

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
Form N-CSR  
May 08, 2009

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10197  
-----

Nuveen California Dividend Advantage Municipal Fund 2  
-----

(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
-----

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
-----

(Name and address of agent for service)

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

Date of fiscal year end: February 28  
-----

Date of reporting period: February 28, 2009  
-----

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT | Nuveen Investments  
February 28, 2009 | MUNICIPAL CLOSED-END FUNDS

[PHOTO OF: SMALL CHILD]

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

NUVEEN CALIFORNIA  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND 3  
NZH

NUVEEN INSURED CALIFORNIA  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND  
NKL

NUVEEN INSURED CALIFORNIA  
TAX-FREE ADVANTAGE  
MUNICIPAL FUND  
NKX

It's not what you earn, it's what you keep.(R) | LOGO: NUVEEN Investments

[PHOTO OF: MAN WORKING ON COMPUTER]

LIFE IS COMPLEX. NUVEEN  
MAKES THINGS  
E-simple.

---

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

It only takes a minute to sign up for e-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready--no more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report and save it on your computer if you wish.

FREE E-REPORTS RIGHT TO YOUR E-MAIL!

<a href="http://www.investordelivery.com">www.investordelivery.com</a>		<a href="http://www.nuveen.com/accountaccess">www.nuveen.com/accountaccess</a>
If you receive your Nuveen Fund dividends and statements from your financial advisor or brokerage account.	OR	If you receive your Nuveen Fund dividends and statements directly from Nuveen.

LOGO: NUVEEN Investments

Chairman's  
LETTER TO SHAREHOLDERS

[PHOTO OF ROBERT P. BREMNER] | Robert P. Bremner | Chairman of the Board

Dear Shareholders,

I write this letter in a time of continued uncertainty about the current state of the U.S. financial system and pessimism about the future of the global economy. Many have observed that the conditions that led to the crisis have built up over time and will complicate and extend the course of recovery. At the same time, government officials in the U.S. and abroad have implemented a wide range of programs to restore stability to the financial system and encourage economic recovery. It is believed that these efforts will moderate the extent of the downturn and hasten the inevitable recovery, even though it is hard to envision that outcome in the current environment.

As you will read in this report, the continuing financial and economic problems are weighing heavily on the values of equities and fixed-income assets and unfortunately the performance of your Nuveen Fund has been similarly affected. In addition to the financial statements, I hope that you will carefully review the Portfolio Manager's Comments, the Common Share Dividend and Share Price Information and the Performance Overview sections of this report and please note this is a six month annual report. During the current fiscal period, the Board of Directors/Trustees approved a change in the Funds' fiscal and tax year end from August 31 to February 28/29. These comments highlight the manager's pursuit of investment strategies that depend on thoroughly researched securities, diversified portfolio holdings and well established investment disciplines to achieve your Fund's investment goals. The Fund Board believes that a consistent focus on long-term investment goals provides the basis for successful investment over time and we monitor your Fund with that objective in mind.

Nuveen continues to work on resolving the issues related to the auction rate preferred shares situation, but the unsettled conditions in the credit markets have slowed progress. Nuveen is actively pursuing a number of solutions, all with the goal of providing liquidity for preferred shareholders while preserving the potential benefits of leverage for common shareholders. We appreciate the patience you have shown as we work through the many issues involved. Please consult the Nuveen website: [www.nuveen.com](http://www.nuveen.com), for the most recent information.

On behalf of myself and the other members of your Fund's Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Robert P. Bremner

-----  
Robert P. Bremner  
Chairman of the Nuveen Fund Board  
April 20, 2009

Portfolio Manager's COMMENTS

Nuveen Investments Municipal Closed-End Funds | NPC, NCL, NCU, NAC, NVX, NZH, NKL, NKX

During the current fiscal period, the Board of Directors/Trustees approved a change in the Funds' fiscal and tax year end from August 31 to February 28/29.

Portfolio manager Scott Romans reviews economic and municipal market conditions at both the national and state levels, key investment strategies, and the six-month performance of these Nuveen California Municipal Funds. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since 2003. He assumed portfolio management responsibility for NPC and NCL in 2005.

WHAT FACTORS AFFECTED THE U.S. ECONOMIC AND MUNICIPAL MARKET ENVIRONMENTS DURING THE SIX-MONTH PERIOD ENDED FEBRUARY 28, 2009?

During this period, downward pressure on the economy continued and stress in the financial and credit markets led to increased price volatility for most securities, reduced liquidity and a general flight to quality. In an effort to improve overall economic conditions, the Federal Reserve (Fed) cut the fed funds target interest rate in December 2008 to between zero and 0.25%, its lowest level on record. (On March 18, 2009, following the end of this reporting period, the Fed announced that, in addition to maintaining the fed funds rate at its 0-0.25% level, it would buy \$300 billion in Treasury securities over the next six months in an effort to improve conditions in private credit markets and up to an additional \$750 billion of agency mortgage-backed securities to bolster the housing market.)

After declining at an annual rate of 0.5% in the third quarter of 2008, Gross domestic product (GDP) -- a measure of national economic output -- contracted at an annual rate of 6.2% in the fourth quarter of 2008, the weakest performance since 1982. Signs of a deepening housing recession continued to trouble the economy, with the price of a single-family home falling a record 18.2% in 2008. In the labor markets, February 2009 marked the fourteenth consecutive month of job losses and the third straight month employment losses topped 600,000, the first such occurrence since records began in 1939. The national unemployment rate for February 2009 was 8.1%, its highest point in more than 25 years. At the same time, inflation remained subdued. The Consumer Price Index (CPI), reflecting large drops in energy and transportation prices, registered a

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

0.2% year-over-year gain in February 2009, while the core CPI (which excludes food and energy) rose 1.8%. Both numbers were within the Fed's unofficial objective of 2.0% or lower.

Beginning in October, the nation's financial institutions and financial markets -- including the municipal bond market -- experienced significant turmoil. Reductions in demand decreased valuations of municipal bonds across all credit ratings. The municipal market is one in which dealer firms make markets in bonds on a principal basis using their proprietary capital, and during the recent market turmoil these firms' capital was severely constrained. As a result, some firms were unwilling to commit their capital to purchase and to serve as a dealer for municipal bonds. This reduction in dealer involvement in the market was accompanied by significant net selling pressure by investors, particularly with respect to lower-rated municipal bonds, as institutional investors generally removed money from the municipal bond market, at least in part because of their need to reduce the leveraging of their municipal investments. This deleveraging was in part driven by the overall reduction in the amount of financing available for such leverage, the increased costs of such leverage financing, and the need to reduce leverage levels that had recently increased due to the decline in municipal bond prices.

Municipal bond prices were further negatively impacted by concerns that the need for further deleveraging and a supply overhang (a large amount of new issues that were postponed) would cause selling pressure to persist for a period of time. In addition to falling prices, the following market conditions resulted in greater price volatility of municipal bonds - wider credit spreads (i.e., lower quality bonds fell in price more than higher quality bonds); significantly reduced liquidity (i.e., the ability to sell bonds at a price close to their carrying value), particularly for lower quality bonds; and a lack of price transparency (i.e., the ability to accurately determine the price at which a bond would likely trade). Reduced liquidity was most pronounced in mid-October, although it improved considerably after that period.

Municipal bond market performance over this period also was significantly impacted by concerns about the credit markets, downgrades of municipal bond insurers, and institutional investors' need to unwind various leveraging strategies. These events created surges of selling pressure, as many municipal bond owners tried to sell holdings of longer-maturity bonds into a market already experiencing a lack of liquidity. Combined with the Fed rate cuts, this produced a steepening of the municipal yield curve. In this environment, bonds with shorter maturities generally outperformed longer maturity bonds, and higher quality bonds tended to outperform lower quality credits.

5

Over the six months ended February 28, 2009, municipal bond issuance nationwide totaled \$139.5 billion, a drop of 22% compared with the twelve-month period ended February 29, 2008. While market conditions during this period impacted the demand for municipal bonds, we continued to see demand from investors attracted by higher interest rates and yields relative to taxable bonds.

HOW WERE THE ECONOMIC AND MARKET ENVIRONMENTS IN CALIFORNIA DURING THIS PERIOD?

Employment declines, especially in the construction, finance and manufacturing sectors, far outpaced the modest gains reported in education/health services, government and leisure and hospitality, the only sectors to report positive growth. As of February 2009, California's unemployment rate had risen to 10.5%, its highest level since April 1983, up from 6.2% in February 2008. On the positive side, the state's economy remained relatively diverse, with technology

providing some recent economic support, especially in the areas of renewable energy and medical equipment. Because of its exposure to riskier, non-traditional mortgage products, the state's housing market was hit hard by the sub-prime mortgage crisis as well as the downturn in the housing sector. Foreclosures in California, which reached a rate twice the U.S. average, have driven reductions in home prices throughout the state. According to the Standard & Poor's (S&P)/Case-Shiller home price index of 20 major metropolitan areas, housing prices in San Francisco, Los Angeles and San Diego fell 32.4%, 25.8% and 24.9%, respectively, between January 2008 and January 2009, compared with an average decrease of 19.0% nationwide. The severe decline in California's housing industry had ramifications far beyond the significant job losses in construction, impacting sellers of building supplies and home furnishings, mortgage lenders, real estate agents and finance companies, among others. Declining home values also contributed to a sharp downturn in both consumer spending and government tax revenues, with weaker tax collections forcing downward revisions to revenue estimates from state and local governments.

The California legislature adopted a revised 2009-2010 state budget closing the gap with \$15 billion in spending cuts, \$11.4 billion in new borrowing, \$12.8 billion in new taxes and \$2 billion from federal stimulus funds. The spending cuts were spread across a number of budget categories, with the brunt being borne by K-14 education (\$8.4 billion), health and human services and state payrolls. Tax increases included a one-percent increase in the state sales tax, increased vehicle license fees, a 0.5% surcharge on personal income taxes, and a reduction in the dependent tax credit. However, final approval of several elements of the budget remain subject to voter approval, with a special election scheduled for May 19, 2009. In addition, the delay in

6

passing the state budget for fiscal 2009-2010 exacerbated California's ongoing cash-flow problems, limiting the state's ability to borrow in the short-term markets to smooth out uneven cashflows and meet priority payments, including debt service on bonds. In March 2009, following the end of this reporting period, the California legislative analyst's office announced that a new gap of \$8 billion had opened in the state budget.

As of February 2009, Moody's, S&P, and Fitch listed their ratings on California's general obligation (GOs) bonds at A1, A, and A+, respectively. This reflected S&P's rating downgrade from A+ on February 3, 2009. (In March 2009, following the end of this reporting period, Moody's and Fitch also lowered their ratings on California GOs to A2 and A, respectively.) For the six months ended February 28, 2009, municipal issuance in California totaled \$12.4 billion, a decrease of 46% from the previous six months.

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

During this period, as the municipal market was pressured by price volatility and lack of liquidity, we continued to focus on finding bonds that offered relative value, preserving liquidity and investing for the long term.

Our investment activity during this period was largely driven by opportunities created by the market turmoil and market conditions resulting from that stress. This was true in both the new issuance municipal bond market and the secondary markets. In the new issuance (or primary) market, we were able to purchase bonds with better structures (i.e., higher coupons, longer call protection) than we have seen in a long time, as market conditions required issuers to enhance offerings to make them more attractive to buyers. In the secondary markets, we found bonds, especially lower-rated credits, at extremely discounted prices as

the result of selling by some municipal market participants, particularly in November and December 2008. We even occasionally were able to purchase AAA insured bonds being sold under duress. In both the primary and secondary markets, we were focused on using a fundamental approach to discover undervalued sectors and individual credits with the potential to perform well over the long term. Many of the opportunities we found during this period were in health care. One example of a newly issued bond that we added to NAC, NCU, NVX and NZH was a BBB rated credit issued by Loma Linda University Medical Center, which offered a coupon of 8.25% with a maturity of 12/01/38. In the secondary market, an example of a bond we purchased at an exceptional discount was a non-rated bond issued for ValleyCare Health System in Livermore, which we added to NAC, NVX and NZH.

7

During this period, a number of bond calls provided some of the capital necessary for purchases. We also monitored the types of credits and bond structures that were attractive to the retail market and took advantage of strong bids to sell bonds where we believe we had extracted the performance potential into relatively consistent retail demand. In addition, we lightened our positions in California general obligation bonds, due to their exposure to the state's ongoing economic problems, as well as in a variety of Puerto Rico issues.

As a key dimension of risk management, a disciplined approach to duration(1) positioning remained an important component of our management strategies. As part of this approach, we continued to use inverse floating rate securities(2) in all eight of these Funds. Inverse floaters typically provide the dual benefit of bringing the Funds' durations closer to our strategic target and enhancing their income-generation capabilities. NCL and NZH also invested in additional types of derivatives(3) intended to reduce its duration and help us manage common share net asset value (NAV) volatility without having a negative impact on income streams or common share dividends over the short term. As of February 28, 2009, the inverse floaters remained in place in all of the Funds and NCL and NZH continued to use derivative positions.

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

(2) An inverse floating rate security, also know as inverse floaters, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during the reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this shareholder report.

(3) Each Fund may invest in derivatives instruments such as forwards, futures, option and swap transactions. For additional information on derivative instruments in which each Fund was invested during and at the end of the reporting period, see the Portfolio of Investments, Financial Statements and Notes to Financial Statements sections of this shareholder report.

8

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

## HOW DID THE FUNDS PERFORM?

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

### Average Annual Total Returns on Common Share Net Asset Value\*

For periods ended 2/28/09

	Six-Month	1-Year	5-Year	10-Year
<b>Non-insured Funds</b>				
NCU	-6.92%	-0.81%	1.64%	4.27%
NAC	-11.45%	-5.43%	0.78%	N/A
NVX	-7.40%	-1.96%	1.98%	N/A
NZH	-12.54%	-6.27%	0.22%	N/A
<b>Lipper CA Municipal Debt Funds Average (4)</b>				
	-11.72%	-5.61%	0.54%	3.57%
<b>Barclays Capital CA Municipal Bond Index (5)</b>				
	-1.36%	3.93%	3.02%	4.42%
<b>S&amp;P CA Municipal Bond Index (6)</b>				
	-3.34%	3.07%	2.85%	4.34%
<b>Insured Funds</b>				
NPC	-2.43%	4.06%	2.48%	4.49%
NCL	-5.40%	1.55%	1.43%	4.13%
NKL	-4.50%	3.07%	2.40%	N/A
NKX	-6.42%	-0.13%	2.11%	N/A
<b>Lipper Single-State Insured Municipal Debt Funds Average (7)</b>				
	-6.22%	1.74%	1.39%	4.30%
<b>Barclays Capital Insured CA Municipal Bond Index (5)</b>				
	0.07%	5.89%	3.05%	4.57%
<b>S&amp;P CA Municipal Bond Index (6)</b>				
	3.34%	3.07%	2.85%	4.34%

For the six months ended February 28, 2009, the total returns on common share NAV for NCU, NAC and NVX exceeded the average return for the Lipper California Municipal Debt Funds Average, while NZH underperformed this measure. All four of the non-insured Funds underperformed the unleveraged Barclays Capital California Municipal Bond Index and the S&P California Municipal Bond Index.

Among the insured Funds, NPC, NCL and NKL outperformed the average return for the Lipper Single-State Insured Municipal Debt Funds Average for this six-month period,

-----

\* Six-month returns are cumulative. one-, five- and ten-year returns are annualized.

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

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

(4) The Lipper California Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1



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

year, 24 funds; 5 years, 24 funds; and 10 years, 12 funds. Fund and Lipper returns assume reinvestment of dividends.

(5) The Barclays Capital (formerly Lehman Brothers) California Municipal Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds, while the Barclays Capital (formerly Lehman Brothers) Insured California Municipal Bond Index is an unleveraged, unmanaged index containing a broad range of insured California municipal bonds. Results for the Barclays Capital indexes do not reflect any expenses.

(6) The Standard & Poor's (S&P) California Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the investment-grade California municipal bond market.

(7) The Lipper Single-State Insured Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1 year, 44 funds; 5 years, 44 funds; and 10 years, 24 funds. Fund and Lipper returns assume reinvestment of dividends.

9

while NKX trailed this return. NPC also outperformed the S&P California Municipal Bond Index, while NKL, NCL and NKX underperformed this measure. All four insured Funds underperformed the Barclays Capital Insured California Municipal Bond Index. Shareholders of the insured Funds should note that the Lipper Single-State Insured Municipal Debt Funds average includes bonds from states in addition to California, which may make direct comparisons between the Funds and this benchmark less meaningful.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, the use of derivatives, credit exposure and sector allocations. In addition, the use of leverage had a generally detrimental effect on the Funds' performances over this period. The impact of leverage is discussed in more detail on page 11.

Over the course of this reporting period, the yield curve remained steep. Given this interest rate environment, bonds in the Barclays Capital California Municipal Bond Index with maturities between two and eight years benefited the most, with bonds maturing in approximately five years performing the best. Because they were less sensitive to interest rate changes, these bonds generally outperformed credits with longer maturities, as bonds with the longest maturities (20 years and longer) posted a loss for the period. In general, these Funds tended to have relatively less exposure to the outperforming shorter end of the yield curve and comparatively heavier exposure to the underperforming longest part of the curve. Overall, NCL, NKL and NCU had the most advantageous duration and yield curve positionings for the municipal market environment of this six-month period, that is, they were more heavily weighted in the areas of the yield curve that performed well. In contrast, NKX, NAC and NZH were not as well positioned, with more exposure to the underperforming long part of the curve.

As mentioned previously, NCL and NZH used derivative positions to synthetically shorten duration and move it closer to our strategic duration target. During this period, in contrast to historical trends, yields in the taxable markets and the municipal market moved in opposite directions, due in part to the general flight to quality. As municipal market performance lagged the gains in the taxable markets, these derivative positions performed poorly, hurting their total return performance. In addition, the inverse floaters used by all eight of these Funds generally had a negative impact on performance. This resulted from

the fact that the inverse floaters effectively increased the Funds' exposure to longer maturity bonds at a time when shorter maturities were in favor in the market.

10

Credit exposure was also an important factor in performance. Because risk-averse investors generally sought higher quality investments as disruptions in the financial markets deepened, bonds with higher credit quality typically performed very well. At the same time, securities rated BBB or below and non-rated bonds generally posted poor returns. In general, insured holdings where the insurers backing the bonds had been downgraded traded to their underlying (or issuer) credit ratings. As a result, insured bonds with an underlying rating of BBB generally were more adversely affected in terms of performance during this period than insured bonds with underlying credits rated AA or A. Overall, NPC was the most positively impacted by its credit exposure, while NAC, NVX and NZH were the most negatively impacted.

During this period, pre-refunded(8) bonds, which are backed by U.S. Treasury securities, were one of the top performing segments of the market, due primarily to their shorter effective maturities, higher credit quality and perceived safety. Among these Funds, NPC and NVX held the heaviest weightings of pre-refunded bonds. Additional sectors of the market that generally contributed to the Funds' returns included general obligation and other tax-backed bonds, water and sewer and education credits.

Holdings that generally detracted from the Funds' performances included transportation and industrial development revenue (IDR) bonds. The health care revenue sector also underperformed the overall municipal market. NZH, NCU, NAC and NKX, in particular, had heavier weightings in health care than the market as a whole. Alongside current coupon bonds in these sectors, zero coupon bonds were among the worst performing categories in the municipal market, as were lower-rated bonds backed by the 1998 master tobacco settlement agreement, which comprised approximately 2% of NKL and NKX and 4% of NCU, NAC, NVX, and NZH as of February 28, 2009.

#### IMPACT OF THE FUNDS' CAPITAL STRUCTURES AND LEVERAGE STRATEGIES ON PERFORMANCE

In addition to the factors previously discussed, another factor impacting the six-month returns of these Funds relative to those of the unleveraged Barclays Capital California and Insured California Municipal Bond Indexes and the S&P California Municipal Bond Index was the Funds' use of financial leverage. While leverage offers opportunities to generate additional income and total returns for common shareholders, the benefits provided by leveraging are influenced by the price movements of the bonds in each Fund's portfolio. During this period, declining valuations had a negative effect on performance that was magnified by the use of leverage.

-----

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

11

#### RECENT DEVELOPMENTS REGARDING BOND INSURANCE COMPANIES

Another factor that had an impact on the performance of these Funds was their position in bonds backed by municipal bond insurers that experienced downgrades in their credit ratings. During the period covered by this report ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA (formerly XLCA) experienced one or more rating reductions by at least one or more rating agencies. At the time this report was prepared, at least one rating agency has placed each of these insurers except AGC on "negative credit watch," "credit outlook developing" or "rating withdrawn," which may presage one or more rating reductions for such insurer or insurers in the future. As concern increased about the balance sheets of these insurers, prices on bonds insured by these companies - especially those bonds with weaker underlying credits -declined, detracting from the Funds' performance. By the end of this period, most insured bonds were being valued according to their fundamentals as if they were uninsured. On the whole, the holdings of all of our Funds continued to be well diversified not only between insured and uninsured bonds, but also within the insured bond category. It is important to note that municipal bonds historically have had a very low rate of default.

RECENT DEVELOPMENTS IN THE AUCTION RATE PREFERRED SECURITIES MARKETS

As noted in the last shareholder report, beginning in February 2008, more shares were submitted for sale in the regularly scheduled auctions for the auction rate preferred shares issued by these Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many or all of the Funds' auction rate preferred shareholders who wanted to sell their shares in these auctions were unable to do so. This decline in liquidity in auction rate preferred shares did not lower the credit quality of these shares, and auction rate preferred shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the auction rate preferred shares.

These developments generally have not affected the portfolio management or investment policies of these Funds. However, one continuing implication for common shareholders of these auction failures is that the Funds' cost of leverage will likely be higher, at least temporarily, than it otherwise would have been had the auctions continued to be successful. As a result, the Funds' future common share earnings may be lower than they otherwise might have been. As noted in the last shareholder report, the Funds' Board of Directors/Trustees authorized a plan to use tender option bonds

12

(TOBs), also known as floating rate securities, to refinance a portion of the Funds' outstanding auction rate preferred shares.

On January 8, 2009, thirty-five Nuveen closed-end municipal funds called for redemption at par a portion of their outstanding auction rate preferred shares. This series of redemptions collectively totaled \$250.1 million. This new series of redemptions brings the total amount of Nuveen's municipal closed-end funds' auction rate preferred share redemptions to nearly \$2 billion of the original \$11 billion outstanding.

As of February 28, 2009, the cumulative amount of auction rate preferred securities redeemed by the Funds are as shown in the accompanying chart:

Fund	Auction Rate Preferred Shares Redeemed	% of Original Auction Rate Preferred Shares
NCL	\$15,175,000	16.0%

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

NCU	\$2,125,000	4.9%
NAC	\$39,475,000	22.6%
NZH	\$32,925,000	17.6%
NKL	\$9,750,000	8.3%
NKX	\$45,000,000	100.0%

As noted in the last shareholder report, NKX's redemptions were achieved through the issuance of variable rate demand preferred shares (VRDP) in conjunction with the proceeds from the creation of TOBs. VRDP is a new instrument designed to replace the auction rate preferred shares used as leverage in Nuveen closed-end Funds. VRDP is offered only to qualified institutional buyers, defined pursuant to Rule 144A under the Securities Act of 1933. As of February 28, 2009, NKX issued \$35.5 million of VRDP and redeemed all of its outstanding auction rate preferred shares.

While the Funds' Board of Directors/Trustees and management continue to work to resolve this situation, the Funds cannot provide any assurance on when the remaining outstanding auction rate preferred shares might be redeemed.

On March 30, 2009, subsequent to the reporting period, thirty-four Nuveen closed-end municipal funds (none of which are included in this shareholder report) called for redemption at par a portion of their outstanding auction-rate preferred shares. This series of redemptions will collectively total more than \$287 million. Each of the funds will be using TOBs to finance the partial redemption of its auction rate preferred shares.

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

13

Common Share  
 Dividend and Share Price INFORMATION

During the six-month reporting period ended February 28, 2009, NCL, NCU, NAC, NVX, NZH and NKL each had an increase in their monthly dividends. The dividends of NPC and NKX remained stable throughout the reporting period.

Due to capital gains generated by normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2008 as follows:

	Long-Term Capital Gains (per share)	Short-Term Capital Gains and/or Ordinary Income (per share)
NPC	\$0.0548	\$0.0899
NCL	\$0.1312	\$0.0119
NCU	\$0.0061	--
NAC	\$0.1213	\$0.1421
NVX	\$0.0334	\$0.0016
NKL	\$0.0074	\$0.0298
NKX	\$0.0516	--

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it

holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of February 28, 2009, all of the Funds in this report had positive UNII balances for both financial reporting and tax purposes.

