIONS

[PHOTO OF JOHN NUVEEN, SR.]

John Nuveen, Sr.



For over a century, generations of Americans have relied on Nuveen Investments to help them grow and keep the money they've earned. Financial advisors, investors and their families have associated Nuveen Investments with quality, expertise and dependability since 1898. That is why financial advisors have entrusted the assets of more than 1.3 million investors to Nuveen.

With the know-how that comes from a century of experience, Nuveen continues to build upon its reputation for quality. Now, financial advisors and investors can count on Nuveen Investments to help them design customized solutions that meet the far-reaching financial goals unique to family wealth strategies - solutions that can translate into legacies.

To find out more about how Nuveen Investments' products and services can help you preserve your financial security, talk with your financial advisor, or call us at (800) 257-8787 for more information, including a prospectus where applicable. Please read that information carefully before you invest.

[LOGO: NUVEEN Investments]

Nuveen Investments o 333 West Wacker Drive  
Chicago, IL 60606 o [www.nuveen.com](http://www.nuveen.com)

FSA-2-02-02