14

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

On July 30, 2008, the Funds' Board of Directors/Trustees approved an open-market share repurchase program under which each Fund may repurchase up to 10% of its outstanding common shares. As of February 28, 2009, the Funds repurchased common shares as shown in the accompanying table:

Fund	Common Shares Repurchased	% of Outstanding Common Shares
NPC	6,200	0.1%
NCL	41,800	0.3%
NCU	14,700	0.3%
NVX	18,300	0.1%
NZH	12,900	0.1%
NKL	19,000	0.1%

Since the inception of this program, common shares were repurchased at a weighted average price and a weighted average discount per common share as shown in the accompanying table:

Fund	Weighted Average Price Per Share Repurchased	Weighted Average Discount Per Share Repurchased
NPC	\$12.00	15.30%
NCL	\$10.67	17.79%
NCU	\$9.67	22.26%
NVX	\$10.26	21.40%
NZH	\$9.31	19.85%
NKL	\$10.76	21.01%

As of February 28, 2009, the Funds' common share prices were trading at discounts to their common share NAVs as shown in the accompanying table:

	2/28/09 Discount	Six-Month Average Discount
NPC	-14.18%	-11.35%
NCL	-15.25%	-12.30%
NCU	-18.67%	-13.50%
NAC	-10.58%	-10.25%
NVX	-18.59%	-13.83%
NZH	-11.27%	-9.28%
NKL	-17.46%	-10.70%
NKX	-8.56%	-6.91%

15

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

NPC Performance OVERVIEW Nuveen | Insured California Premium Income Municipal Fund, Inc.  
as of February 28, 2009

FUND SNAPSHOT

Common Share Price	\$	12.04
Common Share Net Asset Value	\$	14.03
Premium/(Discount) to NAV		-14.18%
Market Yield		6.03%
Taxable-Equivalent Yield(3)		9.26%
Net Assets Applicable to Common Shares (\$000)	\$	90,531
Average Effective Maturity on Securities (Years)		14.74
Leverage-Adjusted Duration		10.99

AVERAGE ANNUAL TOTAL RETURN  
(Inception 11/19/92)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-9.25%	-2.43%
1-Year	-4.06%	4.06%
5-Year	0.28%	2.48%
10-Year	3.09%	4.49%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed	30.4%
Tax Obligation/Limited	24.3%
Tax Obligation/General	22.4%
Water and Sewer	12.9%
Other	10.0%

INSURERS  
(as a % of total Insured investments)

MBIA	39.9%
FSA	19.7%
FGIC	18.6%
AMBAC	17.9%

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

-----  
 Other 3.9%  
 -----

Credit Quality (as a % of total investments) (1,2)

[PIE CHART]

Insured 70%  
 U.S. Guaranteed 30%

2008-2009 Monthly Tax-Free Dividends Per Common Share (4)

[BAR CHART]

Mar	\$	0.0605
Apr		0.0605
May		0.0605
Jun		0.0605
Jul		0.0605
Aug		0.0605
Sep		0.0605
Oct		0.0605
Nov		0.0605
Dec		0.0605
Jan		0.0605
Feb		0.0605

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	13.705
		14.15
		13.6
		13.81
		13.96
		14.79
		14.8
		14.28
		14.12
		14.15
		14.25
		14.25
		14.54
		14.47
		14.54
		14.13
		13.81
		13.76
		13.618
		13.9
		13.51
		13.64
		13.72
		13.66
		13.625
		13.75
		13.89
		13.89
		13.64
		13.16

12.02  
 11.83  
 8.3  
 10.46  
 11.14  
 11.57  
 12.1  
 11.3892  
 10  
 10.44  
 9.99  
 8.7332  
 10.04  
 10.47  
 10.84  
 12.45  
 11.69  
 11.924  
 12.37  
 12.6704  
 12.46  
 12.1  
 12.04

2/28/09

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Primarily all of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.
- (3) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (4) The Fund paid shareholders capital gains and net ordinary income distributions in December 2008 of \$0.1447 per share.

16

NCL Performance OVERVIEW | Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
 as of February 28, 2009

Credit Quality (as a % of total investments) (1,2,3)

[PIE CHART]

Insured	86%
U.S. Guaranteed	14%

2008-2009 Monthly Tax-Free Dividends Per Common Share (5)



[BAR CHART]

Mar	\$	0.053
Apr		0.053
May		0.053
Jun		0.053
Jul		0.053
Aug		0.053
Sep		0.056
Oct		0.056
Nov		0.056
Dec		0.056
Jan		0.056
Feb		0.056

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	12.89
		12.95
		12.7
		12.55
		12.93
		13.19
		13.13
		13.11
		13.16
		13.21
		13.3
		13.3
		13.4
		13.31
		13.32
		12.74
		12.58
		12.56
		12.69
		12.7799
		12.5
		12.47
		12.49
		12.45
		12.58
		12.56
		12.66
		12.87
		12.7
		11.74
		11.06
		10.8
		7.77
		9.52
		10.68
		10.3
		12.3614
		11.41
		10.51
		9.89
		9.15
		7.8

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

9.07  
 9.05  
 9.97  
 11.25  
 10.667  
 10.28  
 10.7  
 10.79  
 11.2  
 10.29  
 10.89

2/28/09

FUND SNAPSHOT

Common Share Price	\$	10.89
Common Share Net Asset Value	\$	12.85
Premium/(Discount) to NAV		-15.25%
Market Yield		6.17%
Taxable-Equivalent Yield(4)		9.48%
Net Assets Applicable to Common Shares (\$000)	\$	162,831
Average Effective Maturity on Securities (Years)		17.42
Leverage-Adjusted Duration		13.77

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-9.95%	-5.40%
1-Year	-7.71%	1.55%
5-Year	-1.44%	1.43%
10-Year	2.39%	4.13%

INDUSTRIES

(as a % of total investments) (2)

Tax Obligation/Limited	38.8%
Tax Obligation/General	16.0%
Water and Sewer	15.1%
U.S. Guaranteed	13.5%
Utilities	5.3%
Other	11.3%

INSURERS

(as a % of total Insured investments)

MBIA	27.3%
AMBAC	27.0%
FGIC	24.8%
FSA	18.7%
Other	2.2%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Excluding investments in derivatives.
- (3) Primarily all of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.
- (4) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (5) The Fund paid shareholders capital gains and net ordinary income distributions in December 2008 of \$0.1431 per share.

17

NCU Performance OVERVIEW | Nuveen California Premium Income Municipal Fund  
as of February 28, 2009

FUND SNAPSHOT

Common Share Price	\$	10.06
Common Share Net Asset Value	\$	12.37
Premium/(Discount) to NAV		-18.67%
Market Yield		6.62%
Taxable-Equivalent Yield(2)		10.17%
Net Assets Applicable to Common Shares (\$000)	\$	71,260
Average Effective Maturity on Securities (Years)		15.80
Leverage-Adjusted Duration		11.53

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

AVERAGE ANNUAL TOTAL RETURN  
(Inception 6/18/93)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-17.22%	-6.92%
1-Year	-13.44%	-0.81%
5-Year	-0.72%	1.64%
10-Year	2.38%	4.27%

INDUSTRIES  
(as a % of total investments)

Tax Obligation/Limited	30.1%
Tax Obligation/General	20.8%
Health Care	15.5%
U.S. Guaranteed	10.5%
Water and Sewer	6.8%
Utilities	5.2%
Other	11.1%

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

[PIE CHART]

AAA/U.S. Guaranteed	27%
AA	42%
A	16%
BBB	11%
BB or Lower	3%
N/R	1%

2008-2009 Monthly Tax-Free Dividends Per Common Share (3)

[BAR CHART]

Mar	\$ 0.0535
Apr	0.0535
May	0.0535
Jun	0.0535
Jul	0.0535
Aug	0.0535
Sep	0.0555
Oct	0.0555
Nov	0.0555
Dec	0.0555
Jan	0.0555
Feb	0.0555

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	12.48
		12.89
		12.26
		12.35
		12.622
		12.75
		12.97
		12.966
		12.72
		12.75
		12.81
		12.73
		12.77
		12.8
		12.839
		12.58
		12.55
		12.29
		12.29
		12.41
		12.17
		12.15
		12.22
		12.2601
		12.28
		12.36
		12.58
		12.76
		12.44
		11.72
		10.76
		10.55
		7.69
		8.859
		10.25
		9.95
		10.62
		9.84
		8.58
		8.85
		8.34
		7.76
		8.55
		8.6
		9.22
		10.51
		10.06
		10
		10.22
		10.3
		10.41
		9.52
2/28/09		10.06

(1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after

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

period end.

- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders a capital gains distribution in December 2008 of \$0.0061 per share.

18

NAC Performance OVERVIEW | Nuveen California Dividend Advantage Municipal Fund as of February 28, 2009

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

[PIE CHART]

AAA/U.S. Guaranteed	34%
AA	25%
A	25%
BBB	8%
BB or Lower	1%
N/R	7%

2008-2009 Monthly Tax-Free Dividends Per Common Share (3)

[BAR CHART]

Mar	\$ 0.0615
Apr	0.0615
May	0.0615
Jun	0.0615
Jul	0.0615
Aug	0.0615
Sep	0.063
Oct	0.063
Nov	0.063
Dec	0.063
Jan	0.063
Feb	0.063

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$ 13.43
	13.54
	13.15
	13.04
	13.49
	13.67
	14.11
	13.91
	13.91
	14.11
	14.18
	14.08

14.02  
 13.98  
 13.96  
 13.66  
 13.41  
 13.4  
 13.4432  
 13.19  
 13.06  
 13.11  
 13.46  
 13.47  
 13.14  
 13.25  
 13.44  
 13.46  
 13.63  
 12.79  
 11.98  
 11.1  
 8.15  
 9.6  
 10.9  
 11.01  
 11.21  
 10.25  
 8.76  
 9.73  
 9.1  
 7.57  
 9.27  
 9  
 10.17  
 11.3  
 10.55  
 10.4  
 10.51  
 10.69  
 11.15  
 9.92  
 10.82

2/28/09

FUND SNAPSHOT

Common Share Price	\$	10.82
Common Share Net Asset Value	\$	12.10
Premium/(Discount) to NAV		-10.58%
Market Yield		6.99%
Taxable-Equivalent Yield(2)		10.74%
Net Assets Applicable to Common Shares (\$000)	\$	284,221
Average Effective Maturity on Securities (Years)		18.08
Leverage-Adjusted Duration		13.76

AVERAGE ANNUAL TOTAL RETURN

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

(Inception 5/26/99)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-14.14%	-11.45%
1-Year	-10.38%	-5.43%
5-Year	-0.14%	0.78%
Since Inception	3.12%	4.55%

INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	25.6%
U.S. Guaranteed	20.5%
Transportation	13.9%
Health Care	13.5%
Tax Obligation/General	6.4%
Education and Civic Organizations	5.0%
Water & Sewer	4.2%
Other	10.9%

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2008 of \$0.2634 per share.

19

NVX Performance OVERVIEW | Nuveen California Dividend Advantage Municipal Fund 2 as of February 28, 2009

FUND SNAPSHOT

Common Share Price	\$	10.51
Common Share Net Asset Value	\$	12.91



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

Premium/(Discount) to NAV	-18.59%
Market Yield	6.91%
Taxable-Equivalent Yield(2)	10.61%
Net Assets Applicable to Common Shares (\$000)	\$ 190,824
Average Effective Maturity on Securities (Years)	14.24
Leverage-Adjusted Duration	12.04

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-13.83%	-7.40%
1-Year	-12.78%	-1.96%
5-Year	-0.29%	1.98%
Since Inception	1.49%	4.41%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed	31.0%
Tax Obligation/Limited	15.3%
Health Care	9.8%
Tax Obligation/General	9.0%
Transportation	7.6%
Water and Sewer	6.5%
Education and Civic Organizations	5.5%
Utilities	4.8%
Other	10.5%

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

[PIE CHART]

AAA/U.S. Guaranteed	39%
AA	29%
A	14%
BBB	11%
BB or Lower	1%
N/R	6%

2008-2009 Monthly Tax-Free Dividends Per Common Share(3)

[BAR CHART]

Mar	\$	0.0575
Apr		0.0575
May		0.0575
Jun		0.0575
Jul		0.0575
Aug		0.0575
Sep		0.0605
Oct		0.0605
Nov		0.0605
Dec		0.0605
Jan		0.0605
Feb		0.0605

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	13.2
		13.3
		12.79
		12.92
		13.27
		13.59
		13.56
		13.48
		13.34
		13.32
		13.33
		13.38
		13.47
		13.4
		13.47
		13.08
		12.77
		12.71
		12.9399
		12.88
		12.66
		12.65
		12.74
		12.72
		12.75
		12.61
		12.67
		12.89
		12.78
		12.4
		11.34
		10.89
		7.63
		9.37
		10.65
		10.63
		10.86
		10.28
		9
		9.91
		8.93
		8.35

9.54  
 9.38  
 9.9  
 11.2301  
 10.45  
 10.5  
 10.91  
 10.8  
 10.99  
 9.96  
 10.51

2/28/09

- (1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (2) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (3) The Fund paid shareholders capital gains and net ordinary income distributions in December 2008 of \$0.035 per share.

20

NZH Performance OVERVIEW | Nuveen California Dividend Advantage Municipal Fund 3 as of February 28, 2009

Credit Quality (as a % of total investments) (1,2)

[PIE CHART]

AAA/U.S.	
Guaranteed	33%
AA	28%
A	21%
BBB	11%
BB or Lower	1%
N/R	6%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

Mar	\$ 0.059
Apr	0.059
May	0.059
Jun	0.059
Jul	0.059
Aug	0.059
Sep	0.0615
Oct	0.0615
Nov	0.0615
Dec	0.0615

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

Jan	0.0615
Feb	0.0615

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	12.62
		12.96
		12.62
		12.66
		13.0198
		13.08
		13.08
		13.18
		13.15
		13.27
		13.3
		13.28
		13.33
		13.35
		13.44
		13.13
		12.63
		12.5
		12.69
		12.69
		12.5
		12.57
		12.57
		12.89
		13
		12.72
		12.87
		13.05
		12.86
		12.35
		11.6
		10.78
		7.75
		9
		10.4
		10.5
		10.9
		9.84
		8.62
		9.8
		8.13
		7.38
		8.85
		8.63
		9.44
		10.44
		9.69
		9.65
		10.355
		10.48
		10.72
		9.45
2/28/09		10.23

FUND SNAPSHOT

Common Share Price	\$	10.23
Common Share Net Asset Value	\$	11.53
Premium/(Discount) to NAV		-11.27%
Market Yield		7.21%
Taxable-Equivalent Yield(3)		11.08%
Net Assets Applicable to Common Shares (\$000)	\$	278,056
Average Effective Maturity on Securities (Years)		16.91
Leverage-Adjusted Duration		13.47

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-17.58%	-12.54%
1-Year	-12.11%	-6.27%
5-Year	0.06%	0.22%
Since Inception	0.82%	2.75%

INDUSTRIES  
(as a % of total investments) (2)

Tax Obligation/Limited	26.1%
Health Care	17.8%
U.S. Guaranteed	17.1%
Tax Obligation/General	12.3%
Water and Sewer	5.5%
Transportation	4.9%
Consumer Staples	3.9%
Other	12.4%

(1) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

(2) Excluding investments in derivatives.

- (3) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

21

NKL Performance OVERVIEW | Nuveen Insured California Dividend Advantage  
Municipal Fund  
as of February 28, 2009

FUND SNAPSHOT

Common Share Price	\$	11.16
Common Share Net Asset Value	\$	13.52
Premium/(Discount) to NAV		-17.46%
Market Yield		6.67%
Taxable-Equivalent Yield(4)		10.25%
Net Assets Applicable to Common Shares (\$000)	\$	206,467
Average Effective Maturity on Securities (Years)		16.44
Leverage-Adjusted Duration		12.22

AVERAGE ANNUAL TOTAL RETURN  
(Inception 3/25/02)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-14.22%	-4.50%
1-Year	-10.04%	3.07%
5-Year	-0.28%	2.40%
Since Inception	1.77%	5.04%

INDUSTRIES  
(as a % of total investments)

Tax Obligation/Limited	31.7%
Tax Obligation/General	18.6%
U.S. Guaranteed	14.9%
Utilities	9.8%
Water and Sewer	9.7%
Health Care	4.0%

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

Other 11.3%

INSURERS  
(as a % of total Insured investments)

AMBAC	25.7%
FSA	23.9%
MBIA	23.5%
FGIC	20.6%
SYNCORA	4.3%
Other	2.0%

Credit Quality (as a % of total investments) (1,2,3)

[PIE CHART]

Insured	73%
U.S. Guaranteed	15%
GNMA/FNMA Guaranteed	1%
A (Uninsured)	5%
BBB (Uninsured)	6%

2008-2009 Monthly Tax-Free Dividends Per Common Share (5)

[BAR CHART]

Mar	\$ 0.0595
Apr	0.0595
May	0.0595
Jun	0.0595
Jul	0.0595
Aug	0.0595
Sep	0.062
Oct	0.062
Nov	0.062
Dec	0.062
Jan	0.062
Feb	0.062

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$ 13.53
	13.55
	13.13
	13.27
	13.6
	13.63
	14.11
	14
	13.95
	14.02
	14.1
	14.09

14  
 14.05  
 14.13  
 13.73  
 13.653  
 13.36  
 13.39  
 13.36  
 13.32  
 13.58  
 13.55  
 13.46  
 13.8399  
 13.45  
 13.5  
 13.65  
 13.71  
 13.6  
 12.3  
 11.52  
 8.28  
 10.039  
 11.16  
 11.84  
 12  
 11.26  
 9.9999  
 10.16  
 9.9  
 8.65  
 9.66  
 10.25  
 10.91  
 11.8  
 11.35  
 11.35  
 11.5056  
 11.83  
 11.7  
 10.61  
 11.16

2/28/09

- (1) Excluding short-term investments.
- (2) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (3) At least 80% of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.
- (4) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.



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

(5) The Fund paid shareholders capital gains and net ordinary income distributions in December 2008 of \$0.0372 per share.

22

NKX Performance OVERVIEW | Nuveen Insured California Tax-Free Advantage Municipal Fund  
as of February 28, 2009

Credit Quality (as a % of total investments) (1,2,3)

[PIA CHART]

Insured	72%
U.S. Guaranteed	15%
AA (Uninsured)	1%
A (Uninsured)	6%
BBB (Uninsured)	6%

2008-2009 Monthly Tax-Free Dividends Per Common Share (5)

[BAR CHART]

Mar	\$	0.059
Apr		0.059
May		0.059
Jun		0.059
Jul		0.059
Aug		0.059
Sep		0.059
Oct		0.059
Nov		0.059
Dec		0.059
Jan		0.059
Feb		0.059

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

3/01/08	\$	13.61
		13.85
		14.25
		13.96
		14.05
		14.1501
		14.38
		14.26
		14.17
		14.27
		14.5
		14.51
		14.1
		14.05
		14.014
		13.93
		13.61
		13.4599
		13.66

13.68  
 13.5  
 13.28  
 13.28  
 13.46  
 13.38  
 13.45  
 13.78  
 13.93  
 13.62  
 13.15  
 11.73  
 11.8  
 8.136  
 9.835  
 10.9  
 11.8511  
 12.3  
 10.6  
 9.83  
 10.32  
 9.3  
 8.6  
 9.47  
 10.35  
 10.67  
 12.14  
 11.58  
 10.97  
 11.26  
 11.41  
 11.76  
 11.65  
 11.75

2/28/09

FUND SNAPSHOT

Common Share Price	\$	11.75
Common Share Net Asset Value	\$	12.85
Premium/(Discount) to NAV		-8.56%
Market Yield		6.03%
Taxable-Equivalent Yield(4)		9.26%
Net Assets Applicable to Common Shares (\$000)	\$	75,661
Average Effective Maturity on Securities (Years)		17.07
Leverage-Adjusted Duration		13.81

AVERAGE ANNUAL TOTAL RETURN  
 (Inception 11/21/02)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-11.55%	-6.42%
1-Year	-8.01%	-0.13%

5-Year	0.62%	2.11%
Since Inception	1.70%	3.76%

INDUSTRIES  
(as a % of total investments)

Tax Obligation/Limited	31.5%
Tax Obligation/General	16.7%
U.S. Guaranteed	14.8%
Health Care	11.9%
Water and Sewer	10.0%
Transportation	7.2%
Other	7.9%

INSURERS  
(as a % of total Insured investments)

AMBAC	45.0%
MBIA	25.4%
FSA	11.4%
AGC	6.3%
SYNCORA	5.1%
FGIC	5.1%
Other	1.7%

- (1) Excluding short-term investments.
- (2) The percentages shown in the foregoing chart may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- (3) At least 80% of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.
- (4) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.9%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

- (5) The Fund paid shareholders a capital gains distribution in December 2008 of \$0.0516 per share.

23

NPC NCL NCU | Shareholder MEETING REPORT

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 18, 2008; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting was subsequently adjourned to January 13, 2009 and additionally adjourned to March 17, 2009. The meeting for NKX adjourned again to March 18, 2009.

	NPC		NCL	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
-----				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	3,016,892	350	6,007,942	58
Against	207,350	31	349,243	10
Abstain	213,590	13	465,208	4
Broker Non-Votes	862,903	932	1,953,027	1,65
Total	4,300,735	1,326	8,775,420	2,38
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	2,974,906	352	5,965,027	58
Against	232,677	29	392,669	10
Abstain	230,249	13	464,697	4
Broker Non-Votes	862,903	932	1,953,027	1,65
Total	4,300,735	1,326	8,775,420	2,38
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES RELATING TO DERIVATIVES AND SHORT SALES.				
For	2,996,272	346	6,031,353	60
Against	228,685	35	376,434	8
Abstain	212,875	13	414,606	4
Broker Non-Votes	862,903	932	1,953,027	1,65
Total	4,300,735	1,326	8,775,420	2,38
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.				
For	3,004,567	348	6,010,906	58

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

Against	217,385	33	395,961	10
Abstain	215,880	13	415,526	4
Broker Non-Votes	862,903	932	1,953,027	1,65
<hr/>				
Total	4,300,735	1,326	8,775,420	2,38
<hr/>				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.				
For	3,007,961	354	6,040,047	63
Against	222,270	29	370,273	5
Abstain	207,601	11	412,073	3
Broker Non-Votes	862,903	932	1,953,027	1,65
<hr/>				
Total	4,300,735	1,326	8,775,420	2,38
<hr/>				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.				
For	3,081,378	356	6,076,135	64
Against	149,089	27	355,481	5
Abstain	207,365	11	390,777	3
Broker Non-Votes	862,903	932	1,953,027	1,65
<hr/>				
Total	4,300,735	1,326	8,775,420	2,38
<hr/>				

24

	NPC		NCL	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferre shares votin togethe as a clas
<hr/>				
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
John P. Amboian				
For	4,136,830	--	8,356,558	--
Withhold	162,087	--	410,628	--
<hr/>				
Total	4,298,917	--	8,767,186	--
<hr/>				
Robert P. Bremner				
For	4,135,454	--	8,360,158	--
Withhold	163,463	--	407,028	--
<hr/>				
Total	4,298,917	--	8,767,186	--
<hr/>				
Jack B. Evans				
For	4,136,830	--	8,362,193	--
Withhold	162,087	--	404,993	--
<hr/>				



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

Against	--	--	--	--
Abstain	--	--	--	--
Broker Non-Votes	--	--	--	--
-----				
Total	--	--	--	--
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	--	--	--	--
Against	--	--	--	--
Abstain	--	--	--	--
Broker Non-Votes	--	--	--	--
-----				
Total	--	--	--	--
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES RELATING TO DERIVATIVES AND SHORT SALES.				
For	--	--	--	--
Against	--	--	--	--
Abstain	--	--	--	--
Broker Non-Votes	--	--	--	--
-----				
Total	--	--	--	--
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.				
For	--	--	--	--
Against	--	--	--	--
Abstain	--	--	--	--
Broker Non-Votes	--	--	--	--
-----				
Total	--	--	--	--
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.				
For	11,237,581	1,027	6,942,760	72
Against	693,189	147	497,671	6
Abstain	394,135	7	320,988	1
Broker Non-Votes	3,382,253	3,247	2,167,407	2,65
-----				
Total	15,707,158	4,428	9,928,826	3,46
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.				
For	11,283,226	995	6,949,592	73
Against	614,486	174	471,662	5
Abstain	427,193	12	340,165	1
Broker Non-Votes	3,382,253	3,247	2,167,407	2,65
-----				
Total	15,707,158	4,428	9,928,826	3,46
=====				

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

	NAC		NVX	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
John P. Amboian				
For	15,127,521	--	9,403,165	--
Withhold	551,933	--	519,643	--
Total	15,679,454	--	9,922,808	--
Robert P. Bremner				
For	--	--	--	--
Withhold	--	--	--	--
Total	--	--	--	--
Jack B. Evans				
For	--	--	--	--
Withhold	--	--	--	--
Total	--	--	--	--
William C. Hunter				
For	--	4,200	--	3,377
Withhold	--	204	--	7
Total	--	4,404	--	3,441
David J. Kundert				
For	15,124,051	--	9,412,194	--
Withhold	555,403	--	510,614	--
Total	15,679,454	--	9,922,808	--
William J. Schneider				
For	--	4,200	--	3,377
Withhold	--	204	--	7
Total	--	4,404	--	3,441
Judith M. Stockdale				
For	--	--	--	--
Withhold	--	--	--	--
Total	--	--	--	--
Carole E. Stone				
For	--	--	--	--
Withhold	--	--	--	--
Total	--	--	--	--



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

Terence J. Toth				
For	15,127,721	--	9,417,394	--
Withhold	551,733	--	505,414	--
<hr/>				
Total	15,679,454	--	9,922,808	--
<hr/>				

27

NKL NKX | Shareholder MEETING REPORT (continued)

NKL				
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	C	a
<hr/>				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	--	--		
Against	--	--		
Abstain	--	--		
Broker Non-Votes	--	--		
<hr/>				
Total	--	--		
<hr/>				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	--	--		
Against	--	--		
Abstain	--	--		
Broker Non-Votes	--	--		
<hr/>				
Total	--	--		
<hr/>				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES RELATING TO DERIVATIVES AND SHORT SALES.				
For	--	--		
Against	--	--		
Abstain	--	--		
Broker Non-Votes	--	--		
<hr/>				
Total	--	--		
<hr/>				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICIES PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.				
For	--	--		
Against	--	--		
Abstain	--	--		
Broker Non-Votes	--	--		
<hr/>				
Total	--	--		
<hr/>				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL				

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

POLICIES RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.

For	7,222,107	745
Against	293,712	71
Abstain	388,950	19
Broker Non-Votes	2,753,761	2,284
-----		
Total	10,658,530	3,119

TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN INSURED MUNICIPAL SECURITIES.

For	7,245,969	741
Against	275,628	74
Abstain	383,172	20
Broker Non-Votes	2,753,761	2,284
-----		
Total	10,658,530	3,119

28

NKL

	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Other shares
--	--	---	--------------

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

John P. Amboian			
For	10,233,212	--	
Withhold	412,637	--	
-----			
Total	10,645,849	--	

Robert P. Bremner			
For	--	--	
Withhold	--	--	
-----			
Total	--	--	

Jack B. Evans			
For	--	--	
Withhold	--	--	
-----			
Total	--	--	

William C. Hunter			
For	--	3,024	
Withhold	--	59	
-----			
Total	--	3,083	

David J. Kundert

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

For	10,226,916	--
Withhold	418,933	--
-----		
Total	10,645,849	--
=====		
William J. Schneider		
For	--	3,016
Withhold	--	67
-----		
Total	--	3,083
=====		
Judith M. Stockdale		
For	--	--
Withhold	--	--
-----		
Total	--	--
=====		
Carole E. Stone		
For	--	--
Withhold	--	--
-----		
Total	--	--
=====		
Terence J. Toth		
For	10,235,003	--
Withhold	410,846	--
-----		
Total	10,645,849	--
=====		

29

Report of INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARDS OF DIRECTORS/TRUSTEES AND SHAREHOLDERS  
 NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.  
 NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC.  
 NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND  
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
 NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
 NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
 NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund (the "Funds"), as of February 28, 2009, and the related statements of operations, changes in net assets and cash flows (Nuveen Insured California Premium Income Municipal Fund 2, Inc. and Nuveen Insured California Tax-Free Advantage Municipal Fund only) and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of February 28, 2009, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen California Premium Income Municipal Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen Insured California Dividend Advantage Municipal Fund and Nuveen Insured California Tax-Free Advantage Municipal Fund at February 28, 2009, the results of their operations, the changes in their net assets and their cash flows (Nuveen Insured California Premium Income Municipal Fund 2, Inc. and Nuveen Insured California Tax-Free Advantage Municipal Fund only) and the financial highlights for each of the periods indicated therein in conformity with US generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Chicago, Illinois  
April 22, 2009

30

NPC | Nuveen Insured California Premium Income Municipal Fund, Inc.  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 6.1% (4.1% OF TOTAL INVESTMENTS)	
\$ 2,125	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)	3/09 at 1
1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured	5/15 at 1
2,000	California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 - MBIA Insured	11/15 at 1
-----		

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

5,625	Total Education and Civic Organizations	
-----		
	HEALTH CARE - 5.4% (3.7% OF TOTAL INVESTMENTS)	
3,000	California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series1998A, 5.375%, 8/15/30 - MBIA Insured	8/09 at 1
724	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
1,500	California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 - FSA Insured	8/09 at 1
-----		
5,224	Total Health Care	
-----		
	HOUSING/SINGLE FAMILY - 0.2% (0.2% OF TOTAL INVESTMENTS)	
180	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%,8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
100	California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%,8/01/20 - MBIA Insured (Alternative Minimum Tax)	8/09 at 1
-----		
280	Total Housing/Single Family	
-----		
	TAX OBLIGATION/GENERAL - 33.1% (22.4% OF TOTAL INVESTMENTS)	
	Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A:	
1,890	5.250%, 8/01/23 - MBIA Insured	8/14 at 1
1,250	5.250%, 8/01/25 - MBIA Insured	8/14 at 1
2,000	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax)	6/09 at 1
	El Segundo Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2004:	
2,580	5.250%, 9/01/21 - FGIC Insured	9/14 at 1
1,775	5.250%, 9/01/22 - FGIC Insured	9/14 at 1
565	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 14.602%, 8/01/28 - FSA Insured (IF)	8/18 at 1
1,225	Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 - MBIA Insured	2/13 at 1
1,180	Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series2004, 5.000%, 8/01/21 - FGIC Insured	8/13 at 1

31

NPC | Nuveen Insured California Premium Income Municipal Fund, Inc. (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL

OPTIONAL

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIO
TAX OBLIGATION/GENERAL (continued)		
\$ 3,000	Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 - MBIA Insured	8/11 at 1
160	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
3,000	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured	7/15 at 1
	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C:	
1,335	5.000%, 7/01/21 - FSA Insured	7/11 at 1
3,500	5.000%, 7/01/22 - FSA Insured	7/11 at 1
4,895	5.000%, 7/01/23 - FSA Insured	7/11 at 1
28,355	Total Tax Obligation/General	
TAX OBLIGATION/LIMITED - 35.9% (24.3% OF TOTAL INVESTMENTS)		
1,000	Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured	8/11 at 1
	California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:	
1,215	5.000%, 12/01/19 - AMBAC Insured	12/13 at 1
1,615	5.000%, 12/01/21 - AMBAC Insured	12/13 at 1
195	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
595	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
1,900	Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2002, 5.100%, 9/01/25 - AMBAC Insured	9/12 at 1
5,000	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.250%, 1/01/34 - AMBAC Insured	1/11 at 1
2,400	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Drivers Trust 2091, 11.707%, 6/01/45 - AGC Insured (IF)	6/15 at 1
1,000	Hesperia Public Financing Authority, California, Redevelopment and Housing Projects Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/37 - SYNCORA GTY Insured	9/17 at 1
435	Indian Wells Redevelopment Agency, California, Tax Allocation Bonds, Consolidated Whitewater Project Area, Series 2003A, 5.000%, 9/01/20 - AMBAC Insured	9/13 at 1
345	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
895	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured	12/14 at 1
1,500	Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%,	1/17 at 1

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

	1/01/31 - FGIC Insured	
3,150	Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 - AMBAC Insured	8/17 at 1
7,000	Rancho Cucamonga Redevelopment Agency, California, Housing Set-Aside Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/34 - MBIA Insured	9/17 at 1
165	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1

32

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 205	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%,8/01/25 - AMBAC Insured	8/13 at 1
1,500	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series2005A, 5.000%, 8/01/28 - MBIA Insured	8/15 at 1
3,565	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/25 - FSA Insured	9/15 at 1
2,805	Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 - MBIA Insured	10/11 at 1
-----		
36,485	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 2.6% (1.8% OF TOTAL INVESTMENTS)		
2,400	San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured	9/14 at 1
-----		
U.S. GUARANTEED - 44.9% (30.4% OF TOTAL INVESTMENTS) (4)		
7,995	California, Various Purpose General Obligation Bonds, Series 2000: 5.750%, 3/01/22 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 1
800	5.750%, 3/01/27 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 1
2,500	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series2001A, 5.125%, 8/01/26 - FSA Insured (ETM)	8/09 at 1
6,000	Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM)	No Opt.
5,135	Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) (ETM)	No Opt.
6,220	Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987A, 9.000%, 5/01/21 (Alternative Minimum Tax) (ETM)	No Opt.
1,485	San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%,10/01/13 (ETM)	No Opt.
2,150	Santa Clara Valley Water District, California, Water Utility	6/10 at 1

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

System Revenue Bonds, Series2000A, 5.125%, 6/01/31  
(Pre-refunded 6/01/10) - FGIC Insured

32,285	Total U.S. Guaranteed	
UTILITIES - 0.2% (0.2% OF TOTAL INVESTMENTS)		
345	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
WATER AND SEWER - 19.1% (12.9% OF TOTAL INVESTMENTS)		
5,255	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2003A, 5.000%, 3/01/20 - FGIC Insured	3/13 at 1
1,230	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured	3/14 at 1
235	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
5,000	Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 - AMBAC Insured	4/16 at 1
220	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1

33

NPC | Nuveen Insured California Premium Income Municipal Fund, Inc. (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
WATER AND SEWER (continued)		
\$ 1,500	Placerville Public Financing Authority, California, Wastewater System Refinancing and Improvement Project Revenue Bonds, Series 2006, 5.000%, 9/01/34 - SYNCORA GTY Insured	9/16 at 10
3,400	San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Series1997A, 5.250%, 5/15/22 - FGIC Insured	5/09 at 10
1,345	West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 - MBIA Insured	8/13 at 10
18,185	Total Water and Sewer	
\$ 129,184	Total Investments (cost \$132,699,261) - 147.5%	
Other Assets Less Liabilities - 2.2%		
Auction Rate Preferred Shares, at Liquidation Value - (49.7)% (5)		
Net Assets Applicable to Common Shares - 100%		



=====  
 Primarily all of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.7%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

34

NCL | Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
 | Portfolio of INVESTMENTS February 28, 2009

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

-----

EDUCATION AND CIVIC ORGANIZATIONS - 6.2% (4.0% OF TOTAL  
 INVESTMENTS)

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

\$	620	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series2000, 5.875%, 11/01/20 - MBIA Insured	11/10 at 1
	2,125	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)	3/09 at 1
	1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 - AMBAC Insured	5/15 at 1
	6,000	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured (UB)	5/13 at 1

---

10,245 Total Education and Civic Organizations

---

HEALTH CARE - 2.0% (1.3% OF TOTAL INVESTMENTS)

	1,410	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
	2,000	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2007A, 4.500%, 5/15/37 - MBIA Insured	5/15 at 1
	650	University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 - AMBAC Insured	5/12 at 1

---

4,060 Total Health Care

---

HOUSING/SINGLE FAMILY - 2.2% (1.4% OF TOTAL INVESTMENTS)

	345	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
	2,170	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006K, 5.500%, 2/01/42 - AMBAC Insured (Alternative Minimum Tax)	2/16 at 1
	1,100	California Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C-2-II, 5.625%, 8/01/20 - MBIA Insured (Alternative Minimum Tax)	8/09 at 1

---

3,615 Total Housing/Single Family

---

TAX OBLIGATION/GENERAL - 25.1% (16.0% OF TOTAL INVESTMENTS)

	1,460	ABC Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000B, 5.750%, 8/01/16 - FGIC Insured	8/10 at 1
	1,425	Bassett Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2006B, 5.250%, 8/01/30 - FGIC Insured	8/16 at 1
	3,000	California State, General Obligation Bonds, Series 2006, 4.500%, 9/01/36 - FSA Insured	9/16 at 1
	4,400	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured	2/13 at 1
	3,000	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 - MBIA Insured (Alternative Minimum Tax)	6/09 at 1
	3,200	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 - FSA Insured	8/18 at 1
	1,105	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 14.602%,	8/18 at 1

8/01/28 - FSA Insured (IF)

35

NCL | Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
 | (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/GENERAL (continued)		
\$ 1,255	Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 - FSA Insured	8/15 at 1
4,000	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2007A, 4.500%, 7/01/24 - FSA Insured	7/17 at 1
	Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C:	
2,110	5.000%, 8/01/21 - FSA Insured (UB)	8/14 at 1
3,250	5.000%, 8/01/22 - FSA Insured (UB)	8/14 at 1
3,395	5.000%, 8/01/23 - FSA Insured (UB)	8/14 at 1
1,270	Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 - FGIC Insured	8/13 at 1
305	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
2,500	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 - MBIA Insured	7/15 at 1
1,125	San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 - FGIC Insured	No Opt.
2,000	San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 - FGIC Insured	6/10 at 1
1,000	San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 - FSA Insured	8/14 at 1
2,445	Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 - FGIC Insured	8/13 at 1
-----		
42,245	Total Tax Obligation/General	
-----		
TAX OBLIGATION/LIMITED - 60.6% (38.8% OF TOTAL INVESTMENTS)		
	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C:	
5,130	0.000%, 9/01/18 - FSA Insured	No Opt.
8,000	0.000%, 9/01/21 - FSA Insured	No Opt.
	California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation,	

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

Series 2004:		
1,535	5.000%, 12/01/20 - AMBAC Insured	12/13 at 1
1,780	5.000%, 12/01/23 - AMBAC Insured	12/13 at 1
3,725	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Series 2005J, 5.000%, 1/01/17 - AMBAC Insured	1/16 at 1
380	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
6,000	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured	1/11 at 1
8,280	Fontana Public Financing Authority, California, Tax Allocation Revenue Bonds, North Fontana Redevelopment Project, Series 2005A, 5.000%, 10/01/32 - AMBAC Insured	10/15 at 1
4,695	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Drivers Trust 2091, 11.707%, 6/01/45 - AGC Insured (IF)	6/15 at 1
2,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Residual Series 2040, 9.080%, 6/01/45 - FGIC Insured (IF)	6/15 at 1

36

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/LIMITED (continued)		
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:	
\$ 20,110	5.000%, 6/01/35 - FGIC Insured	6/15 at 1
2,345	5.000%, 6/01/38 - FGIC Insured	6/15 at 1
7,500	5.000%, 6/01/45 - FGIC Insured	6/15 at 1
1,255	Hesperia Public Financing Authority, California, Redevelopment and Housing Projects Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/37 - SYNCORA GTY Insured	9/17 at 1
1,700	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007, 5.000%, 2/01/41 - AMBAC Insured	2/17 at 1
1,810	Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 - MBIA Insured	5/10 at 1
5,000	Ia Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 - AMBAC Insured	3/09 at 1
2,185	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
1,000	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 - FSA Insured	12/14 at 1
1,250	Los Angeles County Metropolitan Transportation Authority, California, Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2003B, 5.000%, 7/01/19 - MBIA Insured	7/13 at 1
4,000	Los Angeles, California, Certificates of Participation, Municipal	6/13 at 1

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

	Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	
3,000	Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%, 1/01/31 - FGIC Insured	1/17 at 1
6,120	Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 - AMBAC Insured	8/17 at 1
4,140	Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured	6/13 at 1
390	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured	12/10 at 1
325	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
1,000	Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 - MBIA Insured	9/13 at 1
405	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
5,000	San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 - MBIA Insured	9/09 at 1
1,500	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/28 - MBIA Insured	8/15 at 1
5,510	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/28 - FSA Insured	9/15 at 1
1,020	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 - AMBAC Insured	8/17 at 1
-----		
118,090	Total Tax Obligation/Limited	
-----		

37

NCL | Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
 | (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	TRANSPORTATION - 7.2% (4.6% OF TOTAL INVESTMENTS)	
\$ 6,500	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/18 - MBIA Insured	1/10 at
4,000	Orange County Transportation Authority, California, Toll Road Revenue Bonds, 91 Express Lanes Project, Series 2003A, 5.000%, 8/15/18 - AMBAC Insured	8/13 at 1
5,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001,	5/11 at 1

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

Issue 27A, 5.250%, 5/01/31 - MBIA Insured (Alternative Minimum Tax)

Amount	Description	Maturity
15,500	Total Transportation	
U.S. GUARANTEED - 21.2% (13.5% OF TOTAL INVESTMENTS) (4)		
1,380	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series2000, 5.875%, 11/01/20 (Pre-refunded 11/01/10) - MBIA Insured	11/10 at 1
7,995	California, Various Purpose General Obligation Bonds, Series 2000: 5.750%, 3/01/22 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 1
1,900	California, Various Purpose General Obligation Bonds, Series 2000: 5.750%, 3/01/27 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 1
2,085	Central Unified School District, Fresno County, California, General Obligation Bonds, Series1993, 5.625%, 3/01/18 - AMBAC Insured (ETM)	3/09 at 1
3,000	Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 - MBIA Insured (ETM)	5/09 at 1
	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2001F:	
1,065	5.125%, 8/01/21 - FSA Insured (ETM)	8/09 at 1
1,160	5.125%, 8/01/22 - FSA Insured (ETM)	8/09 at 1
1,220	5.125%, 8/01/23 - FSA Insured (ETM)	8/09 at 1
1,500	Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2000A, 5.250%, 8/01/25 (Pre-refunded 8/01/10) - MBIA Insured	8/10 at 1
	Manteca Unified School District, San Joaquin County, California, General Obligation Bonds, Series 2004:	
1,000	5.250%, 8/01/21 (Pre-refunded 8/01/14) - FSA Insured	8/14 at 1
1,000	5.250%, 8/01/22 (Pre-refunded 8/01/14) - FSA Insured	8/14 at 1
1,610	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds,aguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 (Pre-refunded 12/15/10) - MBIA Insured	12/10 at 1
4,320	Riverside County, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1987B, 8.625%, 5/01/16 (Alternative Minimum Tax) (ETM)	No Opt.
1,000	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.500%, 12/01/20 (Pre-refunded 12/01/10) - AMBAC Insured	12/10 at 1
905	University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 (Pre-refunded 5/15/12) - AMBAC Insured	5/12 at 1
31,140	Total U.S. Guaranteed	
UTILITIES - 8.2% (5.3% OF TOTAL INVESTMENTS)		
3,740	California Pollution Control Financing Authority, Revenue Refunding Bonds, Southern California Edison Company, Series 1999B, 5.450%, 9/01/29 - MBIA Insured	9/09 at 1
670	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
100	Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured	12/09 at 1

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	UTILITIES (continued)	
\$ 1,950	Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.250%, 8/01/27 - AMBAC Insured (Alternative Minimum Tax)	8/12 at 1
	Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A:	
2,800	5.000%, 7/01/24 - MBIA Insured	7/13 at 1
5,000	5.000%, 7/01/28 - MBIA Insured	7/13 at 1
-----		
14,260	Total Utilities	
-----		
	WATER AND SEWER - 23.6% (15.1% OF TOTAL INVESTMENTS)	
2,975	Chino Basin Regional Finance Authority, California, Sewerage System Revenue Bonds, Inland Empire Utilities Agency, Series 1994, 6.000%, 8/01/16 - AMBAC Insured	8/09 at 1
2,000	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/21 - FGIC Insured	3/14 at 1
750	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 - FSA Insured	10/16 at 1
460	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
2,700	Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/21 - FSA Insured	10/13 at 1
2,000	Los Angeles, California, Wastewater System Revenue Bonds, Series 2005A, 4.500%, 6/01/29 - MBIA Insured	6/15 at 1
430	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1
12,000	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured (UB)	8/13 at 1
1,520	San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 - AMBAC Insured	10/14 at 1
1,000	San Diego County Water Authority, California, Water Revenue Certificates of Participation, Series 2008A, 5.000%, 5/01/38 - FSA Insured	5/18 at 1
3,675	San Dieguito Water District, California, Water Revenue Bonds, Series 2004, 5.000%, 10/01/23 - FGIC Insured	10/14 at 1
	Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A:	
1,400	5.000%, 2/01/19 - FGIC Insured	2/14 at 1
445	5.000%, 2/01/20 - FGIC Insured	2/14 at 1
465	5.000%, 2/01/21 - FGIC Insured	2/14 at 1
2,500	West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 - MBIA Insured	8/13 at 1
	Yorba Linda Water District, California, Certificates of Participation, Highland Reservoir Renovation, Series 2003:	
2,010	5.000%, 10/01/28 - FGIC Insured	10/13 at 1
2,530	5.000%, 10/01/33 - FGIC Insured	10/13 at 1
-----		

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

38,860	Total Water and Sewer
\$ 278,015	Total Investments (cost \$261,746,670) - 156.3%
	Floating Rate Obligations - (12.3)%
	Other Assets Less Liabilities - 5.0%
	Auction Rate Preferred Shares, at Liquidation Value - (49.0)% (5)
	Net Assets Applicable to Common Shares - 100%

39

NCL | Nuveen Insured California Premium Income Municipal Fund 2, Inc.  
 | (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

Investments in Derivatives

FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2009:

COUNTERPARTY	NOTIONAL AMOUNT	FUND PAY/RECEIVE FLOATING RATE	FLOATING RATE INDEX	FIXED RATE (ANNUALIZED)	FIXED RATE PAYMENT FREQUENCY	EFF D
Goldman Sachs	\$12,000,000	Receive	3-Month USD-LIBOR	2.749%	Semi-Annually	1

Primarily all of the Fund's net assets (including net assets aibutable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to



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

the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
  - (5) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.4%.
  - (6) Effective Date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

USD-LIBOR United States Dollar-London Inter-Bank Offered Rate.

See accompanying notes to financial statements.

40

NCU | Nuveen California Premium Income Municipal Fund  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
CONSUMER STAPLES - 6.1% (3.8% OF TOTAL INVESTMENTS)		
\$ 1,500	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29	6/12 at 1
265	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	6/15 at 1
3,210	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	5/12 at 1
1,350	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
-----		
6,325	Total Consumer Staples	
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 6.7% (4.2% OF TOTAL INVESTMENTS)		

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

70	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 1
	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:	
45	5.000%, 11/01/21	11/15 at 1
60	5.000%, 11/01/25	11/15 at 1
1,112	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Trust 1065, 8.969%, 3/01/33 (IF)	3/18 at 1
2,000	California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 - MBIA Insured	11/15 at 1
1,500	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured (UB)	5/13 at 1
-----		
4,787	Total Education and Civic Organizations	
-----		

ENERGY - 0.4% (0.3% OF TOTAL INVESTMENTS)

500	Virgin Islands Public Finance Authority, Revenue Bonds, Refinery Project Hovensa LLC, Series 2007, 4.700%, 7/01/22 (Alternative Minimum Tax)	1/15 at 1
-----	--	-----------

HEALTH CARE - 24.8% (15.5% OF TOTAL INVESTMENTS)

4,705	California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15	5/09 at 1
155	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 1
1,335	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2008, Trust 3146, 12.371%, 11/15/46 (IF)	11/16 at 1
1,500	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 1
685	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/46	2/17 at 1

41

NCU | Nuveen California Premium Income Municipal Fund (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
HEALTH CARE (continued)		
\$ 377	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
1,000	California Statewide Community Development Authority, Insured Health Facility Revenue Bonds, Henry Mayo Newhall Memorial Hospital, Series 2007A, 5.000%, 10/01/37	10/17 at 1
490	California Statewide Community Development Authority, Revenue	3/16 at 1

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

730	Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41 California Statewide Community Development Authority, Revenue	8/16 at 1
1,000	Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31 California Statewide Community Development Authority, Revenue	4/17 at 1
3,000	Bonds, Kaiser Permanente System, Series 2007A, 4.750%, 4/01/33 California Statewide Community Development Authority, Revenue	8/19 at 1
2,100	Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38 California Statewide Community Development Authority, Revenue	No Opt.
1,690	Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured California Statewide Community Development Authority, Revenue	11/15 at 1
760	Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43 Loma Linda, California, Hospital Revenue Bonds, Loma Linda	12/18 at 1
1,000	University Medical Center, Series 2008A, 8.250%, 12/01/38 The Regents of the University of California, Medical Center Pooled	5/15 at 1
	Revenue Bonds, Series 2007A, 4.500%, 5/15/37 - MBIA Insured	

-----  
20,527 Total Health Care  
-----

HOUSING/SINGLE FAMILY - 0.5% (0.3% OF TOTAL INVESTMENTS)

160	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
175	California Housing Finance Agency, Single Family Mortgage Bonds II, Series 1997A-1, 6.000%, 8/01/20 - MBIA Insured (Alternative Minimum Tax)	8/09 at 1
15	California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1996C, 7.500%, 8/01/27 (Alternative Minimum Tax)	No Opt.

-----  
350 Total Housing/Single Family  
-----

INDUSTRIALS - 0.6% (0.4% OF TOTAL INVESTMENTS)

500	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	1/16 at 1
-----	--	-----------

-----  
TAX OBLIGATION/GENERAL - 22.2% (13.8% OF TOTAL INVESTMENTS)

1,500	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 - MBIA Insured	2/13 at 1
4,000	California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax)	6/09 at 1
6,000	Hartnell Community College District, California, General Obligation Bonds, Series 2006B, 5.000%, 6/01/29 - FSA Insured (UB)	6/16 at 1
3,000	Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 - MBIA Insured	8/11 at 1
15	Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 - MBIA Insured	8/14 at 1
135	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
1,355	San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 - MBIA Insured	9/15 at 1

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

16,005 Total Tax Obligation/General

42

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
TAX OBLIGATION/LIMITED - 48.2% (30.1% OF TOTAL INVESTMENTS)		
\$ 1,000	Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 - RAAI Insured	10/13 at 1
	California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:	
1,695	5.000%, 12/01/22 - AMBAC Insured	12/13 at 1
1,865	5.000%, 12/01/24 - AMBAC Insured	12/13 at 1
5,920	California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home - Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 - AMBAC Insured	11/09 at 1
905	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15	7/14 at 1
165	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
500	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
4,350	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - AMBAC Insured	6/15 at 1
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
80	5.000%, 9/01/26	9/16 at 1
185	5.125%, 9/01/36	9/16 at 1
3,500	Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 - MBIA Insured	8/11 at 1
310	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
2,000	Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%, 1/01/31 - FGIC Insured	1/17 at 1
3,230	Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2005, 5.000%, 8/01/35 - MBIA Insured	8/15 at 1
1,000	Poway, California, Community Facilities District 88-1, Special Tax Refunding Bonds, Parkway Business Centre, Series 1998, 6.500%, 8/15/09	5/09 at 1
155	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
190	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1

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

1,500	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - MBIA Insured	No Opt.
3,000	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20	No Opt.
	San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998:	
1,500	5.800%, 9/01/18	3/09 at 1
1,000	5.800%, 9/01/27	3/09 at 1
325	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 - AMBAC Insured	12/17 at 1
2,050	Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 - AMBAC Insured	12/11 at 1
-----		
36,425	Total Tax Obligation/Limited	
-----		

43

NCU | Nuveen California Premium Income Municipal Fund (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
-----		
TRANSPORTATION - 3.3% (2.1% OF TOTAL INVESTMENTS)		
\$ 780	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (UB)	4/16 at 1
220	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2008, Trust 3211, 12.855%, 4/01/39 (IF)	4/18 at 1
2,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35	1/10 at 1
-----		
3,000	Total Transportation	
-----		
U.S. GUARANTEED - 16.9% (10.5% OF TOTAL INVESTMENTS) (4)		
2,250	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 1
3,000	California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 - FSA Insured (ETM)	No Opt.
3,495	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/21 (Pre-refunded 8/01/13) - FGIC Insured	8/13 at 1
2,000	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/21 (Pre-refunded 7/01/10) - MBIA Insured	7/10 at 1
-----		
10,745	Total U.S. Guaranteed	
-----		
UTILITIES - 8.3% (5.2% OF TOTAL INVESTMENTS)		

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

890	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37	No Opt.
275	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured	7/13 at 1
295	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
4,580	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 - FSA Insured	8/12 at 1
-----		
6,040	Total Utilities	
-----		
WATER AND SEWER - 11.0% (6.8% OF TOTAL INVESTMENTS)		
1,125	Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 - AMBAC Insured	6/14 at 1
5,000	Culver City, California, Wastewater Facilities Revenue Refunding Bonds, Series 1999A, 5.700%, 9/01/29 - FGIC Insured	9/09 at 1
205	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
1,795	Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33	7/13 at 1
-----		
8,125	Total Water and Sewer	
-----		
\$ 113,329	Total Long-Term Investments (cost \$111,432,207) - 149.0%	
=====		

44

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)
SHORT-TERM INVESTMENTS - 11.2% (7.0% OF TOTAL INVESTMENTS)	
\$ 8,000	California, General Obligation Bonds, Variable Rate Demand Obligations, Series 2005B-4, 0.350%, 5/01/40 (5)
=====	
	Total Short-Term Investments (cost \$8,000,000)
-----	
	Total Investments (cost \$119,432,207) - 160.2%
-----	
	Floating Rate Obligations - (7.8)%
-----	
	Other Assets Less Liabilities - 5.0%
-----	
	Auction Rate Preferred Shares, at Liquidation Value - (57.4)% (6)
-----	
	Net Assets Applicable to Common Shares - 100%
=====	

(1) All percentages shown in the Portfolio of Investments are based on net

assets applicable to Common shares unless otherwise noted.

(2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

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

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

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

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

(6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 35.8%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

NAC | Nuveen California Dividend Advantage Municipal Fund  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
	CONSUMER STAPLES - 5.3% (3.5% OF TOTAL INVESTMENTS)	
\$ 1,145	California County Tobacco Securitization Agency, Tobacco Settlement	6/15 at 1

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

	Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	
7,500	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.750%, 6/01/47	6/17 at 1
24,265	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
<hr/>		
32,910	Total Consumer Staples	
<hr/>		

EDUCATION AND CIVIC ORGANIZATIONS - 7.5% (5.0% OF TOTAL INVESTMENTS)

290	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 1
10,000	California Educational Facilities Authority, Revenue Bonds, University of Southern California, Series 2007A, 4.500%, 10/01/33 (UB)	10/17 at 1
	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:	
200	5.000%, 11/01/21	11/15 at 1
265	5.000%, 11/01/25	11/15 at 1
4,685	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Trust 1065, 8.969%, 3/01/33 (IF)	3/18 at 1
615	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 1
3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.500%, 11/01/17 - AMBAC Insured	11/11 at 1
3,500	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.125%, 5/15/17 - AMBAC Insured (UB)	5/13 at 1
<hr/>		
22,555	Total Education and Civic Organizations	
<hr/>		

HEALTH CARE - 20.2% (13.5% OF TOTAL INVESTMENTS)

2,160	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/15	3/13 at 1
660	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 1
10,000	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 - MBIA Insured	11/16 at 1
5,655	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2008, Trust 3146, 12.371%, 11/15/46 (IF)	11/16 at 1
1,120	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35	3/15 at 1
1,586	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1



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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
HEALTH CARE (continued)		
	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A:	
\$ 1,000	4.800%, 7/15/17	No Opt.
3,325	5.125%, 7/15/31	7/17 at 1
19,420	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 1
3,095	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 1
2,225	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Trust 11672, 18.623%, 3/01/41 - BHAC Insured (IF)	3/16 at 1
2,250	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 1
10,500	Duarte, California, Certificates of Participation, City of Hope National Medical Center, Series 1999A, 5.250%, 4/01/31	4/09 at 1
2,860	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38	12/18 at 1
2,570	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/38	7/17 at 1
68,426	Total Health Care	
HOUSING/MULTIFAMILY - 2.2% (1.5% OF TOTAL INVESTMENTS)		
5,000	Contra Costa County, California, Multifamily Housing Revenue Bonds, Delta View Apartments Project, Series 1999C, 6.750%, 12/01/30 (Alternative Minimum Tax)	6/09 at 1
320	Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41	5/16 at 1
1,725	Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38	9/13 at 1
1,120	Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38	9/13 at 1
8,165	Total Housing/Multifamily	
HOUSING/SINGLE FAMILY - 0.6% (0.4% OF TOTAL INVESTMENTS)		
1,670	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008, Trust 3137, 14.987%, 8/01/37 (Alternative Minimum Tax) (IF)	2/17 at 1
660	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
2,330	Total Housing/Single Family	
INDUSTRIALS - 1.7% (1.1% OF TOTAL INVESTMENTS)		
2,000	California Pollution Control Financing Authority, Solid Waste	1/16 at 1

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

	Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	
5,120	California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax)	No Opt.
-----		
7,120	Total Industrials	
-----		

47

NAC | Nuveen California Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
-----		
	LONG-TERM CARE - 2.1% (1.4% OF TOTAL INVESTMENTS)	
\$ 8,500	Riverside County Public Financing Authority, California, Certificates of Participation, Air Force Village West, Series 1999, 5.800%, 5/15/29	5/09 at 1
-----		
	TAX OBLIGATION/GENERAL - 9.7% (6.4% OF TOTAL INVESTMENTS)	
4,435	California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured	No Opt.
3,425	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 - FSA Insured	8/18 at 1
5,150	Hacienda La Puente Unified School District Facilities Financing Authority, California, General Obligation Revenue Bonds, Series 2007, 5.000%, 8/01/26 - FSA Insured	No Opt.
5,210	Oak Valley Hospital District, Stanislaus County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/35 - FGIC Insured	7/14 at 1
575	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
5,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2003E, 5.250%, 7/01/20 - FSA Insured	7/13 at 1
3,605	West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/21 - FSA Insured	8/11 at 1
-----		
27,400	Total Tax Obligation/General	
-----		
	TAX OBLIGATION/LIMITED - 38.4% (25.6% OF TOTAL INVESTMENTS)	
	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D:	
1,000	5.500%, 9/01/24	9/14 at 1
615	5.800%, 9/01/35	9/14 at 1

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

1,990	Borrego Water District, California, Community Facilities District 2007-1 Montesorro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25	8/17 at 1
1,990	Brentwood Infrastructure Financing Authority, California, Infrastructure Revenue Refunding Bonds, Series 2002A, 5.125%, 9/02/24 - FSA Insured	9/12 at 1
	Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001:	
1,110	5.375%, 11/01/18 - FSA Insured	11/11 at 1
1,165	5.375%, 11/01/19 - FSA Insured	11/11 at 1
2,000	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33	9/13 at 1
710	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
1,225	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
3,490	Fontana, California, Senior Special Tax Refunding Bonds, Heritage Village Community Facilities District 2, Series 1998A, 5.250%, 9/01/17 - MBIA Insured	3/09 at 1
1,125	Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34	9/14 at 1
3,980	Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.500%, 3/01/22 - AMBAC Insured	3/12 at 1
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:	
37,695	5.000%, 6/01/35 - FGIC Insured	6/15 at 1
4,395	5.000%, 6/01/38 - FGIC Insured	6/15 at 1

48

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	TAX OBLIGATION/LIMITED (continued)	
\$ 2,850	Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
4,500	Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured	No Opt.
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
345	5.000%, 9/01/26	9/16 at 1
795	5.125%, 9/01/36	9/16 at 1
675	Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35	9/16 at 1
2,000	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 1
1,000	Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 - RAAI Insured	8/17 at 1
1,290	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005,	9/15 at 1

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

	5.000%, 9/01/37 - AMBAC Insured	
1,750	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured	7/09 at 1
1,530	Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/24 - FSA Insured	3/14 at 1
3,500	Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/37 - MBIA Insured	8/17 at 1
9,200	Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Series 2001, 5.000%, 3/01/19 - MBIA Insured	3/11 at 1
	North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D:	
545	5.000%, 9/01/26	9/14 at 1
250	5.000%, 9/01/33	9/14 at 1
3,290	Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 - FGIC Insured	3/13 at 1
5,600	Palm Springs Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001A, 5.000%, 11/01/22 - MBIA Insured	11/11 at 1
1,000	Palmdale Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project Areas, Series 2004, 5.000%, 12/01/24 - AMBAC Insured	12/14 at 1
1,570	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds,aguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 - MBIA Insured	12/10 at 1
620	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
1,860	Riverside Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Project Areas, Series 2003, 5.250%, 8/01/22 - MBIA Insured	8/13 at 1
770	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
2,500	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 - AMBAC Insured	No Opt.
1,150	Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33	9/14 at 1

NAC | Nuveen California Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	TAX OBLIGATION/LIMITED (continued)	
\$ 2,695	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.250%, 6/01/19 - AMBAC Insured	6/12 at 1
3,000	Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 - AMBAC Insured	8/17 at 1

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

1,000	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 - AMBAC Insured	8/17 at 1
2,810	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38	9/13 at 1
2,000	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39	9/13 at 1
1,350	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39	9/13 at 1
-----		
123,935	Total Tax Obligation/Limited	
-----		

TRANSPORTATION - 20.8% (13.9% OF TOTAL INVESTMENTS)

1,430	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (UB)	4/16 at 1
830	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series2008, Trust 3211, 12.855%, 4/01/39 (IF)	4/18 at 1
8,150	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.750%, 1/15/40	1/10 at 1
8,515	Los Angeles Harbors Department, California, Revenue Refunding Bonds, Series 2001B, 5.500%, 8/01/18 - AMBAC Insured (Alternative Minimum Tax)	8/11 at 1
120	Palm Springs Financing Authority, California, Palm Springs International Airport Revenue Bonds, Series 2006, 5.450%, 7/01/20 (Alternative Minimum Tax)	7/14 at 1
23,000	Port of Oakland, California, Revenue Bonds, Series 2000K, 5.750%, 11/01/29 - FGIC Insured(Alternative Minimum Tax)	5/10 at 1
23,275	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 24A, 5.750%, 5/01/30 - FSA Insured (Alternative Minimum Tax)	5/10 at 1
-----		
65,320	Total Transportation	
-----		

U.S. GUARANTEED - 30.7% (20.5% OF TOTAL INVESTMENTS) (4)

9,750	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 1
115	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2001W, 5.250%, 12/01/22 (Pre-refunded 12/01/11) - FSA Insured	12/11 at 1
1,500	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 1999A, 6.125%, 12/01/30 (Pre-refunded 12/01/09)	12/09 at 1
8,400	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 1998B, 5.250%, 10/01/14 (ETM)	4/09 at 1
715	California Statewide Community Development Authority, Revenue Bonds, Thomas Jefferson School of Law, Series 2005A, 4.875%, 10/01/31 (Pre-refunded 10/01/15)	10/15 at 1
4,850	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)	6/13 at 1
1,940	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 (Pre-refunded 9/01/13)	9/13 at 1

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
U.S. GUARANTEED (4) (continued)		
\$ 1,335	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)	9/13 at 1
10,845	Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 (Pre-refunded 7/01/12) - MBIA Insured	7/12 at 1
2,500	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A: 5.250%, 6/01/31 (Pre-refunded 6/01/11)	6/11 at 1
4,500	5.375%, 6/01/41 (Pre-refunded 6/01/11)	6/11 at 1
5,840	Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 (ETM)	8/09 at 1
6,530	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 (Pre-refunded 12/15/10) - MBIA Insured	12/10 at 1
4,000	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2000, 5.750%, 7/01/16 (Pre-refunded 7/01/10) - MBIA Insured	7/10 at 1
2,860	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.250%, 6/01/27 (Pre-refunded 6/01/12)	6/12 at 1
700	University of California, Certificates of Participation, San Diego and Sacramento Campus Projects, Series 2002A, 5.250%, 1/01/22 (Pre-refunded 1/01/10)	1/10 at 1
11,305	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2002O, 5.000%, 9/01/21 (Pre-refunded 9/01/10) - FGIC Insured	9/10 at 1
2,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 1
-----		
80,185	Total U.S. Guaranteed	
-----		
UTILITIES - 4.4% (3.0% OF TOTAL INVESTMENTS)		
3,630	Imperial Irrigation District, California, Certificates of Participation, Electric System Revenue Bonds, Series 2003, 5.250%, 11/01/23 - FSA Insured	11/13 at 1
3,775	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt.
5,500	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 - FSA Insured (UB)	7/15 at 1
1,270	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
-----		
14,175	Total Utilities	
-----		
WATER AND SEWER - 6.3% (4.2% OF TOTAL INVESTMENTS)		

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

875	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
2,500	Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 - AMBAC Insured	4/16 at 1
835	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1
8,250	Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32	12/11 at 1

51

NAC | Nuveen California Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
	WATER AND SEWER (continued)	
\$ 2,250	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 - FGIC Insured	6/16 at 1
5,115	San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2002A, 5.000%, 11/01/18 - MBIA Insured	11/12 at 1
-----		
19,825	Total Water and Sewer	
-----		
\$ 480,846	Total Investments (cost \$461,033,038) - 149.9%	
=====		
	Floating Rate Obligations - (4.5)%	
	-----	
	Other Assets Less Liabilities - 2.3%	
	-----	
	Auction Rate Preferred Shares, at Liquidation Value - (47.7)% (5)	
	-----	
	Net Assets Applicable to Common Shares - 100%	
	=====	

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

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

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.8%. N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

52

NVX | Nuveen California Dividend Advantage Municipal Fund 2  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
CONSUMER STAPLES - 6.1% (3.9% OF TOTAL INVESTMENTS)		
\$ 710	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	6/15 at 1
4,625	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	6/12 at 1
4,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.750%, 6/01/47	6/17 at 1
13,480	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
-----		
22,815	Total Consumer Staples	
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 8.6% (5.5% OF TOTAL INVESTMENTS)		
2,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 1
180	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 1
	California Educational Facilities Authority, Revenue Bonds,	



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

	University of the Pacific, Series 2006:		
125	5.000%, 11/01/21		11/15 at 1
165	5.000%, 11/01/25		11/15 at 1
6,375	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)		3/09 at 1
2,945	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Trust 1065, 8.969%, 3/01/33 (IF)		3/18 at 1
620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23		10/13 at 1
3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured		11/11 at 1
2,680	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured (UB)		5/13 at 1
-----			
18,090	Total Education and Civic Organizations		
-----			

HEALTH CARE - 15.4% (9.8% OF TOTAL INVESTMENTS)

2,000	California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22		4/12 at 1
415	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37		4/16 at 1
3,515	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2008, Trust 3146, 12.371%, 11/15/46 (IF)		11/16 at 1
500	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31		8/11 at 1
2,520	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35		3/15 at 1

53

NVX | Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
-----		
	HEALTH CARE (continued)	
	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554:	
\$ 1,325	18.184%, 7/01/47 - FSA Insured (IF)	7/18 at 1
998	18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A:	
1,000	4.800%, 7/15/17	No Opt.
2,225	5.125%, 7/15/31	7/17 at 1
2,185	California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11	No Opt.

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

2,500	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured	6/13 at 1
1,755	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 1
425	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 1
6,020	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43	11/15 at 1
2,000	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38	12/18 at 1
5,785	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2007A, 5.000%, 7/01/38	7/17 at 1

---

35,168 Total Health Care

---

HOUSING/MULTIFAMILY - 5.3% (3.3% OF TOTAL INVESTMENTS)

5,962	California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16) (Alternative Minimum Tax)	6/11 at 1
205	Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41	5/16 at 1
1,055	Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38	9/13 at 1
700	Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38	9/13 at 1
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 at 1

---

10,967 Total Housing/Multifamily

---

HOUSING/SINGLE FAMILY - 1.4% (0.9% OF TOTAL INVESTMENTS)

410	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
3,290	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2007M, Trust 1021, 7.230%, 8/01/31 (Alternative Minimum Tax) (IF)	2/16 at 1
440	California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax)	6/11 at 1

---

4,140 Total Housing/Single Family

---

INDUSTRIALS - 1.6% (1.0% OF TOTAL INVESTMENTS)

1,250	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	1/16 at 1
-------	--	-----------

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
INDUSTRIALS (continued)		
\$ 3,175	California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax)	No Opt.
4,425	Total Industrials	
LONG-TERM CARE - 2.2% (1.4% OF TOTAL INVESTMENTS)		
1,550	California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22	1/13 at 1
3,750	California Statewide Communities Development Authority, Revenue Bonds, Inland Regional Center Project, Series 2007, 5.375%, 12/01/37	12/17 at 1
5,300	Total Long-Term Care	
TAX OBLIGATION/GENERAL - 10.5% (6.7% OF TOTAL INVESTMENTS)		
10,000	California State, General Obligation Bonds, Series 2006CD, 4.600%, 12/01/32 (Alternative Minimum Tax)	12/15 at 1
3,615	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 - FGIC Insured	8/12 at 1
3,005	Contra Costa County Community College District, California, General Obligation Bonds, Series 2002: 5.000%, 8/01/21 - FGIC Insured	8/12 at 1
3,300	Contra Costa County Community College District, California, General Obligation Bonds, Series 2002: 5.000%, 8/01/22 - FGIC Insured	8/12 at 1
2,000	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.500%, 7/01/20 - MBIA Insured	No Opt.
355	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
22,275	Total Tax Obligation/General	
TAX OBLIGATION/LIMITED - 24.2% (15.3% OF TOTAL INVESTMENTS)		
650	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: 5.500%, 9/01/24	9/14 at 1
385	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D: 5.800%, 9/01/35	9/14 at 1
1,240	Borrego Water District, California, Community Facilities District 2007-1 Montesorro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25	8/17 at 1
4,900	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16	12/13 at 1
2,105	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15	7/14 at 1

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

1,200	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003, 6.000%, 9/01/33	9/13 at 1
435	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
4,845	Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 - MBIA Insured	4/09 at 1
750	Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34	9/14 at 1
1,785	Hawthorne Community Redevelopment Agency, California, Project Area 2 Tax Allocation Bonds, Series 2006, 5.250%, 9/01/36 - SYNCORA GTY Insured	9/16 at 1
1,800	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007, 5.000%, 2/01/41 - AMBAC Insured	2/17 at 1
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
215	5.000%, 9/01/26	9/16 at 1
495	5.125%, 9/01/36	9/16 at 1

55

NVX | Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 2,000	Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20	10/13 at 1
415	Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35	9/16 at 1
1,265	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 1
800	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
2,795	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured	7/09 at 1
495	North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D, 5.000%, 9/01/33	9/14 at 1
2,000	Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33	8/11 at 1
385	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
475	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
700	Sacramento, California, Special Tax Bonds, North Natomas Community	9/14 at 1

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

	Facilities District 4, Series 2003C, 6.000%, 9/01/33		
	San Buenaventura Redevelopment Agency, California, Merged Project Areas Tax Allocation Bonds, Series 2008:		
1,000	7.750%, 8/01/28		8/16 at 1
1,325	8.000%, 8/01/38		8/16 at 1
1,530	San Marcos Public Facilities Authority, California, Tax Allocation Bonds, Project Areas 2 and 3, Series 2005C, 5.000%, 8/01/35 - AMBAC Insured		8/15 at 1
825	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 - AMBAC Insured		12/17 at 1
1,330	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 - AMBAC Insured		8/17 at 1
1,930	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 6.750%, 9/01/30		9/13 at 1
500	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39		9/13 at 1
850	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39		9/13 at 1
10,000	Western Placer Unified School District, Placer County, California, Certificates of Participation, Series 2008, 5.000%, 8/01/47 - AGC Insured		8/18 at 1
-----			
51,425	Total Tax Obligation/Limited		
-----			

TRANSPORTATION - 11.9% (7.6% OF TOTAL INVESTMENTS)

1,930	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (UB)	4/16 at 1
1,430	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2008, Trust 3211, 12.855%, 4/01/39 (IF)	4/18 at 1
7,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27	1/14 at 1
5,585	Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 - MBIA Insured (Alternative Minimum Tax)	11/12 at 1

56

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

TRANSPORTATION (continued)

	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A:		
\$ 2,430	5.250%, 5/01/18 - FGIC Insured (Alternative Minimum Tax)		5/13 at 1
2,555	5.250%, 5/01/19 - FGIC Insured (Alternative Minimum Tax)		5/13 at 1
1,000	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 - FGIC Insured		5/13 at 1
2,000	San Francisco Airports Commission, California, Revenue Refunding		5/12 at 1

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

Bonds, San Francisco International Airport, Second Series 2002, Issue 28A, 5.250%, 5/01/17 - MBIA Insured (Alternative Minimum Tax)

-----  
 23,930 Total Transportation  
 -----

U.S. GUARANTEED - 48.8% (31.0% OF TOTAL INVESTMENTS) (4)

9,000	Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 (Pre-refunded 8/01/11) - MBIA Insured	8/11 at 1
6,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 1
450	California Statewide Community Development Authority, Revenue Bonds, Thomas Jefferson School of Law, Series 2005A, 4.875%, 10/01/31 (Pre-refunded 10/01/15)	10/15 at 1
4,000	Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32 (Pre-refunded 12/15/13)	12/13 at 1
4,900	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 (Pre-refunded 6/01/11) - MBIA Insured	6/11 at 1
2,985	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)	6/13 at 1
1,170	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 (Pre-refunded 9/01/13)	9/13 at 1
885	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)	9/13 at 1
7,530	Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 (Pre-refunded 7/01/10) - FGIC Insured	7/10 at 1
9,510	Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 (Pre-refunded 7/01/12) - MBIA Insured	7/12 at 1
3,000	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 (Pre-refunded 6/01/11)	6/11 at 1
2,000	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 (ETM)	No Opt.
6,000	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 (Pre-refunded 10/01/11) - AMBAC Insured	10/11 at 1
12,090	Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/25 (Pre-refunded 6/01/11) - MBIA Insured	6/11 at 1
4,050	Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 (Pre-refunded 5/01/11) - FGIC Insured	5/11 at 1
6,200	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded 8/01/11) - AMBAC Insured	8/11 at 1
2,800	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12)	6/12 at 1
1,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22	6/12 at 1

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

(Pre-refunded 6/01/12)

84,070 Total U.S. Guaranteed

57

NVX | Nuveen California Dividend Advantage Municipal Fund 2 (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
UTILITIES - 7.6% (4.8% OF TOTAL INVESTMENTS)		
\$ 5,000	Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured	10/14 at 1
2,355	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt.
1,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/23 - MBIA Insured	7/13 at 1
500	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 - FSA Insured (UB)	7/15 at 1
	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005:	
790	5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
1,500	5.250%, 9/01/36 - SYNCORA GTY Insured	9/15 at 1
2,000	Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A, 5.250%, 7/01/20 - MBIA Insured	7/13 at 1
4,000	Southern California Public Power Authority, Natural Gas Project 1 Revenue Bonds, Series 2007A, 5.000%, 11/01/33	No Opt.
17,145	Total Utilities	
WATER AND SEWER - 10.3% (6.5% OF TOTAL INVESTMENTS)		
1,400	Castaic Lake Water Agency, California, Certificates of Participation, Series 2006C, 5.000%, 8/01/36 - MBIA Insured	8/16 at 1
545	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
750	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 - FGIC Insured	6/16 at 1
1,700	San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 - MBIA Insured	3/14 at 1
4,785	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 - MBIA Insured	8/12 at 1
10,000	San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 - MBIA Insured	4/13 at 1
19,180	Total Water and Sewer	

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

\$ 318,930 Total Long-Term Investments (cost \$311,157,161) - 153.9%

58

PRINCIPAL  
AMOUNT (000) DESCRIPTION (1)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)
	SHORT-TERM INVESTMENTS - 3.7% (2.3% OF TOTAL INVESTMENTS)
\$ 7,000	California, General Obligation Bonds, Variable Rate Demand Obligations, Series 2003C-1, 0.400%, 5/01/33 (5)
	Total Short-Term Investments (cost \$7,000,000)
	Total Investments (cost \$318,157,161) - 157.6%
	Floating Rate Obligations - (1.7)%
	Other Assets Less Liabilities - 1.7%
	Auction Rate Preferred Shares, at Liquidation Value - (57.6)% (6)
	Net Assets Applicable to Common Shares - 100%

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate



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

disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

(6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 36.6%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

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

See accompanying notes to financial statements.

59

NZH | Nuveen California Dividend Advantage Municipal Fund 3  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
CONSUMER STAPLES - 6.2% (3.9% OF TOTAL INVESTMENTS)		
\$ 1,150	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	6/15 at 1
7,500	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.750%, 6/01/47	6/17 at 1
29,660	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
38,310	Total Consumer Staples	
EDUCATION AND CIVIC ORGANIZATIONS - 5.3% (3.4% OF TOTAL INVESTMENTS)		
290	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 1
200	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: 5.000%, 11/01/21	11/15 at 1
270	5.000%, 11/01/25	11/15 at 1
3,825	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 - MBIA Insured (Alternative Minimum Tax)	3/09 at 1
6,000	California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 - MBIA Insured	11/15 at 1
620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 1

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

4,000	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/23 - AMBAC Insured (UB)	5/13 at 1
-----		
15,205	Total Education and Civic Organizations	
-----		
HEALTH CARE - 28.2% (17.8% OF TOTAL INVESTMENTS)		
California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001:		
4,000	6.000%, 4/01/22	4/12 at 1
2,000	6.125%, 4/01/32	4/12 at 1
670	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 1
2,000	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 - MBIA Insured	11/16 at 1
12,665	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.766%, 11/15/46 (IF)	11/16 at 1
9,000	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 1
2,520	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2005A, 5.000%, 3/01/35	3/15 at 1
1,594	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1

60

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
HEALTH CARE (continued)		
California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A:		
\$ 1,000	4.800%, 7/15/17	No Opt.
3,435	5.125%, 7/15/31	7/17 at 1
6,525	California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/12	No Opt.
6,450	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 - FSA Insured	6/13 at 1
4,500	California Statewide Community Development Authority, Insured Health Facility Revenue Bonds, Catholic Healthcare West, Series 2008K, 5.500%, 7/01/41 - AGC Insured	7/17 at 1
7,665	California Statewide Community Development Authority, Insured Mortgage Hospital Revenue Bonds, Mission Community Hospital, Series 2001, 5.375%, 11/01/21	11/09 at 1
12,425	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 1
645	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 1
2,950	Loma Linda, California, Hospital Revenue Bonds, Loma Linda	12/18 at 1

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

	University Medical Center, Series 2008A, 8.250%, 12/01/38	
	Rancho Mirage Joint Powers Financing Authority, California, Revenue	
	Bonds, Eisenhower Medical Center, Series 2007A:	
5,790	5.000%, 7/01/38	7/17 at 1
2,500	5.000%, 7/01/47	7/17 at 1

---

88,334 Total Health Care

---

HOUSING/MULTIFAMILY - 3.6% (2.3% OF TOTAL INVESTMENTS)

325	Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41	5/16 at 1
1,735	Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38	9/13 at 1
1,125	Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38	9/13 at 1
3,610	San Bernardino County Housing Authority, California, GNMA Collateralized Multifamily Mortgage Revenue Bonds, Pacific Palms Mobile Home Park, Series 2001A, 6.700%, 12/20/41	11/11 at 1
	San Jose, California, Multifamily Housing Revenue Bonds, GNMA Mortgage-Backed Securities Program, Lenzen Housing, Series 2001B:	
1,250	5.350%, 2/20/26 (Alternative Minimum Tax)	8/11 at 1
2,880	5.450%, 2/20/43 (Alternative Minimum Tax)	8/11 at 1

---

10,925 Total Housing/Multifamily

---

HOUSING/SINGLE FAMILY - 3.8% (2.4% OF TOTAL INVESTMENTS)

2,655	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008, Trust3137, 14.987%, 8/01/37 (Alternative Minimum Tax) (IF)	2/17 at 1
675	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
14,505	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2007M, Trust 1021, 7.230%, 8/01/31 (Alternative Minimum Tax) (IF)	2/16 at 1

---

17,835 Total Housing/Single Family

---

61

NZH | Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
| Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL		OPTIONAL
AMOUNT (000)	DESCRIPTION (1)	PROVISION

---

INDUSTRIALS - 1.8% (1.1% OF TOTAL INVESTMENTS)

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

\$	2,000	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	1/16 at 1
	5,205	California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax)	No Opt.

---

7,205 Total Industrials

---

LONG-TERM CARE - 1.8% (1.1% OF TOTAL INVESTMENTS)

	2,450	California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.125%, 1/01/22	1/13 at 1
	1,500	California Health Facilities Financing Authority, Insured Senior Living Revenue Bonds, Aldersly Project, Series 2002A: 5.125%, 3/01/22	3/12 at 1
	1,315	5.250%, 3/01/32	3/12 at 1

---

5,265 Total Long-Term Care

---

TAX OBLIGATION/GENERAL - 19.5% (12.3% OF TOTAL INVESTMENTS)

	9,335	California, General Obligation Bonds, Series 2002, 6.000%, 2/01/16 - FSA Insured	No Opt.
	10	California, General Obligation Veterans Welfare Bonds, Series 1997BJ, 5.500%, 12/01/18 (Alternative Minimum Tax)	6/09 at 1
	14,300	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - MBIA Insured (Alternative Minimum Tax)	6/09 at 1
	3,000	Contra Costa County Community College District, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/23 - FGIC Insured	8/12 at 1
	2,500	Fullerton Joint Union High School District, Orange County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured	8/12 at 1
	2,260	Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/22 - FGIC Insured	8/11 at 1
	870	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured	7/11 at 1
	575	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
	10,810	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/26 - FSA Insured	7/11 at 1
	4,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2002D, 5.250%, 7/01/21 - FGIC Insured	7/12 at 1
	2,715	San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 - MBIA Insured	9/15 at 1
	1,630	West Contra Costa Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/22 - FGIC Insured	8/11 at 1

---

52,005 Total Tax Obligation/General

---

TAX OBLIGATION/LIMITED - 41.3% (26.1% OF TOTAL INVESTMENTS)

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

2,040	Borrego Water District, California, Community Facilities District 2007-1 Montesorro, Special Tax Bonds, Series 2007, 5.750%, 8/01/25	8/17 at 1
7,135	Brentwood Infrastructure Financing Authority, Contra Costa County, California, Capital Improvement Revenue Bonds, Series 2001, 5.000%, 11/01/25 - FSA Insured	11/11 at 1
8,210	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16	12/13 at 1

62

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 4,000	California State Public Works Board, Lease Revenue Bonds, Department of General Services, Series 2002B, 5.000%, 3/01/27 - AMBAC Insured	3/12 at 1
4,510	California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Hospital Addition, Series 2001A, 5.000%, 12/01/26 - AMBAC Insured	12/11 at 1
	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 - Talega, Series 2003:	
1,750	5.875%, 9/01/23	9/13 at 1
550	6.000%, 9/01/33	9/13 at 1
715	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
2,160	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
1,125	Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34	9/14 at 1
1,000	Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Series 2002, 6.100%, 9/01/22	9/12 at 1
5,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - AMBAC Insured	6/15 at 1
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
350	5.000%, 9/01/26	9/16 at 1
805	5.125%, 9/01/36	9/16 at 1
3,000	Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20	10/13 at 1
685	Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35	9/16 at 1
5,250	Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District of Mountain House, Series 2002, 6.300%, 9/01/24	9/12 at 1
2,000	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 1
1,000	Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 - RAAI Insured	8/17 at 1

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

5,425	Lodi, California, Certificates of Participation, Public Improvement Financing Project, Series 2002, 5.000%, 10/01/26 - MBIA Insured	10/12 at 1
1,310	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
1,675	Moreno Valley Unified School District, Riverside County, California, Certificates of Participation, Series 2005, 5.000%, 3/01/26 - FSA Insured	3/14 at 1
	North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D:	
545	5.000%, 9/01/26	9/14 at 1
250	5.000%, 9/01/33	9/14 at 1
3,000	Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/19 - FGIC Insured	3/13 at 1
4,520	Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.000%, 8/01/24 - AMBAC Insured	8/11 at 1
2,000	Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33	8/11 at 1

63

NZH | Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 11,165	Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.100%, 4/01/30 - MBIA Insured	4/12 at 1
3,250	Pomona Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 - MBIA Insured	2/11 at 1
6,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/39 - FGIC Insured	No Opt.
625	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
780	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
1,145	Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33	9/14 at 1
14,505	San Diego Redevelopment Agency, California, Tax Allocation Bonds, Centre City Project, Series 2001, 5.000%, 9/01/26 - FSA Insured (UB)	9/11 at 1
2,300	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 - AMBAC Insured	7/11 at 1
1,345	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 - AMBAC Insured	12/17 at 1
8,710	South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, Ladera Ranch, Series 2005A, 5.000%, 8/15/32 - AMBAC Insured	8/15 at 1

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

2,810	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 7.000%, 9/01/38	9/13 at 1
2,000	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39	9/13 at 1
1,375	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2001-1, Series 2004A, 6.125%, 9/01/39	9/13 at 1
2,500	Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/26 - MBIA Insured	10/11 at 1

---

128,520	Total Tax Obligation/Limited	
---------	------------------------------	--

---

TRANSPORTATION - 7.7% (4.9% OF TOTAL INVESTMENTS)

1,690	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006F, 5.000%, 4/01/31 (UB)	4/16 at 1
11,750	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 5.875%, 1/15/28	1/14 at 1
	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B:	
4,110	5.125%, 5/01/17 - FGIC Insured	5/13 at 1
5,140	5.125%, 5/01/19 - FGIC Insured	5/13 at 1

---

22,690	Total Transportation	
--------	----------------------	--

---

U.S. GUARANTEED - 27.1% (17.1% OF TOTAL INVESTMENTS) (4)

4,000	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2002A, 6.750%, 9/01/25 (Pre-refunded 9/01/12)	9/12 at 1
11,240	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Merced County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33 (Pre-refunded 6/01/12) (5)	6/12 at 1
	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A:	
3,500	5.375%, 5/01/17 (Pre-refunded 5/01/12) - SYNCORA GTY Insured	5/12 at 1
9,000	5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 1

64

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
<hr/>		
	U.S. GUARANTEED (4) (continued)	
\$ 720	California Statewide Community Development Authority, Revenue Bonds, Thomas Jefferson School of Law, Series 2005A, 4.875%, 10/01/31 (Pre-refunded 10/01/15)	10/15 at 1
1,770	Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/20 (Pre-refunded 2/01/10)	2/10 at 1
2,000	Daly City Housing Development Finance Agency, California, Mobile	12/13 at 1

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

	Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.800%, 12/15/25 (Pre-refunded 12/15/13)	
5,690	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)	6/13 at 1
1,940	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25 (Pre-refunded 9/01/13)	9/13 at 1
1,335	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34 (Pre-refunded 9/01/13)	9/13 at 1
1,525	Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 (Pre-refunded 8/01/14) - FGIC Insured	8/14 at 1
5,500	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.375%, 7/01/36 (Pre-refunded 7/01/12)	7/12 at 1
4,725	San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.000%, 7/01/26 (Pre-refunded 7/01/11) - AMBAC Insured	7/11 at 1
7,595	San Francisco State University Foundation Inc., California, Auxiliary Organization Student Housing Revenue Bonds, Series 2001, 5.000%, 9/01/26 (Pre-refunded 9/01/11) - MBIA Insured	9/11 at 1
4,200	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12)	6/12 at 1
2,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 1

---

67,240	Total U.S. Guaranteed	
--------	-----------------------	--

---

UTILITIES - 3.3% (2.1% OF TOTAL INVESTMENTS)

3,815	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt.
1,285	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
5,000	Merced Irrigation District, California, Revenue Certificates of Participation, Electric System Project, Series 2003, 5.700%, 9/01/36	9/13 at 1
2,250	Salinas Valley Solid Waste Authority, California, Revenue Bonds, Series 2002, 5.125%, 8/01/22 - AMBAC Insured (Alternative Minimum Tax)	8/12 at 1

---

12,350	Total Utilities	
--------	-----------------	--

---

WATER AND SEWER - 8.7% (5.5% OF TOTAL INVESTMENTS)

1,070	Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/22 - AMBAC Insured	6/14 at 1
7,000	Carmichael Water District, Sacramento County, California, Water Revenue Certificates of Participation, Series 1999, 5.125%, 9/01/29 - MBIA Insured	9/09 at 1
1,125	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 - FSA Insured	10/16 at 1
890	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
850	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1



NZH | Nuveen California Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
WATER AND SEWER (continued)		
\$ 1,000	Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32	12/11 at 1
1,000	San Buenaventura, California, Wastewater Revenue Certificates of Participation, 5.000%, 3/01/24 - MBIA Insured Series 2004, San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002:	3/14 at 1
2,500	5.000%, 8/01/23 - MBIA Insured	8/12 at 1
6,260	5.000%, 8/01/24 - MBIA Insured	8/12 at 1
3,315	San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/18 - MBIA Insured	4/13 at 1
25,010	Total Water and Sewer	
\$ 490,894	Total Investments (cost \$484,796,116) - 158.3%	
=====		
Floating Rate Obligations - (4.9)%		
-----		
Other Assets Less Liabilities - 2.0%		
-----		
Auction Rate Preferred Shares, at Liquidation Value - (55.4)% (6)		
-----		
Net Assets Applicable to Common Shares - 100%		
=====		

Investments in Derivatives  
 FORWARD SWAPS OUTSTANDING AT FEBRUARY 28, 2009:

COUNTERPARTY	NOTIONAL AMOUNT	FUND PAY/RECEIVE FLOATING RATE	FLOATING RATE INDEX	FIXED RATE (ANNUALIZED)	FIXED RATE PAYMENT FREQUENCY	EFFECT DATE
Citigroup Inc.	\$10,000,000	Receive	3-Month USD-LIBOR	5.323%	Semi-Annually	7/29
Goldman Sachs	3,000,000	Receive	3-Month USD-LIBOR	2.749	Semi-Annually	1/15

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

- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
  
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.  
  
 The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
  
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
  
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
  
- (6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 35.0%.
  
- (7) Effective Date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
  
- N/R Not rated.
  
- (IF) Inverse floating rate investment.
  
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

USD-LIBOR United States Dollar-London Inter-Bank Offered Rate.

See accompanying notes to financial statements.

66

NKL | Nuveen Insured California Dividend Advantage Municipal Fund  
 | Portfolio of INVESTMENTS February 28, 2009

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

---

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

CONSUMER STAPLES - 2.7% (1.8% OF TOTAL INVESTMENTS)

\$	14,155	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
----	--------	--	-----------

-----

EDUCATION AND CIVIC ORGANIZATIONS - 5.2% (3.4% OF TOTAL INVESTMENTS)

1,675	California Educational Facilities Authority, Revenue Bonds, University of San Diego, Series 2002A, 5.250%, 10/01/30	10/12 at 1
9,000	California State University, Systemwide Revenue Bonds, Series 2002A, 5.125%, 11/01/26 - AMBAC Insured	11/12 at 1

-----

10,675	Total Education and Civic Organizations	
--------	---	--

-----

HEALTH CARE - 6.2% (4.0% OF TOTAL INVESTMENTS)

5,000	ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Sansum-Santa Barbara Medical Foundation Clinic, Series 2002A, 5.600%, 4/01/26	4/12 at 1
2,815	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2003C, 5.000%, 8/15/20 - AMBAC Insured	8/13 at 1
1,748	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
5,000	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 1

-----

14,563	Total Health Care	
--------	-------------------	--

-----

HOUSING/MULTIFAMILY - 1.4% (0.9% OF TOTAL INVESTMENTS)

1,000	California Statewide Community Development Authority, Student Housing Revenue Bonds, EAH - Irvine East Campus Apartments, LLC Project, Series 2002A, 5.500%, 8/01/22 - ACA Insured	8/12 at 1
1,905	Los Angeles, California, GNMA Mortgage-Backed Securities Program Multifamily Housing Revenue Bonds, Park Plaza West Senior Apartments, Series 2001B, 5.300%, 1/20/21 (Alternative Minimum Tax)	7/11 at 1

-----

2,905	Total Housing/Multifamily	
-------	---------------------------	--

-----

HOUSING/SINGLE FAMILY - 0.2% (0.1% OF TOTAL INVESTMENTS)

435	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 - FGIC Insured (Alternative Minimum Tax)	2/16 at 1
-----	--	-----------

-----

INDUSTRIALS - 1.3% (0.8% OF TOTAL INVESTMENTS)

3,000	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Republic Services Inc., Series 2002C, 5.250%, 6/01/23 (Mandatory put 12/01/17) (Alternative Minimum Tax)	No Opt.
-------	--	---------

-----

LONG-TERM CARE - 1.4% (0.9% OF TOTAL INVESTMENTS)

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

3,000	ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22	11/12 at 1
-------	---	------------

TAX OBLIGATION/GENERAL - 27.9% (18.0% OF TOTAL INVESTMENTS)

5,920	Cajon Valley Union School District, San Diego County, California, General Obligation Bonds, Series 2002B, 5.125%, 8/01/32 - MBIA Insured	8/10 at 1
900	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/21	8/13 at 1
8,250	California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/22 - MBIA Insured	2/12 at 1

67

NKL | Nuveen Insured California Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

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

TAX OBLIGATION/GENERAL (continued)

\$ 3,375	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 - FSA Insured	8/18 at 1
230	El Monte Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/28 - FSA Insured	6/13 at 1
1,365	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 14.602%, 8/01/28 - FSA Insured (IF)	8/18 at 1
10,000	Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured	8/12 at 1
1,000	Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C, 5.000%, 8/01/25 - FSA Insured (UB)	8/14 at 1
1,500	Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/28 - FSA Insured	8/12 at 1
2,000	Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 4.500%, 9/01/30 - FSA Insured	9/17 at 1
2,500	Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/21 - FGIC Insured	8/12 at 1
375	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
3,250	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C, 5.000%, 7/01/22 - FSA Insured	7/11 at 1
3,500	San Mateo County Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/26 - FGIC Insured	9/12 at 1
10,000	Vista Unified School District, San Diego County, California,	8/12 at 1

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

	General Obligation Bonds, Series 2002A, 5.000%, 8/01/23 - FSA Insured	
3,905	West Kern Community College District, California, General Obligation Bonds, Election 2004, Series 2007C, 5.000%, 10/01/32 - SYNCORA GTY Insured	11/17 at 1
-----		
58,070	Total Tax Obligation/General	
-----		

TAX OBLIGATION/LIMITED - 48.9% (31.7% OF TOTAL INVESTMENTS)

1,450	Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21	8/13 at 1
6,895	Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 - FSA Insured	8/11 at 1
2,200	California Infrastructure Economic Development Bank, Los Angeles County, Revenue Bonds, Department of Public Social Services, Series 2003, 5.000%, 9/01/28 - AMBAC Insured	9/13 at 1
3,100	California State Public Works Board Bonds, Department of Health Services, Richmond Lab, Series 2005B, 5.000%, 11/01/30 - SYNCORA GTY Insured	11/15 at 1
465	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
1,400	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
7,035	Corona-Norco Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 98-1, Series 2003, 5.000%, 9/01/28 - MBIA Insured	9/13 at 1
3,145	Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 - MBIA Insured	5/11 at 1
8,720	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001, 5.000%, 1/01/21 - AMBAC Insured	1/11 at 1
4,000	Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured	9/12 at 1
5,815	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Drivers Trust 2091, 11.707%, 6/01/45 - AGC Insured (IF)	6/15 at 1

68

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

TAX OBLIGATION/LIMITED (continued)

\$ 8,780	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - AMBAC Insured	6/15 at 1
1,300	Hesperia Public Financing Authority, California, Redevelopment and Housing Projects Tax Allocation Bonds, Series 2007A, 5.000%,	9/17 at 1

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

	9/01/37 - SYNCORA GTY Insured	
2,115	Inglewood Redevelopment Agency, California, Tax Allocation Refunding Bonds, Merged Area Redevelopment Project, Series 1998A, 5.250%, 5/01/23 - AMBAC Insured	No Opt.
3,500	La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2001, 5.100%, 9/01/31 - AMBAC Insured	9/11 at 1
3,400	La Quinta Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2002, 5.000%, 9/01/22 - AMBAC Insured	9/12 at 1
845	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
1,640	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 - AMBAC Insured	7/09 at 1
1,460	Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	6/13 at 1
7,000	Los Angeles, California, Certificates of Participation, Series 2002, 5.200%, 4/01/27 - AMBAC Insured	4/12 at 1
8,470	Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.200%, 8/01/29 - AMBAC Insured	8/11 at 1
5,000	Palm Desert Financing Authority, California, Tax Allocation Revenue Refunding Bonds, Project Area 1, Series 2002, 5.000%, 4/01/25 - MBIA Insured	4/12 at 1
3,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/39 - FGIC Insured	No Opt.
405	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
4,475	Riverside County, California, Asset Leasing Corporate Leasehold Revenue Bonds, Riverside County Hospital Project, Series 1997B, 5.000%, 6/01/19 - MBIA Insured	6/12 at 1
505	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
3,175	San Buenaventura, California, Certificates of Participation, Series 2001C, 5.250%, 2/01/31 - AMBAC Insured	2/11 at 1
3,730	San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26	9/09 at 1
4,000	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 - MBIA Insured	9/11 at 1
1,000	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/28 - MBIA Insured	8/15 at 1
2,160	Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project 1, Series 2002, 5.125%, 8/01/27 - MBIA Insured	8/09 at 1
-----		
110,185	Total Tax Obligation/Limited	
-----		

TRANSPORTATION - 5.3% (3.4% OF TOTAL INVESTMENTS)

7,500	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/29 San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A: 5.250%, 5/01/16 - FGIC Insured (Alternative Minimum Tax)	1/14 at 1  5/13 at 1
-------	---	----------------------------

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

2,300	5.250%, 5/01/17 - FGIC Insured (Alternative Minimum Tax)	5/13 at 1
11,985	Total Transportation	

69

NKL | Nuveen Insured California Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
	U.S. GUARANTEED - 23.0% (14.9% OF TOTAL INVESTMENTS) (4)	
\$ 6,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 1
35	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, 5.150%, 12/01/23 (Pre-refunded 12/01/12) - FGIC Insured	12/12 at 1
2,250	California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/36 (Pre-refunded 1/01/28) - AMBAC Insured	1/28 at 1
9,000	Eastern Municipal Water District, California, Water and Sewerage System Revenue Certificates of Participation, Series 2001B, 5.000%, 7/01/30 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 1
	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002B:	
1,135	5.125%, 8/01/23 - FGIC Insured (ETM)	8/10 at 1
1,190	5.125%, 8/01/24 - FGIC Insured (ETM)	8/10 at 1
1,245	5.125%, 8/01/25 - FGIC Insured (ETM)	8/10 at 1
1,255	5.125%, 8/01/26 - FGIC Insured (ETM)	8/10 at 1
2,070	Fresno Unified School District, Fresno County, California, General Obligation Bonds, Series 2002G, 5.125%, 8/01/26 - FSA Insured (ETM)	8/10 at 1
4,500	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 (Pre-refunded 6/01/13)	6/13 at 1
5,000	Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.125%, 1/01/27 (Pre-refunded 7/01/12) - MBIA Insured	7/12 at 1
3,380	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 (Pre-refunded 7/01/14)	7/14 at 1
2,980	Santa Clarita Community College District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.125%, 8/01/26 (Pre-refunded 8/01/11) - FGIC Insured	8/11 at 1
2,460	Vacaville Unified School District, Solano County, California, General Obligation Bonds, Series 2002, 5.000%, 8/01/26 (Pre-refunded 8/01/11) - FSA Insured	8/11 at 1
42,500	Total U.S. Guaranteed	

UTILITIES - 15.1% (9.8% OF TOTAL INVESTMENTS)

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

9,000	Anaheim Public Finance Authority, California, Revenue Bonds, Electric System Distribution Facilities, Series 2002A, 5.000%, 10/01/27 - FSA Insured	10/12 at 1
10,000	California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 - MBIA Insured (Alternative Minimum Tax)	4/11 at 1
2,490	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt.
830	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
1,775	Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured	7/10 at 1
3,000	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured	8/11 at 1
5,630	Southern California Public Power Authority, Subordinate Revenue Refunding Bonds, Transmission Project, Series 2002A, 4.750%, 7/01/19 - FSA Insured	7/12 at 1
32,725	Total Utilities	

WATER AND SEWER - 15.0% (9.7% OF TOTAL INVESTMENTS)

2,965	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002X, 5.150%, 12/01/23 - FGIC Insured	12/12 at 1
750	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 - FSA Insured	10/16 at 1
570	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1

70

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
WATER AND SEWER (continued)		
\$ 4,500	Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/23 - FSA Insured	10/13 at 1
2,085	Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured	12/13 at 1
500	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1
9,185	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 - FGIC Insured (UB)	8/13 at 1
8,000	San Diego County Water Authority, California, Water Revenue Certificates of Participation, Series 2008A, 5.000%, 5/01/38 - FSA Insured	5/18 at 1
	Semitropic Water Storage District, Kern County, California, Water Banking Revenue Bonds, Series 2004A:	
1,315	5.500%, 12/01/20 - SYNCORA GTY Insured	12/14 at 1
1,415	5.500%, 12/01/21 - SYNCORA GTY Insured	12/14 at 1



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

	31,285	Total Water and Sewer
\$	335,483	Total Long-Term Investments (cost \$326,828,622) - 153.6%
SHORT-TERM INVESTMENTS - 1.0% (0.6% OF TOTAL INVESTMENTS)		
\$	2,000	California, General Obligation Bonds, Variable Rate Demand Obligations, Series 2003C-1, 0.400%, 5/01/33 (5)
Total Short-Term Investments (cost \$2,000,000)		
Total Investments (cost \$328,828,622) - 154.6%		
Floating Rate Obligations - (3.7)%		
Other Assets Less Liabilities - 1.5%		
Auction Rate Preferred Shares, at Liquidation Value - (52.4)% (6)		
Net Assets Applicable to Common Shares - 100%		

At least 80% of the Fund's net assets (including net assets attributable to Auction Rate Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

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

- (6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.9%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

71

NKX | Nuveen Insured California Tax-Free Advantage Municipal Fund  
 | Portfolio of INVESTMENTS February 28, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIO
-----		
CONSUMER STAPLES - 3.1% (2.2% OF TOTAL INVESTMENTS)		
\$ 6,070	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 1
-----		
HEALTH CARE - 17.2% (11.9% OF TOTAL INVESTMENTS)		
1,800	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 1
662	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.216%, 7/01/47 - FSA Insured (IF)	7/18 at 1
4,000	California Statewide Community Development Authority, Insured Health Facility Revenue Bonds, Catholic Healthcare West, Series 2008K, 5.500%, 7/01/41 - AGC Insured	7/17 at 1
1,815	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 1
1,120	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Trust 11672, 18.623%, 3/01/41 - BHAC Insured (IF)	3/16 at 1
4,060	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 - AMBAC Insured	No Opt.
-----		
13,457	Total Health Care	
-----		
HOUSING/MULTIFAMILY - 1.4% (1.0% OF TOTAL INVESTMENTS)		
1,165	Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23	5/13 at 1
-----		

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

LONG-TERM CARE - 3.8% (2.6% OF TOTAL INVESTMENTS)

1,000	ABAG Finance Authority for Non-Profit Corporations, California, Insured Senior Living Revenue Bonds, Odd Fellows Home of California, Series 2003A, 5.200%, 11/15/22	11/12 at 1
2,000	California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation - Paradise Valley Estates, Series 2002, 5.250%, 1/01/26	1/13 at 1
3,000	Total Long-Term Care	

TAX OBLIGATION/GENERAL - 18.7% (13.0% OF TOTAL INVESTMENTS)

2,000	Butte-Glenn Community College District, Butte and Glenn Counties, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/26 - MBIA Insured	8/12 at 1
55	California State, General Obligation Bonds, Series 2002, 5.250%, 4/01/30 - SYNCORA GTY Insured	4/12 at 1
515	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 14.602%, 8/01/28 - FSA Insured (IF)	8/18 at 1
450	Fremont Unified School District, Alameda County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/25 - FGIC Insured	8/12 at 1
2,000	Los Angeles, California, General Obligation Bonds, Series 2002A, 5.000%, 9/01/22 - MBIA Insured	9/12 at 1
1,000	Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2003A, 5.000%, 9/01/26 - FGIC Insured	9/13 at 1

72

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

TAX OBLIGATION/GENERAL (continued)

\$ 1,000	Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 4.500%, 9/01/30 - FSA Insured	9/17 at 1
140	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 - FGIC Insured	8/15 at 1
3,000	San Diego Unified School District, California, General Obligation Bonds, Election of 1998, Series 2000B, 5.125%, 7/01/22 - MBIA Insured	7/10 at 1
3,855	San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2003A, 5.000%, 8/01/28 - FSA Insured	8/12 at 1
14,015	Total Tax Obligation/General	

TAX OBLIGATION/LIMITED - 45.5% (31.5% OF TOTAL INVESTMENTS)

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

550	Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21	8/13 at 1
1,165	Burbank Public Financing Authority, California, Revenue Refunding Bonds, Golden State Redevelopment Project, Series 2003A, 5.250%, 12/01/22 - AMBAC Insured	12/13 at 1
4,000	California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End Project, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured	12/12 at 1
170	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 - FGIC Insured	9/15 at 1
525	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 - AMBAC Insured	9/16 at 1
1,610	Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Series 2004A, 5.000%, 9/01/21 - AMBAC Insured	9/12 at 1
2,195	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Drivers Trust 2091, 11.707%, 6/01/45 - AGC Insured (IF)	6/15 at 1
3,285	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - AMBAC Insured	6/15 at 1
1,000	Hesperia Public Financing Authority, California, Redevelopment and Housing Projects Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/37 - SYNCORA GTY Insured	9/17 at 1
5,540	Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/21 - AMBAC Insured	9/13 at 1
315	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 - AMBAC Insured	9/15 at 1
1,770	Los Angeles Unified School District, California, Certificates of Participation, Administration Building Project II, Series 2002C, 5.000%, 10/01/27 - AMBAC Insured	10/12 at 1
2,000	Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 - AMBAC Insured	6/13 at 1
1,500	Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Police Headquarters, Series 2006A, 4.750%, 1/01/31 - FGIC Insured	1/17 at 1
1,500	Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 - MBIA Insured	9/10 at 1
150	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 - SYNCORA GTY Insured	9/15 at 1
190	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 - AMBAC Insured	8/13 at 1
	San Buenaventura, California, Certificates of Participation, Golf Course Financing Project, Series 2002D:	
3,000	5.000%, 2/01/27 - AMBAC Insured	2/12 at 1
3,300	5.000%, 2/01/32 - AMBAC Insured	2/12 at 1

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISION
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 1,200	San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26	9/09 at 1
2,770	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Civic Center Project, Series 2002B, 5.000%, 6/01/32 - AMBAC Insured	6/12 at 1
1,000	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/28 - MBIA Insured	8/15 at 1
-----		
38,735	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 10.5% (7.2% OF TOTAL INVESTMENTS)		
5,480	Bay Area Governments Association, California, BART SFO Extension, Airport Premium Fare Revenue Bonds, Series 2002A, 5.000%, 8/01/26 - AMBAC Insured	8/12 at 1
2,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35	1/10 at 1
1,300	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2000, Issue 26B, 5.000%, 5/01/25 - FGIC Insured	5/10 at 1
-----		
8,780	Total Transportation	
-----		
U.S. GUARANTEED - 21.4% (14.8% OF TOTAL INVESTMENTS) (4)		
1,000	Berryessa Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003C, 5.000%, 8/01/21 (Pre-refunded 8/01/12) - FSA Insured	8/12 at 1
1,290	California State, General Obligation Bonds, Series 2002: 5.000%, 4/01/27 (Pre-refunded 4/01/12) - AMBAC Insured	4/12 at 1
2,945	5.250%, 4/01/30 (Pre-refunded 4/01/12) - SYNCORA GTY Insured	4/12 at 1
500	California, General Obligation Bonds, Series 2004, 5.250%, 4/01/34 (Pre-refunded 4/01/14)	4/14 at 1
1,625	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2003A-2, 7.900%, 6/01/42 (Pre-refunded 6/01/13)	6/13 at 1
2,030	Hacienda La Puente Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003B, 5.000%, 8/01/27 (Pre-refunded 8/01/13) - FSA Insured	8/13 at 1
1,260	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 (Pre-refunded 7/01/14)	7/14 at 1
1,220	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 (Pre-refunded 8/01/10) - MBIA Insured	8/10 at 1
2,390	Solano County, California, Certificates of Participation, Series 2002, 5.250%, 11/01/24 (Pre-refunded 11/01/12) - MBIA Insured	11/12 at 1
-----		
14,260	Total U.S. Guaranteed	
-----		

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

UTILITIES - 3.0% (2.1% OF TOTAL INVESTMENTS)

1,000	Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 - MBIA Insured	10/14 at 1
945	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37	No Opt.
275	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 - MBIA Insured	7/13 at 1
310	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 - SYNCORA GTY Insured	9/15 at 1
-----		
2,530	Total Utilities	
-----		

74

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

WATER AND SEWER - 14.4% (10.0% OF TOTAL INVESTMENTS)

\$ 1,000	Castaic Lake Water Agency, California, Certificates of Participation, Series 2006C, 5.000%, 8/01/36 - MBIA Insured	8/16 at 1
750	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 - FSA Insured	10/16 at 1
215	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 - MBIA Insured	4/16 at 1
770	Manteca Financing Authority, California, Sewerage Revenue Bonds, Series 2003B, 5.000%, 12/01/33 - MBIA Insured	12/13 at 1
170	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 - MBIA Insured	6/16 at 1
	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002:	
3,000	5.000%, 8/01/22 - MBIA Insured	8/12 at 1
2,500	5.000%, 8/01/23 - MBIA Insured	8/12 at 1
1,180	South Feather Water and Power Agency, California, Water Revenue Certificates of Participation, Solar Photovoltaic Project, Series 2003, 5.375%, 4/01/24	4/13 at 1
1,600	Sunnyvale Financing Authority, California, Water and Wastewater Revenue Bonds, Series 2001, 5.000%, 10/01/26 - AMBAC Insured	10/11 at 1
-----		
11,185	Total Water and Sewer	
-----		

\$ 113,197 Total Long-Term Investments (cost \$111,763,265) - 139.0%

SHORT-TERM INVESTMENTS - 5.3% (3.7% OF TOTAL INVESTMENTS)

\$ 4,000	California, General Obligation Bonds, Variable Rate Demand Obligations, Series 2003C-1, 0.400%, 5/01/33 (5)
----------	---

-----  
Total Short-Term Investments (cost \$4,000,000)

-----  
Total Investments (cost \$115,763,265) - 144.3%

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

Variable Rate Demand Preferred Shares, at Liquidation Value - (46.9%) (6)  
-----  
Other Assets Less Liabilities - 2.6%  
-----  
Net Assets Applicable to Common Shares - 100%  
=====

At least 80% of the Fund's net assets (including net assets attributable to Variable Rate Demand Preferred shares) are invested in municipal securities that guarantee the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 - Insurance, for more information.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

The Portfolio of Investments may reflect the ratings on certain bonds insured by ACA, AGC, AMBAC, FGIC, FSA, MBIA, RAAI and SYNCORA as of February 28, 2009. Please see the Portfolio Manager's Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.
- (6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.5%.

N/R Not rated.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

75

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

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFOR PREMIUM INCOM (NPC)
<b>ASSETS</b>		
Investments, at value (cost \$132,699,261 \$261,746,670, \$ 111,432,207 and \$461,033,038 respectively)	\$ 133,569,802	\$ 254,436,
Short-term investments, (at cost, which approximates value)	--	
Cash	195,337	4,010,
Receivables:		
Interest	2,378,903	3,484,
Investments sold	--	175,
Unrealized appreciation on forward swaps	--	1,751,
Deferred offering costs	--	
Other assets	426	24,
<b>Total assets</b>	<b>136,144,468</b>	<b>263,881,</b>
<b>LIABILITIES</b>		
Floating rate obligations	--	20,060,
Payables:		
Auction Rate Preferred share dividends	165,525	288,
Common share dividends	345,206	652,
Common shares repurchased	--	
Offering costs	--	
Unrealized depreciation on forward swaps	--	
Variable Rate Demand Preferred shares, at liquidation value	--	
Accrued expenses:		
Management fees	68,061	120,
Other	34,338	102,
<b>Total liabilities</b>	<b>613,130</b>	<b>21,225,</b>
Auction Rate Preferred shares, at liquidation value	45,000,000	79,825,
<b>Net assets applicable to Common shares</b>	<b>\$ 90,531,338</b>	<b>\$ 162,831,</b>
<b>Common shares outstanding</b>	<b>6,453,632</b>	<b>12,674,</b>
<b>Net asset value per Common share outstanding</b> (net assets applicable to Common shares, divided by Common shares outstanding)	<b>\$ 14.03</b>	<b>\$ 12</b>
<b>NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:</b>		
Common shares, \$.01 par value per share	\$ 64,536	\$ 126,
Paid-in surplus	89,352,261	175,794,
Undistributed (Over-distribution of) net investment income	141,089	813,
Accumulated net realized gain (loss) from investments and derivative transactions	102,911	(8,344,
Net unrealized appreciation (depreciation ) of investments and derivative transactions	870,541	(5,559,
<b>Net assets applicable to Common shares</b>	<b>\$ 90,531,338</b>	<b>\$ 162,831,</b>
<b>Authorized shares:</b>		
Common	200,000,000	200,000,



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

	1,000,000	1,000,
	CALIFORNIA PREMIUM INCOME (NCU)	CALIFOR DIVIDEND ADVANT (
=====		
ASSETS		
Investments, at value (cost \$132,699,261 \$261,746,670, \$ 111,432,207 and \$461,033,038 respectively)	\$ 106,136,934	\$ 426,125,
Short-term investments, (at cost, which approximates value)	8,000,000	
Cash	412,616	869,
Receivables:		
Interest	1,558,273	7,792,
Investments sold	2,040,000	
Unrealized appreciation on forward swaps	--	
Deferred offering costs	--	
Other assets	6,289	38,
-----		
Total assets	118,154,112	434,826,
-----		
LIABILITIES		
Floating rate obligations	5,590,000	12,865,
Payables:		
Auction Rate Preferred share dividends	18,479	472,
Common share dividends	298,674	1,421,
Common shares repurchased	29,503	
Offering costs	--	
Unrealized depreciation on forward swaps	--	
Variable Rate Demand Preferred shares, at liquidation value	--	
Accrued expenses:		
Management fees	56,364	190,
Other	26,283	130,
-----		
Total liabilities	6,019,303	15,080,
-----		
Auction Rate Preferred shares, at liquidation value	40,875,000	135,525,
-----		
Net assets applicable to Common shares	\$ 71,259,809	\$ 284,220,
=====		
Common shares outstanding	5,760,488	23,480,
=====		
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 12.37	\$ 12
=====		
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:		
-----		
Common shares, \$.01 par value per share	\$ 57,605	\$ 234,
Paid-in surplus	78,170,697	333,574,
Undistributed (Over-distribution of) net investment income	88,253	675,
Accumulated net realized gain (loss) from investments and derivative transactions	(1,761,473)	(15,356,
Net unrealized appreciation (depreciation ) of investments and derivative transactions	(5,295,273)	(34,907,
-----		
Net assets applicable to Common shares	\$ 71,259,809	\$ 284,220,

Authorized shares:

Common	Unlimited	Unlimited
Auction Rate Preferred and Variable Rate Demand Preferred	Unlimited	Unlimited

See accompanying notes to financial statements.

76

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFOR DIVID ADVANTAGE 3 (
<b>ASSETS</b>		
Investments, at value (cost \$311,157,161, \$484,796,116, \$326,828,622 and \$111,763,265, respectively)	\$ 2 93,745,579	\$ 440,176,
Short-term investments, (at cost, which approximates value)	7,000,000	
Cash	107,703	2,505,
Receivables:		
Interest	4,522,869	7,642,5
Investments sold	--	
Unrealized appreciation on forward swaps	--	437,
Deferred offering costs	--	
Other assets	21,675	28,
<b>Total assets</b>	<b>305,397,826</b>	<b>450,790,</b>
<b>LIABILITIES</b>		
Floating rate obligations	3,305,000	13,650,
Payables:		
Auction Rate Preferred share dividends	201,725	13,
Common share dividends	864,731	1,420,
Common shares repurchased	3,147	
Offering costs	--	
Unrealized depreciation on forward swaps	--	3,279,
Variable Rate Demand Preferred shares, at liquidation value	--	
Accrued expenses:		
Management fees	113,888	162,
Other	85,232	134,
<b>Total liabilities</b>	<b>4,573,723</b>	<b>18,660,</b>
Auction Rate Preferred shares, at liquidation value	110,000,000	154,075,
<b>Net assets applicable to Common shares</b>	<b>\$ 190,824,103</b>	<b>\$ 278,055,</b>
Common shares outstanding	14,779,122	24,119,
<b>Net asset value per Common share outstanding</b> (net assets applicable to Common shares, divided by Common shares outstanding)	<b>\$ 12.91</b>	<b>\$ 11</b>

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

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

Common shares, \$.01 par value per share	\$	147,791	\$	241,
Paid-in surplus		209,967,760		342,700,
Undistributed (Over-distribution of) net investment income		886,607		1,629,
Accumulated net realized gain (loss) from investments and derivative transactions		(2,766,473)		(19,054,
Net unrealized appreciation (depreciation) of investments and derivative transactions		(17,411,582)		(47,461,
Net assets applicable to Common shares	\$	190,824,103	\$	278,055,
Authorized shares:				
Common		Unlimited		Unlimi
Auction Rate Preferred and Variable Rate Demand Preferred		Unlimited		Unlimi

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE  
(NKL)

INSURED CALIFOR  
TAX-FREE ADVANT  
(

ASSETS

Investments, at value (cost \$311,157,161, \$484,796,116, \$326,828,622 and \$111,763,265, respectively)	\$	317,298,553	\$	105,158,
Short-term investments, (at cost, which approximates value)		2,000,000		4,000,
Cash		239,533		475,
Receivables:				
Interest		4,101,325		1,482,
Investments sold		--		
Unrealized appreciation on forward swaps		--		
Deferred offering costs		--		520,
Other assets		21,442		
Total assets		323,660,853		111,637,

LIABILITIES

Floating rate obligations		7,635,000		
Payables:				
Auction Rate Preferred share dividends		214,904		
Common share dividends		906,669		335,
Common shares repurchased		--		
Offering costs		--		83,
Unrealized depreciation on forward swaps		--		
Variable Rate Demand Preferred shares, at liquidation value		--		35,500,
Accrued expenses:				
Management fees		106,787		42,
Other		80,334		15,
Total liabilities		8,943,694		35,976,
Auction Rate Preferred shares, at liquidation value		108,250,000		
Net assets applicable to Common shares	\$	206,467,159	\$	75,661,
Common shares outstanding		15,267,005		5,886,
Net asset value per Common share outstanding				

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

(net assets applicable to Common shares, divided by Common shares outstanding)	\$	13.52	\$	12
=====				
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:				
-----				
Common shares, \$.01 par value per share	\$	152,670	\$	58,
Paid-in surplus		216,827,017		83,077,
Undistributed (Over-distribution of) net investment income		662,312		249,
Accumulated net realized gain (loss) from investments and derivative transactions		(1,644,771)		(1,120,
Net unrealized appreciation (depreciation) of investments and derivative transactions		(9,530,069)		(6,604,
=====				
Net assets applicable to Common shares	\$	206,467,159	\$	75,661,
=====				
Authorized shares:				
Common		Unlimited		Unlimi
Auction Rate Preferred and Variable Rate Demand Preferred		Unlimited		Unlimi
=====				

See accompanying notes to financial statements.

77

| Statement of OPERATIONS

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		INSURED CALIF PREMIUM INCOME	
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	SIX MONTHS ENDED 2/28/09	Y
-----				
INVESTMENT INCOME	\$ 3,577,883	\$ 7,281,324	\$ 6,780,306	\$ 1
-----				
EXPENSES				
Management fees	428,387	906,873	756,210	
Auction fees	55,788	112,500	99,066	
Dividend disbursing agent fees	4,959	10,000	9,918	
Shareholders' servicing agent fees and expenses	3,055	8,083	5,006	
Interest expense	--	--	225,768	
Custodian's fees and expenses	11,968	51,209	21,505	
Directors'/Trustees' fees and expenses	1,694	3,510	2,710	
Professional fees	14,668	18,332	20,285	
Shareholders' reports - printing and mailing expenses	12,612	15,312	20,834	
Stock exchange listing fees	4,571	9,385	4,564	
Investor relations expense	8,729	14,047	15,855	
Amortization of offering costs	--	--	--	
Other expenses	9,960	14,874	10,570	
-----				
Total expenses before custodian fee credit and expense reimbursement	556,391	1,164,125	1,192,291	

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

Custodian fee credit	(447)	(11,540)	(18,908)
Expense reimbursement	--	--	--
Net expenses	555,944	1,152,585	1,173,383
Net investment income	3,021,939	6,128,739	5,606,923
REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) from:			
Investments	78,582	328,360	(7,018,034)
Forward swaps	--	863,429	--
Futures	--	--	(913,786)
Change in net unrealized appreciation (depreciation) of:			
Investments	(4,835,228)	(1,420,724)	(8,290,218)
Forward swaps	--	(364,728)	1,751,141
Net realized and unrealized gain (loss)	(4,756,646)	(593,663)	(14,470,897)
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS			
From net investment income	(684,653)	(1,447,316)	(1,221,762)
From accumulated net realized gains	(157,410)	(25,344)	(278,398)
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders			
	(842,063)	(1,472,660)	(1,500,160)
Net increase (decrease) in net assets applicable to Common shares from operations			
	\$ (2,576,770)	\$ 4,062,416	\$ (10,364,134)

CALIFORNIA PREMIUM INCOME (NCU)

	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08
INVESTMENT INCOME	\$ 3,001,382	\$ 6,389,691

EXPENSES

Management fees	362,448	786,957
Auction fees	52,930	107,500
Dividend disbursing agent fees	4,957	10,000
Shareholders' servicing agent fees and expenses	2,708	5,736
Interest expense	69,040	92,394
Custodian's fees and expenses	11,470	29,070
Directors'/Trustees' fees and expenses	1,293	2,909
Professional fees	12,357	13,445
Shareholders' reports - printing and mailing expenses	11,662	8,496

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

Stock exchange listing fees	405	709
Investor relations expense	7,646	12,510
Amortization of offering costs	--	--
Other expenses	9,378	15,410
-----		
Total expenses before custodian fee credit and expense reimbursement	546,294	1,085,136
Custodian fee credit	(7,909)	(13,211)
Expense reimbursement	--	--
-----		
Net expenses	538,385	1,071,925
-----		
Net investment income	2,462,997	5,317,766
-----		
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments	(1,743,990)	118,683
Forward swaps	--	239,634
Futures	--	--
Change in net unrealized appreciation (depreciation) of:		
Investments	(5,711,715)	(2,804,244)
Forward swaps	--	1,018
-----		
Net realized and unrealized gain (loss)	(7,455,705)	(2,444,909)
-----		
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS		
From net investment income	(599,218)	(1,399,028)
From accumulated net realized gains	(13,364)	--
-----		
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(612,582)	(1,399,028)
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	\$ (5,605,290)	\$ 1,473,829
=====		

See accompanying notes to financial statements.

78

	CALIFORNIA DIVIDEND ADVANTAGE (NAC)		CALIFORNIA DIVIDEND ADVANTAGE 2 (NAC)	
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08
INVESTMENT INCOME	\$ 13,130,567	\$ 27,872,039	\$ 8,613,518	\$ 17,473,829

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

-----  
EXPENSES

Management fees	1,327,961	3,202,468	945,178
Auction fees	168,013	425,770	136,369
Dividend disbursing agent fees	9,918	20,000	9,918
Shareholders' servicing agent fees and expenses	2,181	3,895	696
Interest expense	205,016	374,756	48,186
Custodian's fees and expenses	45,199	163,424	35,733
Directors'/Trustees' fees and expenses	4,956	12,491	3,676
Professional fees	26,723	32,767	20,813
Shareholders' reports - printing and mailing expenses	30,467	53,728	23,311
Stock exchange listing fees	4,598	9,459	1,036
Investor relations expense	27,244	46,677	18,799
Amortization of offering costs	--	--	--
Other expenses	12,621	26,003	39,293

Total expenses before custodian fee credit and expense reimbursement	1,864,897	4,371,438	1,283,008
Custodian fee credit	(22,946)	(49,217)	(15,251)
Expense reimbursement	(104,782)	(497,428)	(222,098)

Net expenses	1,737,169	3,824,793	1,045,659
--------------	-----------	-----------	-----------

Net investment income	11,393,398	24,047,246	7,567,859
-----------------------	------------	------------	-----------

-----  
REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:			
Investments	(16,935,690)	4,832,689	(2,624,444)
Forward swaps	--	4,168,843	--
Futures	--	--	--

Change in net unrealized appreciation (depreciation) of:			
Investments	(31,383,162)	(18,634,531)	(19,142,795)
Forward swaps	--	(2,275,676)	--

Net realized and unrealized gain (loss)	(48,318,852)	(11,908,675)	(21,767,239)
---	--------------	--------------	--------------

-----  
DISTRIBUTIONS TO AUCTION RATE PREFERRED  
SHAREHOLDERS

From net investment income	(2,075,909)	(5,502,755)	(1,602,421)
From accumulated net realized gains	(449,153)	(260,925)	(186,582)

Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(2,525,062)	(5,763,680)	(1,789,003)
--	-------------	-------------	-------------

Net increase (decrease) in net assets applicable to Common shares from operations	\$ (39,450,516)	\$ 6,374,891	\$ (15,988,383)	\$
---	-----------------	--------------	-----------------	----

=====

CALIFORNIA DIVIDEND  
ADVANTAGE 3 (NZH)

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

	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08
INVESTMENT INCOME	\$ 13,580,693	\$ 27,744,430
EXPENSES		
Management fees	1,370,737	3,238,100
Auction fees	197,142	459,548
Dividend disbursing agent fees	9,909	20,000
Shareholders' servicing agent fees and expenses	1,197	3,315
Interest expense	160,672	72,436
Custodian's fees and expenses	58,925	147,034
Directors'/Trustees' fees and expenses	5,458	12,533
Professional fees	28,994	35,261
Shareholders' reports - printing and mailing expenses	30,987	48,260
Stock exchange listing fees	1,690	2,962
Investor relations expense	27,696	46,560
Amortization of offering costs	--	--
Other expenses	11,458	27,782
Total expenses before custodian fee credit and expense reimbursement	1,904,865	4,113,791
Custodian fee credit	(18,806)	(60,420)
Expense reimbursement	(344,404)	(1,068,648)
Net expenses	1,541,655	2,984,723
Net investment income	12,039,038	24,759,707
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments	(10,532,016)	(978,786)
Forward swaps	--	(1,478,000)
Futures	(1,011,691)	(291,364)
Change in net unrealized appreciation (depreciation) of:		
Investments	(37,615,750)	(14,054,312)
Forward swaps	(2,246,298)	57,314
Net realized and unrealized gain (loss)	(51,405,755)	(16,745,148)
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS		
From net investment income	(2,211,134)	(6,076,255)
From accumulated net realized gains	--	--
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(2,211,134)	(6,076,255)
Net increase (decrease) in net assets		



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

applicable to Common shares  
from operations

\$ (41,577,851)      \$ 1,938,304

See accompanying notes to financial statements.

79

| Statement of OPERATIONS (continued)

	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)		INSURED CALIF TAX-FREE ADVANTA	
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	SIX MONTHS ENDED 2/28/09	Y
INVESTMENT INCOME	\$ 8,624,407	\$ 17,573,242	\$ 3,089,087	\$
EXPENSES				
Management fees	976,435	2,158,393	351,326	
Auction fees	134,267	295,000	19,156	
Dividend disbursing agent fees	9,918	20,000	12,389	
Shareholders' servicing agent fees and expenses	755	2,025	372	
Interest expense	86,575	3,167	377,150	
Custodian's fees and expenses	25,382	103,861	11,011	
Directors'/Trustees' fees and expenses	3,618	8,358	1,201	
Professional fees	21,516	26,405	12,637	
Shareholders' reports - printing and mailing expenses	22,732	35,898	8,712	
Stock exchange listing fees	1,071	1,876	412	
Investor relations expense	19,145	31,530	6,894	
Amortization of offering costs	--	--	136,341	
Other expenses	10,169	20,755	741	
Total expenses before custodian fee credit and expense reimbursement	1,311,583	2,707,268	938,342	
Custodian fee credit	(21,040)	(19,336)	(8,252)	
Expense reimbursement	(306,138)	(793,160)	(108,950)	
Net expenses	984,405	1,894,772	821,140	
Net investment income	7,640,002	15,678,470	2,267,947	
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain (loss) from:				
Investments	(1,321,731)	1,337,028	(1,135,147)	
Forward swaps	--	731,015	--	
Futures	--	--	--	
Change in net unrealized appreciation (depreciation) of:				

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

Investments	(14,959,271)	(6,994,006)	(6,558,916)	(
Forward swaps	--	(24,419)	--	)
-----				
Net realized and unrealized gain (loss)	(16,281,002)	(4,950,382)	(7,694,063)	(
-----				
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS				
From net investment income	(1,586,640)	(3,886,043)	(13,824)	(
From accumulated net realized gains	(201,085)	(116,419)	(42,336)	)
-----				
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(1,787,725)	(4,002,462)	(56,160)	(
-----				
Net increase (decrease) in net assets applicable to Common shares from operations	\$ (10,428,725)	\$ 6,725,626	\$ (5,482,276)	\$
=====				

See accompanying notes to financial statements.

80

| Statement of CHANGES in NET ASSETS

	INSURED CALIFORNIA PREMIUM INCOME (NPC)		
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
-----			
OPERATIONS			
Net investment income	\$ 3,021,939	\$ 6,128,739	\$ 5,834,849
Net realized gain (loss) from:			
Investments	78,582	328,360	132,902
Forward swaps	--	863,429	159,600
Futures	--	--	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(4,835,228)	(1,420,724)	(2,928,553)
Forward swaps	--	(364,728)	35,238
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(684,653)	(1,447,316)	(1,373,537)
From accumulated net realized gains	(157,410)	(25,344)	(118,110)
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	(2,576,770)	4,062,416	1,742,389
-----			

DISTRIBUTIONS TO COMMON SHAREHOLDERS

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

From net investment income	(2,344,919)	(4,689,975)	(4,725,196)
From accumulated net realized gains	(934,738)	(86,562)	(486,696)
-----			
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(3,279,657)	(4,776,537)	(5,211,892)
-----			

CAPITAL SHARE TRANSACTIONS

Common shares:

Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	65,214
Repurchased	(74,494)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(74,494)	--	65,214
-----			
Net increase (decrease) in net assets applicable to Common shares	(5,930,921)	(714,121)	(3,404,289)
Net assets applicable to Common shares at the beginning of period	96,462,259	97,176,380	100,580,669
-----			
Net assets applicable to Common shares at the end of period	\$ 90,531,338	\$ 96,462,259	\$ 97,176,380
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 141,089	\$ 149,112	\$ 158,730
=====			

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
-----		

OPERATIONS

Net investment income	\$ 5,606,923	\$ 12,102,624	\$ 11,372,772
Net realized gain (loss) from:			
Investments	(7,018,034)	1,445,377	(30,877)
Forward swaps	--	856,758	419,200
Futures	(913,786)	--	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(8,290,218)	(7,171,193)	(6,140,606)
Forward swaps	1,751,141	(656,230)	(181,996)
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(1,221,762)	(3,061,483)	(3,120,823)
From accumulated net realized gains	(278,398)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	(10,364,134)	3,515,853	2,317,670

-----  
 DISTRIBUTIONS TO COMMON SHAREHOLDERS

From net investment income	(4,271,704)	(8,125,762)	(8,545,402)
From accumulated net realized gains	(1,819,712)	--	--
-----			
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(6,091,416)	(8,125,762)	(8,545,402)
-----			

CAPITAL SHARE TRANSACTIONS

Common shares:

Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	--
Repurchased	(446,744)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(446,744)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares	(16,902,294)	(4,609,909)	(6,227,732)
Net assets applicable to Common shares at the beginning of period	179,733,590	184,343,499	190,571,231
-----			
Net assets applicable to Common shares at the end of period	\$162,831,296	\$179,733,590	\$184,343,499
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 813,804	\$ 707,293	\$ (179,908)
=====			

See accompanying notes to financial statements.

81

| Statement of CHANGES in NET ASSETS (continued)

CALIFORNIA PREMIUM INCOME (NCU)

	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
-----			
OPERATIONS			
Net investment income	\$ 2,462,997	\$ 5,317,766	\$ 5,169,371
Net realized gain (loss) from:			
Investments	(1,743,990)	118,683	(251,856)
Forward swaps	--	239,634	(57,143)
Futures	--	--	--

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

Change in net unrealized appreciation (depreciation) of:			
Investments	(5,711,715)	(2,804,244)	(2,648,488)
Forward swaps	--	1,018	(1,018)
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(599,218)	(1,399,028)	(1,400,856)
From accumulated net realized gains	(13,364)	--	(50,482)
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	(5,605,290)	1,473,829	759,528
-----			
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From net investment income	(1,923,138)	(3,707,671)	(3,863,107)
From accumulated net realized gains	(35,229)	--	(177,846)
-----			
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(1,958,367)	(3,707,671)	(4,040,953)
-----			
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	14,098
Repurchased	(142,381)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(142,381)	--	14,098
-----			
Net increase (decrease) in net assets applicable to Common shares	(7,706,038)	(2,233,842)	(3,267,327)
Net assets applicable to Common shares at the beginning of period	78,965,847	81,199,689	84,467,016
-----			
Net assets applicable to Common shares at the end of period	\$ 71,259,809	\$ 78,965,847	\$ 81,199,689
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 88,253	\$ 150,354	\$ (60,685)
=====			

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
--------------------------------	-----------------------	-----------------------

OPERATIONS

Net investment income	\$ 11,393,398	\$ 24,047,246	\$ 23,391,916
Net realized gain (loss) from:			

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

Investments	(16,935,690)	4,832,689	1,330,465
Forward swaps	--	4,168,843	(824,000)
Futures	--	--	29,877
Change in net unrealized appreciation (depreciation) of:			
Investments	(31,383,162)	(18,634,531)	(14,848,472)
Forward swaps	--	(2,275,676)	1,437,247
Futures	--	--	(27,339)
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(2,075,909)	(5,502,755)	(5,740,999)
From accumulated net realized gains	(449,153)	(260,925)	(310,662)
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	(39,450,516)	6,374,891	4,438,033
-----			
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From net investment income	(8,875,536)	(17,328,427)	(18,656,213)
From accumulated net realized gains	(6,184,699)	(838,245)	(1,250,132)
-----			
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(15,060,235)	(18,166,672)	(19,906,345)
-----			
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	475,567
Repurchased	--	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	475,567
-----			
Net increase (decrease) in net assets applicable to Common shares	(54,510,751)	(11,791,781)	(14,992,745)
Net assets applicable to Common shares at the beginning of period	338,731,638	350,523,419	365,516,164
-----			
Net assets applicable to Common shares at the end of period	\$284,220,887	\$338,731,638	\$350,523,419
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 675,633	\$ 234,601	\$ (979,692)
=====			

See accompanying notes to financial statements.

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

CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)

	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
OPERATIONS			
Net investment income	\$ 7,567,859	\$ 14,898,561	\$ 14,244,418
Net realized gain (loss) from:			
Investments	(2,624,444)	(313,737)	(394,576)
Forward swaps	--	1,314,381	352,500
Futures	--	--	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(19,142,795)	(6,006,208)	(8,830,002)
Forward swaps	--	(396,451)	(351,758)
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(1,602,421)	(3,691,110)	(3,680,820)
From accumulated net realized gains	(186,582)	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	(15,988,383)	5,805,436	1,339,762
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From net investment income	(5,371,458)	(10,247,217)	(11,272,438)
From accumulated net realized gains	(517,910)	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(5,889,368)	(10,247,217)	(11,272,438)
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	104,551
Repurchased	(188,113)	--	--
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(188,113)	--	104,551
Net increase (decrease) in net assets applicable to Common shares	(22,065,864)	(4,441,781)	(9,828,125)
Net assets applicable to Common shares at the beginning of period	212,889,967	217,331,748	227,159,873
Net assets applicable to Common shares at the end of period	\$190,824,103	\$212,889,967	\$217,331,748
Undistributed (Over-distribution of) net investment income at the end of period	\$ 886,607	\$ 265,440	\$ (655,912)

CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)			
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
<b>OPERATIONS</b>			
Net investment income	\$ 12,039,038	\$ 24,759,707	\$ 23,582,231
Net realized gain (loss) from:			
Investments	(10,532,016)	(978,786)	(1,177,206)
Forward swaps	--	(1,478,000)	(401,000)
Futures	(1,011,691)	(291,364)	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(37,615,750)	(14,054,312)	(15,582,514)
Forward swaps	(2,246,298)	57,314	(652,859)
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(2,211,134)	(6,076,255)	(6,425,421)
From accumulated net realized gains	--	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	(41,577,851)	1,938,304	(656,769)
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>			
From net investment income	(8,904,831)	(17,085,692)	(18,308,241)
From accumulated net realized gains	--	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(8,904,831)	(17,085,692)	(18,308,241)
<b>CAPITAL SHARE TRANSACTIONS</b>			
Common shares:			
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	298,310
Repurchased	(120,362)	--	--
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(120,362)	--	298,310
Net increase (decrease) in net assets applicable to Common shares	(50,603,044)	(15,147,388)	(18,666,700)
Net assets applicable to Common shares at the beginning of period	328,658,669	343,806,057	362,472,757
Net assets applicable to Common shares at the end of period	\$278,055,625	\$328,658,669	\$343,806,057



Undistributed (Over-distribution of) net investment income at the end of period	\$ 1,629,645	\$ 718,052	\$ (878,892)
---	--------------	------------	--------------

See accompanying notes to financial statements.

83

| Statement of CHANGES in NET ASSETS (continued)

	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)		
	SIX MONTHS ENDED 2/28/09	YEAR ENDED 8/31/08	YEAR ENDED 8/31/07
<b>OPERATIONS</b>			
Net investment income	\$ 7,640,002	\$ 15,678,470	\$ 15,395,108
Net realized gain (loss) from:			
Investments	(1,321,731)	1,337,028	653,722
Forward swaps	--	731,015	(200,000)
Futures	--	--	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(14,959,271)	(6,994,006)	(8,944,129)
Forward swaps	--	(24,419)	24,419
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(1,586,640)	(3,886,043)	(4,037,528)
From accumulated net realized gains	(201,085)	(116,419)	(10,666)
Net increase (decrease) in net assets applicable to Common shares from operations	(10,428,725)	6,725,626	2,880,926
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>			
From net investment income	(5,686,357)	(10,952,422)	(11,778,209)
From accumulated net realized gains	(568,639)	(340,878)	(39,709)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(6,254,996)	(11,293,300)	(11,817,918)
<b>CAPITAL SHARE TRANSACTIONS</b>			
Common shares:			
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--	335,845

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

Repurchased	(204,888)	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(204,888)	--	335,845
-----			
Net increase (decrease) in net assets applicable to Common shares	(16,888,609)	(4,567,674)	(8,601,147)
Net assets applicable to Common shares at the beginning of period	223,355,768	227,923,442	236,524,589
-----			
Net assets applicable to Common shares at the end of period	\$206,467,159	\$223,355,768	\$227,923,442
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 662,312	\$ 310,679	\$ (520,310)
=====			

INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)

	SIX MONTHS ENDED	YEAR ENDED	YEAR ENDED
	2/28/09	8/31/08	8/31/07
-----			

OPERATIONS

Net investment income	\$ 2,267,947	\$ 5,733,820	\$ 5,654,749
Net realized gain (loss) from:			
Investments	(1,135,147)	1,101,623	91,706
Forward swaps	--	128,891	(57,143)
Futures	--	--	--
Change in net unrealized appreciation (depreciation) of:			
Investments	(6,558,916)	(3,013,642)	(2,767,618)
Forward swaps	--	(12,888)	12,888
Futures	--	--	--
Distributions to Auction Rate Preferred shareholders:			
From net investment income	(13,824)	(1,400,428)	(1,431,890)
From accumulated net realized gains	(42,336)	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	(5,482,276)	2,537,376	1,502,692
-----			

DISTRIBUTIONS TO COMMON SHAREHOLDERS

From net investment income	(2,083,880)	(4,167,394)	(4,166,045)
From accumulated net realized gains	(303,752)	--	--
-----			
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(2,387,632)	(4,167,394)	(4,166,045)
-----			

CAPITAL SHARE TRANSACTIONS

Common shares:			
Net proceeds from shares issued to			

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

shareholders due to reinvestment of distributions	--	17,615	32,211
Repurchased	--	--	--
-----			
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	17,615	32,211
-----			
Net increase (decrease) in net assets applicable to Common shares	(7,869,908)	(1,612,403)	(2,631,142)
Net assets applicable to Common shares at the beginning of period	83,531,260	85,143,663	87,774,805
-----			
Net assets applicable to Common shares at the end of period	\$ 75,661,352	\$ 83,531,260	\$ 85,143,663
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 249,837	\$ 51,473	\$ (109,506)
=====			

See accompanying notes to financial statements.

84

|Statement of CASH FLOWS

	INSURED CALI PREMIUM INCOME
	SIX MONTHS ENDED 2/28/09
-----	
CASH FLOWS FROM OPERATING ACTIVITIES:	
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	\$(10,364,134) \$
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:	
Purchases of investments	(24,566,262)
Proceeds from sales and maturities of investments	22,624,491
Proceeds from (Purchases of) short-term investments, net	--
Proceeds from terminated forward swaps	--
Proceeds from closed/expired futures contracts	(913,786)
Amortization (Accretion) of premiums and discounts, net	(223,123)
(Increase) Decrease in receivable for interest	146,364
(Increase) Decrease in receivable for investments sold	(175,000)
(Increase) Decrease in other assets	16,941
Increase (Decrease) in payable for investments purchased	--
Increase (Decrease) in payable for Auction Rate Preferred shares redeemed and/or noticed for redemption, at liquidation value	(7,575,000)
Increase (Decrease) in payable for Auction Rate Preferred share dividends	261,942
Increase (Decrease) in Variable Rate Demand Preferred shares offering cost payable	--

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

Increase (Decrease) in accrued management fees	(24,664)
Increase (Decrease) in accrued other liabilities	17,123
Net realized (gain) loss from investments	7,018,034
Net realized (gain) loss from forward swaps	--
Net realized (gain) loss from futures	913,786
Change in net unrealized (appreciation) depreciation of investments	8,290,218
Change in net unrealized (appreciation) depreciation of forward swaps	(1,751,141)
Taxes paid on undistributed capital gains	(812)
<hr/>	
Net cash provided by (used in) operating activities	(6,305,023)
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Increase (Decrease) in cash overdraft balance	--
Increase (Decrease) in floating rate obligations	9,000,000
Increase (Decrease) in Variable Rate Demand Preferred shares	--
Cash distributions paid to Common shareholders	(6,052,234)
Cost of Common shares repurchased	(446,744)
(Increase) Decrease in deferred Variable Rate Demand Preferred share offering cost	--
Increase (Decrease) in Preferred shares	--
<hr/>	
Net cash provided by (used in) financing activities	2,501,022
<hr/>	
NET INCREASE (DECREASE) IN CASH	(3,804,001)
Cash and cash equivalents at the beginning of period	7,814,106
<hr/>	
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	\$ 4,010,105
<hr/>	

INSURED CAL  
TAX-FREE ADVAN  

---

SIX MONTHS  
ENDED  
2/28/09

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	\$ (5,482,276)
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:	
Purchases of investments	(3,226,053)
Proceeds from sales and maturities of investments	11,401,613
Proceeds from (Purchases of) short-term investments, net	(4,000,000)
Proceeds from terminated forward swaps	--
Proceeds from closed/expired futures contracts	--
Amortization (Accretion) of premiums and discounts, net	(88,183)
(Increase) Decrease in receivable for interest	122,582
(Increase) Decrease in receivable for investments sold	--
(Increase) Decrease in other assets	3,191
Increase (Decrease) in payable for investments purchased	--
Increase (Decrease) in payable for Auction Rate Preferred shares redeemed and/or noticed for redemption, at liquidation value	(45,000,000)
Increase (Decrease) in payable for Auction Rate Preferred share dividends	(10,368)
Increase (Decrease) in Variable Rate Demand Preferred shares offering cost payable	(91,737)

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

Increase (Decrease) in accrued management fees	(1,043)
Increase (Decrease) in accrued other liabilities	(24,814)
Net realized (gain) loss from investments	1,135,147
Net realized (gain) loss from forward swaps	--
Net realized (gain) loss from futures	--
Change in net unrealized (appreciation) depreciation of investments	6,558,916
Change in net unrealized (appreciation) depreciation of forward swaps	--
Taxes paid on undistributed capital gains	(6,518)
<hr/>	
Net cash provided by (used in) operating activities	(38,709,543)
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Increase (Decrease) in cash overdraft balance	--
Increase (Decrease) in floating rate obligations	(3,750,000)
Increase (Decrease) in Variable Rate Demand Preferred shares	--
Cash distributions paid to Common shareholders	(2,385,993)
Cost of Common shares repurchased	--
(Increase) Decrease in deferred Variable Rate Demand Preferred share offering cost	8,758
Increase (Decrease) in Preferred shares	--
<hr/>	
Net cash provided by (used in) financing activities	(6,127,235)
<hr/>	
NET INCREASE (DECREASE) IN CASH	(44,836,778)
Cash and cash equivalents at the beginning of period	45,312,714
<hr/>	
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	\$ 475,936
<hr/>	

See accompanying notes to financial statements.

85

| Statement of CASH FLOWS (continued)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash financing activities included herein consist of reinvestments of Common share distributions of \$17,615 for Insured California Tax-Free Advantage (NKX) for the fiscal year ended August 31, 2008.

Cash paid for interest (excluding amortization of offering costs, where applicable) was as follows:

	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)		INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)	
	SIX MONTHS ENDED		SIX MONTHS ENDED	
	2/28/09	YEAR ENDED 8/31/08	2/28/09	YEAR ENDED 8/31/08
Cash paid for interest	\$ 225,768	\$ 40,691	\$ 368,392	\$ 66,087

See accompanying notes to financial statements.

86

| Notes to FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds covered in this report and their corresponding Common share stock exchange symbols are Nuveen 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), Nuveen California Dividend Advantage Municipal Fund 3 (NZH), Nuveen Insured California Dividend Advantage Municipal Fund (NKL) and Nuveen Insured California Tax-Free Advantage Municipal Fund (NKX) (collectively, the "Funds"). Common shares of Insured California Premium Income (NPC), Insured California Premium Income 2 (NCL) and California Dividend Advantage (NAC) are traded on the New York Stock Exchange while Common shares of California Premium Income (NCU), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) are traded on the NYSE Alternext US (formerly American Stock Exchange). The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

Each Fund seeks to provide current income exempt from both regular federal and California state income taxes, and in the case of Insured California Tax-Free Advantage (NKX) the alternative minimum tax applicable to individuals, by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within the state of California or certain U.S. territories.

During the current fiscal period, the Board of Directors/Trustees of the Funds approved a change in the Funds' fiscal and tax year ends from August 31 to February 28/29.

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

Investment Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. Prices of forward swap contracts are also provided by an independent pricing service approved by each Fund's Board of Directors/Trustees. Futures contracts are valued using the closing settlement price, or, in the absence of such a price, at the mean of the bid and asked prices. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service or, in the absence of a pricing service for a particular investment or derivative instrument, the Board of Directors/Trustees of the Fund, or its designee, may establish fair value using a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates value.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At February 28, 2009, there were no such outstanding purchase commitments in any of the Funds.

#### Investment Income

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

87

| Notes to FINANCIAL STATEMENTS (continued)

#### Income Taxes

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

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

#### Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

#### Auction Rate Preferred Shares

The following Funds have issued and outstanding Auction Rate Preferred shares,

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

\$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Auction Rate Preferred shares are issued in one or more Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. As of February 28, 2009, the number of Auction Rate Preferred 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)
-----				
Number of shares:				
Series M	--	--	1,635	--
Series T	1,800	1,597	--	--
Series TH	--	1,596	--	2,710
Series F	--	--	--	2,711
-----				
Total	1,800	3,193	1,635	5,421
=====				

88

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)
-----			
Number of shares:			
Series M	2,200	3,081	--
Series T	--	--	2,165
Series TH	--	3,082	--
Series F	2,200	--	2,165
-----			
Total	4,400	6,163	4,330
=====			

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

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

As of February 28, 2009, Insured California Premium Income 2 (NCL), California Premium Income (NCU), California Dividend Advantage (NAC), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) redeemed \$15,175,000, \$2,125,000,



\$39,475,000, \$32,925,000, \$9,750,000 and \$45,000,000 of their outstanding Auction Rate Preferred shares, respectively, at liquidation value. Insured California Premium Income (NPC) and California Dividend Advantage 2 (NVX) have not redeemed any of their Auction Rate Preferred shares.

#### Variable Rate Demand Preferred Shares

On August 7, 2008, Insured California Tax-Free Advantage (NKX) issued 355 Series 1 Variable Rate Demand Preferred shares, \$100,000 liquidation value per share, in a privately negotiated offering. Proceeds of this offering along with the proceeds from the Fund's creation of tender option bonds (TOBs), also known as "floaters" or floating rate obligations, were used to redeem all of the Fund's outstanding Auction Rate Preferred shares totaling \$45,000,000. The Variable Rate Demand Preferred shares were offered to institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, have a maturity date of August 1, 2038 and include a liquidity feature that allows the Variable Rate Demand Preferred shareholders to have their shares purchased by the liquidity provider in the event that sell orders are not matched with purchase orders in a remarketing. Dividends on the Variable Rate Demand Preferred shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the liquidation value of the Variable Rate Demand Preferred shares approximates fair value.

Subject to certain conditions, Variable Rate Demand Preferred shares may be redeemed, in whole or in part, at any time at the option of the Fund. The Fund may also redeem certain of the Variable Rate Demand Preferred shares if the Fund fails to maintain certain asset coverage requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends.

Insured California Tax-Free Advantage (NKX) had all of its \$35,500,000 Variable Rate Demand Preferred shares outstanding for the six months ended February 28, 2009, with an annualized interest rate of 1.99%.

For financial reporting purposes only, Variable Rate Demand Preferred shares, at the liquidation value are recorded as a liability on the Statement of Assets and Liabilities and the dividends paid on the Variable Rate Demand Preferred shares are included as a component of "Interest expense" on the Statement of Operations.

89

| Notes to FINANCIAL STATEMENTS (continued)

#### Insurance

Except to the extent that each of Insured California Premium Income (NPC) and Insured California Premium Income 2 (NCL) invests in temporary investments, all of the assets of each Fund will be invested in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest or backed by an escrow or trust account containing sufficient U.S. government or U.S. government agency securities to ensure timely payment of principal and interest. Insurers must have a claims paying ability rated "Aaa" by Moody's or "AAA" by S&P. Municipal securities backed by an escrow account or trust account will not constitute more than 20% of the Fund's assets.

Under normal circumstances, Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) will invest at least 80% of their net assets (including net assets attributable to Auction Rate Preferred shares

or Variable Rate Demand Preferred shares) in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. For purposes of this 80% test, insurers must have a claims paying ability rated at least "A" at the time of purchase by at least one independent rating agency. In addition, each of Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) will invest at least 80% of its net assets (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares) in municipal securities that are rated at least "AA" at the time of purchase (based on the higher of the rating of the insurer, if any, or the underlying security) by at least one independent rating agency, or are unrated but judged to be of similar credit quality by Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), or municipal bonds backed by an escrow or trust account containing sufficient U.S. government or U.S. government agency securities or U.S. Treasury-issued State and Local Government Series securities to ensure timely payment of principal and interest. Each of Insured California Dividend Advantage (NKL) and Insured California Tax-Free Advantage (NKX) may also invest up to 20% of its net assets (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares) in municipal securities rated below "AA" but at least "BBB" (based on the higher rating of the insurer, if any, or the underlying bond) or are unrated but judged to be of comparable quality by the Adviser.

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' Common 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, in contrast, 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 Common share net asset value of the Funds 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.

#### Inverse Floating Rate Securities

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

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as "(IF) - Inverse floating rate investment." An investment in a self-deposited inverse floater is accounted for as a financing transaction in accordance with Statement of Financial Accounting Standards No. 140 (SFAS No. 140) "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as "(UB) - Underlying bond of an inverse floating rate trust," with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and the related interest paid to the holders of the short-term floating rate certificates is included as a component of "Interest expense" on the Statement of Operations.

During the six months ended February 28, 2009, each Fund invested in externally deposited inverse floaters and/or self-deposited inverse floaters.

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse trust" or "credit recovery swap") (such agreements referred to herein as "Recourse Trusts") with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates issued by the trust plus any shortfalls in interest cash flows. Under these agreements, a Fund's potential exposure to losses related to or on inverse floaters may increase beyond the value of a Fund's inverse floater investments as a Fund may potentially be liable to fulfill all amounts owed to holders of the floating rate certificates. At period end, any such shortfall is recognized as "Unrealized depreciation on Recourse Trusts" on the Statement of Assets and Liabilities.

At February 28, 2009, the Funds were not invested in any externally-deposited Recourse Trusts.

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFOR DIVID ADVANTAG (
Maximum exposure to Recourse Trusts	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

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

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the six months ended February 28, 2009, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CA
Average floating rate obligations	\$ --	\$ 19,910,829	\$ 5
Average annual interest rate and fees	--%	2.29%	

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	CA AD
Average floating rate obligations	\$ 4,065,044	\$ 14,073,978	\$ 7
Average annual interest rate and fees	2.39%	2.30%	

| Notes to FINANCIAL STATEMENTS (continued)

Forward Swap Transactions

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

Premium Income 2 (NCL) and California Dividend Advantage 3 (NZH) invested in forward interest rate swap transactions during the six months ended February 28, 2009.

#### Futures Contracts

Each Fund is authorized to invest in futures contracts. Upon entering into a futures contract, a Fund is required to deposit with the broker an amount of cash or liquid securities equal to a specified percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by a Fund each day, depending on the daily fluctuation of the value of the contract.

During the period the futures contract is open, changes in the value of the contract are recognized as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract. When the contract is closed or expired, a Fund records a realized gain or loss equal to the difference between the value of the contract on the closing date and value of the contract when originally entered into. Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is recognized on the Statement of Assets and Liabilities. Additionally, the Statement of Assets and Liabilities reflects a receivable or payable for the variation margin, when applicable. Insured California Premium Income 2 (NCL) and California Dividend Advantage 3 (NZH) invested in futures contracts during the six months ended February 28, 2009.

Risks of investments in futures contracts include the possible adverse movement of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices.

#### Market and Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (credit risk). Similar to credit risk, each Fund may be exposed to counterparty risk, or the risk that an institution or other entity with which the Fund has unsettled or open transactions will default. The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to credit risk, consist principally of cash due from counterparties on forward, option and swap transactions. The extent of each Fund's exposure to credit and counterparty risks in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

92

Each Fund helps manage credit risk by entering into agreements only the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least

the predetermined threshold amount.

#### Zero Coupon Securities

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

#### Offering Costs

Costs incurred by Insured California Tax-Free Advantage (NKX) in connection with its offering of Variable Rate Demand Preferred shares (\$530,000) were recorded as a deferred charge which will be amortized over the 30-year life of the shares and are recognized as "Amortization of offering costs" on the Statement of Operations.

#### Custodian Fee Credit

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

#### Indemnifications

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

#### Use of Estimates

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

93

| Notes to FINANCIAL STATEMENTS (continued)

## 2. FAIR VALUE MEASUREMENTS

During the current fiscal period, the Funds adopted the provisions of Statement of Financial Accounting Standards No. 157 (SFAS No. 157) "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands

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

disclosure about fair value measurements. In determining the value of each Fund's investments various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of each Fund's fair value measurements as of February 28, 2009:

INSURED CALIFORNIA PREMIUM INCOME (NPC)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 133,569,802	\$ --	\$ 133,569,802

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 254,436,434	\$ --	\$ 254,436,434
Derivatives*	--	1,751,141	--	1,751,141
Total	\$ --	\$ 256,187,575	\$ --	\$ 256,187,575

CALIFORNIA PREMIUM INCOME (NCU)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 114,136,934	\$ --	\$ 114,136,934

CALIFORNIA DIVIDEND ADVANTAGE (NAC)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 426,125,802	\$ --	\$ 426,125,802

CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 300,745,579	\$ --	\$ 300,745,579

CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 440,176,379	\$ --	\$ 440,176,379
Derivatives*	--	(2,841,843)	--	(2,841,843)
Total	\$ --	\$ 437,334,536	\$ --	\$ 437,334,536

INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 319,298,553	\$ --	\$ 319,298,553

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

INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)	LEVEL 1	LEVEL 2	LEVEL 3	TOT
Investments	\$ --	\$ 109,158,643	\$ --	\$ 109,158,6

\* Represents net unrealized appreciation (depreciation). Derivatives may include outstanding futures, forward and swap contracts. See Investments in Derivatives within the Fund's Portfolio of Investments.

94

3. FUND SHARES

Common Shares

On July 30, 2008, the Funds' Board of Directors/Trustees approved an open market share repurchase program under which each Fund may repurchase an aggregate of up to 10% of its outstanding Common shares.

Transactions in Common shares were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)			INSURED CA
	SIX MONTHS	YEAR ENDED	YEAR ENDED	SIX MONTH
	ENDED 2/28/09	8/31/08	8/31/07	ENDED 2/28/0
Common shares:				
Issued to shareholders due to reinvestment of distributions	--	--	4,166	--
Repurchased	(6,200)	--	--	(41,80)
Weighted average Common share:				
Price per share repurchased	\$ 12.00	--	--	\$ 10.6
Discount per share repurchased	15.30%	--	--	17.7

	CALIFORNIA PREMIUM INCOME (NCU)			CALIFORN
	SIX MONTHS	YEAR ENDED	YEAR ENDED	SIX MONTHS
	ENDED 2/28/09	8/31/08	8/31/07	ENDED 2/28/0
Common shares:				
Issued to shareholders due to reinvestment of distributions	--	--	972	--
Repurchased	(14,700)	--	--	--
Weighted average Common share:				
Price per share repurchased	\$ 9.67	--	--	--
Discount per share repurchased	22.26%	--	--	--



	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)			CALIFORNIA
	SIX MONTHS	YEAR ENDED	YEAR ENDED	SIX MONTHS
	ENDED 2/28/09	ENDED 8/31/08	ENDED 8/31/07	ENDED 2/28/09
Common shares:				
Issued to shareholders due to reinvestment of distributions	--	--	6,762	--
Repurchased	(18,300)	--	--	(12,900)
Weighted average Common share:				
Price per share repurchased	\$ 10.26	--	--	\$ 9.30
Discount per share repurchased	21.40%	--	--	19.80%

	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)			INSURED CALIFORNIA
	SIX MONTHS	YEAR ENDED	YEAR ENDED	SIX MONTHS
	ENDED 2/28/09	ENDED 8/31/08	ENDED 8/31/07	ENDED 2/28/09
Common shares:				
Issued to shareholders due to reinvestment of distributions	--	--	21,450	--
Repurchased	(19,000)	--	--	--
Weighted average Common share:				
Price per share repurchased	\$ 10.76	--	--	--
Discount per share repurchased	21.01%	--	--	--

| Notes to FINANCIAL STATEMENTS (continued)

Preferred Shares

Insured California Premium Income (NPC) and California Dividend Advantage 2 (NVX) did not redeem and/or notice for redemption any of their Auction Rate-Preferred shares during the six months ended February 28, 2009, or during the fiscal years ended August 31, 2008 and August 31, 2007. Transactions in Auction Rate Preferred shares were as follows:

INSURED CALIFORNIA  
PREMIUM INCOME 2 (NPC)

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

	SIX MONTHS ENDED 2/28/09		YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
-----				
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series T	--	\$ --	303	\$ 7,575,000
Series TH	--	--	304	7,600,000
-----				
Total	--	\$ --	607	\$ 15,175,000
=====				

	SIX MONTHS ENDED 2/28/09		CALIFORNIA PREMIUM INCOME (NO) YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
-----				
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series M	85	\$2,125,000	--	\$ --
=====				

	SIX MONTHS ENDED 2/28/09		CALIFORNIA DIVIDEND ADVANTAGE (NAC) YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
-----				
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series TH	--	\$ --	790	\$ 19,750,000
Series F	--	--	789	19,725,000
-----				
Total	--	\$ --	1,579	\$ 39,475,000
=====				

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

ADVANTAGE 3 (NZH)

	SIX MONTHS ENDED 2/28/09		YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series M	117	\$ 2,925,000	542	\$13,550,000
Series TH	117	2,925,000	541	13,525,000
Total	234	\$ 5,850,000	1,083	\$27,075,000

INSURED CALIFORNIA  
DIVIDEND ADVANTAGE (NKL)

	SIX MONTHS ENDED 2/28/09		YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series T	--	\$ --	195	\$ 4,875,000
Series F	--	--	195	4,875,000
Total	--	\$ --	390	\$ 9,750,000

INSURED CALIFORNIA  
TAX-FREE ADVANTAGE (NKL)

	SIX MONTHS ENDED 2/28/09		YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed and/or noticed for redemption:				
Series TH	--	\$ --	1,800	\$ 45,000,000

Transactions in Variable Rate Demand Preferred shares were as follows:

INSURED CALIFORNIA

	SIX MONTHS ENDED 2/28/09		YEAR ENDED 8/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
Variable Rate Demand Preferred shares issued: Series 1	--	\$ --	355	\$ 35,500,000

97

| Notes to FINANCIAL STATEMENTS (continued)

4. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the six months ended February 28, 2009, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
Purchases	\$ 860,000	\$24,566,262
Sales and maturities	3,886,299	22,624,491

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Purchases	\$20,653,313	\$39,866,957
Sales and maturities	26,763,192	39,099,487

5. INCOME TAX INFORMATION

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

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

transactions subject to SFAS No.140, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

At February 28, 2009, the cost of investments was as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	
Cost of investments	\$132,641,546	\$241,393,745	\$1

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	
Cost of investments	\$314,934,096	\$471,068,341	\$3

98

Gross unrealized appreciation and gross unrealized depreciation of investments at February 28, 2009, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	
Gross unrealized:			
Appreciation	\$ 7,279,289	\$ 6,299,872	\$
Depreciation	(6,351,033)	(13,346,007)	
Net unrealized appreciation (depreciation) of investments	\$ 928,256	\$ (7,046,135)	\$

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

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Gross unrealized:		
Appreciation	\$ 12,759,781	\$ 11,732,164
Depreciation	(30,253,253)	(56,273,721)
Net unrealized appreciation (depreciation) of investments	\$ (17,493,472)	\$ (44,541,557)

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at February 28, 2009, the Funds' tax year end, were as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
Undistributed net tax-exempt income *	\$639,719	\$1,643,978
Undistributed net ordinary income **	81,675	39,546
Undistributed net long-term capital gains	49,280	374,633

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Undistributed net tax-exempt income *	\$1,922,975	\$3,076,255
Undistributed net ordinary income **	--	--
Undistributed net long-term capital gains	--	--

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on February 3, 2009, paid on March 2, 2009.

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

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

The tax character of distributions paid during the six months ended February 28, 2009, and during the tax years ended August 31, 2008 and August 31, 2007, was designated for purposes of the dividends paid deduction as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2009		
Distributions from net tax-exempt income***	\$2,881,331	\$5,194,372
Distributions from net ordinary income **	678,143	174,474
Distributions from net long-term capital gains****	413,615	1,923,636

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2009		
Distributions from net tax-exempt income***	\$6,778,776	\$11,094,973
Distributions from net ordinary income **	32,516	--
Distributions from net long-term capital gains****	672,624	--

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

\*\*\* The Funds hereby designate these amounts paid during the six months ended February 28, 2009, as Exempt Interest Dividends.

\*\*\*\* The Funds designated as a long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the six months ended February 28, 2009.

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
2008		
Distributions from net tax-exempt income	\$6,134,637	\$11,218,712
Distributions from net ordinary income **	65,183	--
Distributions from net long-term capital gains	46,723	--

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

2008	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Distributions from net tax-exempt income	\$13,977,615	\$23,159,643
Distributions from net ordinary income **	--	--
Distributions from net long-term capital gains	--	--

100

2007	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
Distributions from net tax-exempt income	\$6,064,156	\$11,716,879
Distributions from net ordinary income **	46,600	--
Distributions from net long-term capital gains	604,806	--

2007	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Distributions from net tax-exempt income	\$15,011,893	\$24,913,042
Distributions from net ordinary income **	--	--
Distributions from net long-term capital gains	--	--

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

At February 28, 2009, the Funds' tax 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:

CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
--	--	--	--



Expiration:							
February 28, 2011	\$	--	\$	--	\$	--	\$ 2,816,211
February 29, 2012		--		--		--	323,840
February 29, 2016		--		--		--	3,869,938
February 28, 2017		88,523		14,137,598		926,547	4,536,999
<b>Total</b>	<b>\$</b>	<b>88,523</b>	<b>\$14,137,598</b>		<b>\$926,547</b>		<b>\$11,546,988</b>

The Funds have elected to defer net realized losses from investments incurred from November 1, 2008 through February 28, 2009, the Funds' tax year end, ("post-October losses") in accordance with federal income tax regulations. Post-October losses are treated as having arisen on the first day of the following fiscal year:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)
Post-October capital losses	\$ 28,044	\$8,852,567

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)
Post-October capital losses	\$1,697,447	\$7,534,294

| Notes to FINANCIAL STATEMENTS (continued)

6. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

follows:

INSURED CALIFORNIA  
INSURED CALIFORNIA  
CALIFORNIA

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO AUCTION RATE PREFERRED SHARES OR VARIABLE RATE DEMAND PREFERRED SHARES)

-----

For the first \$125 million  
 For the next \$125 million  
 For the next \$250 million  
 For the next \$500 million  
 For the next \$1 billion  
 For the next \$3 billion  
 For net assets over \$5 billion

=====

CALIFORNIA  
CALIFORNIA D  
CALIFORNIA D  
INSURED CALIFORNIA  
INSURED CALIFORNIA

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO AUCTION RATE PREFERRED SHARES OR VARIABLE RATE DEMAND PREFERRED SHARES)

-----

For the first \$125 million  
 For the next \$125 million  
 For the next \$250 million  
 For the next \$500 million  
 For the next \$1 billion  
 For net assets over \$2 billion

=====

102

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the following table. As of February 28, 2009, the complex-level fee rate was .2000%.

The complex-level fee schedule is as follows:

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

\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

(1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate daily net assets of all Nuveen funds, with such daily managed assets defined separately for each fund in its management agreement, but which generally includes assets attributable to preferred stock issued by or borrowings (including the issuance of commercial paper or notes) by such fund but to exclude assets attributable to investments in other Nuveen funds.

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 its Officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised funds.

103

| Notes to FINANCIAL STATEMENTS (continued)

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

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

\* From the commencement of operations.

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

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

YEAR ENDING MARCH 31,		YEAR ENDING MARCH 31,	
--------------------------	--	--------------------------	--

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

104

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

YEAR ENDING		YEAR ENDING	
MARCH 31,		MARCH 31,	
2002*	.30%	2008	.25%
2003	.30	2009	.20
2004	.30	2010	.15
2005	.30	2011	.10
2006	.30	2012	.05
2007	.30		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Insured California Dividend Advantage (NKL) for any portion of its fees and expenses beyond March 31, 2012.

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

For the first eight years of Insured California Tax-Free Advantage's (NKX) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING NOVEMBER 30,		YEAR ENDING NOVEMBER 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Insured California Tax-Free Advantage (NKX) for any portion of its fees and expenses beyond November 30, 2010.

7. NEW ACCOUNTING PRONOUNCEMENTS

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 161 (SFAS No. 161)

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." This standard is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative instruments, b) how derivative instruments and related hedge items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of February 28, 2009, management does not believe the adoption of SFAS No. 161 will impact the financial statement amounts; however, additional footnote disclosures may be required about the use of derivative instruments and hedging items.

8. SUBSEQUENT EVENTS

Distributions to Common Shareholders

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on April 1, 2009, to shareholders of record on March 15, 2009, as follows:

	INSURED CALIFORNIA PREMIUM INCOME (NPC)	INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)	CALIFORNIA PREMIUM INCOME (NCU)	CALIFORNIA DIVIDEND ADVANTAGE (NAC)
Dividend per share	\$.0605	\$.0580	\$.0555	\$.0630

	CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)	CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)	INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)	INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)

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

Dividend per share	\$ .0660	\$ .0640	\$ .0635	\$ .0590
--------------------	----------	----------	----------	----------

105

| Financial HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Investment Operatio Distributions from Net Investment Income to Auction Rate Preferred Shareholders+
<b>INSURED CALIFORNIA PREMIUM INCOME (NPC)</b>				
Year Ended 2/28:				
2009 (b)	\$ 14.93	\$ .47	\$ (.74)	\$ (.11)
Year Ended 8/31:				
2008	15.04	.95	(.10)	(.22)
2007	15.58	.90	(.40)	(.21)
2006	16.21	.92	(.38)	(.18)
2005	16.23	.95	.22	(.10)
2004	15.59	.99	.68	(.05)
<b>INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)</b>				
Year Ended 2/28:				
2009 (b)	14.13	.44	(1.12)	(.10)
Year Ended 8/31:				
2008	14.50	.95	(.44)	(.24)
2007	14.99	.89	(.46)	(.25)
2006	15.33	.90	(.28)	(.20)
2005	15.12	.91	.29	(.11)
2004	14.60	.96	.53	(.06)

	Less Distributions			Ending Common Share Net Asset Value
	Net Investment Income to Common Shareholders	Capital Gains to Common Shareholders	Total	
<b>INSURED CALIFORNIA PREMIUM INCOME (NPC)</b>				
Year Ended 2/28:				
2009 (b)	\$ (.36)	\$ (.14)	\$ (.50)	\$ 14.03
Year Ended 8/31:				
2008	(.73)	(.01)	(.74)	14.93

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

2007	(.73)	(.08)	(.81)	15.04
2006	(.83)	(.14)	(.97)	15.58
2005	(.92)	(.16)	(1.08)	16.21
2004	(.93)	(.05)	(.98)	16.23

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

-----				
Year Ended 2/28:				
2009(b)	(.34)	(.14)	(.48)	12.85
Year Ended 8/31:				
2008	(.64)	--	(.64)	14.13
2007	(.67)	--	(.67)	14.50
2006	(.76)	--	(.76)	14.99
2005	(.88)	--	(.88)	15.33
2004	(.91)	--	(.91)	15.12
=====				

	Auction Rate Preferred Shares at End of Period			Variable Rate at
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)
	-----			-----

INSURED CALIFORNIA PREMIUM INCOME (NPC)

-----				
Year Ended 2/28:				
2009(b)	\$ 45,000	\$ 25,000	\$ 75,295	\$ --
Year Ended 8/31:				
2008	45,000	25,000	78,590	--
2007	45,000	25,000	78,987	--
2006	45,000	25,000	80,878	--
2005	45,000	25,000	83,061	--
2004	45,000	25,000	83,121	--

INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)

-----				
Year Ended 2/28:				
2009(b)	79,825	25,000	75,996	--
Year Ended 8/31:				
2008	87,400	25,000	76,411	--
2007	95,000	25,000	73,511	--
2006	95,000	25,000	75,150	--
2005	95,000	25,000	76,288	--
2004	95,000	25,000	75,535	--
=====				

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

	Total Returns			Applicable
	Based on Market Value**	Based on Common Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)
INSURED CALIFORNIA PREMIUM INCOME (NPC)				
Year Ended 2/28:				
2009 (b)	(9.25)%	(2.43)%	\$ 90,531	1.27%*
Year Ended 8/31:				
2008	(2.21)	4.23	96,462	1.19
2007	4.61	1.70	97,176	1.22
2006	1.00	2.23	100,581	1.16
2005	7.58	6.74	104,510	1.14
2004	11.80	10.64	104,618	1.17
INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)				
Year Ended 2/28:				
2009 (b)	(9.95)	(5.40)	162,831	1.53*
Year Ended 8/31:				
2008	(3.06)	1.86	179,734	1.23
2007	1.26	1.18	184,343	1.24
2006	(.63)	2.91	190,571	1.20
2005	5.10	7.42	194,895	1.17
2004	12.71	10.02	192,035	1.19

Ratios/Supplemental Data

Ratios to Average Net Assets  
Applicable to Common Shares  
After Credit/Reimbursement\*\*\*

	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Portfolio Turnover Rate
INSURED CALIFORNIA PREMIUM INCOME (NPC)				
Year Ended 2/28:				
2009 (b)	1.27%*	1.27%*	6.88%*	1%
Year Ended 8/31:				
2008	1.17	1.17	6.25	17
2007	1.20	1.14	5.87	9
2006	1.15	1.15	5.90	9
2005	1.13	1.13	5.86	9
2004	1.16	1.16	6.17	25
INSURED CALIFORNIA PREMIUM INCOME 2 (NCL)				
Year Ended 2/28:				
2009 (b)	1.50*	1.21*	7.17*	9
Year Ended 8/31:				
2008	1.22	1.19	6.57	12



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

2007	1.22	1.17	6.01	19
2006	1.19	1.19	6.05	14
2005	1.17	1.17	6.03	7
2004	1.19	1.19	6.38	35

\* Annualized.

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

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

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

\*\*\*\* Rounds to less than \$.01 per share.

+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended February 28, 2009.

See accompanying notes to financial statements.

107

| Financial HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

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

	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to Auction Rate Preferred Shareholders+	Dist to Auc Sha
CALIFORNIA PREMIUM INCOME (NCU)					
Year Ended 2/28:					
2009 (b)	\$ 13.67	\$ .43	\$ (1.29)	\$ (.10)	\$
Year Ended 8/31:					
2008	14.06	.92	(.43)	(.24)	
2007	14.63	.90	(.52)	(.24)	
2006	15.03	.89	(.30)	(.21)	
2005	14.51	.90	.60	(.12)	
2004	13.66	.94	.85	(.06)	

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

Year Ended 2/28:					
2009 (b)	14.43	.49	(2.07)	(.09)	
Year Ended 8/31:					
2008	14.93	1.02	(.50)	(.23)	
2007	15.59	1.00	(.56)	(.24)	
2006	15.98	1.01	(.25)	(.21)	
2005	15.59	1.04	.50	(.12)	
2004	14.82	1.05	.76	(.06)	

Less Distributions

	Net Investment Income to Common Shareholders	Capital Gains to Common Shareholders	Total	Ending Common Share Net Asset Value	Endin Marke Valu
--	--	---	-------	---	------------------------

CALIFORNIA PREMIUM INCOME (NCU)

Year Ended 2/28:					
2009 (b)	\$ (.33)	\$ (.01)	\$ (.34)	\$ 12.37	\$ 10.0
Year Ended 8/31:					
2008	(.64)	--	(.64)	13.67	12.5
2007	(.67)	(.03)	(.70)	14.06	13.0
2006	(.77)	(.01)	(.78)	14.63	14.0
2005	(.86)	--	(.86)	15.03	14.3
2004	(.88)	--	(.88)	14.51	13.6

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

Year Ended 2/28:					
2009 (b)	(.38)	(.26)	(.64)	12.10	10.8
Year Ended 8/31:					
2008	(.74)	(.04)	(.78)	14.43	13.4
2007	(.80)	(.05)	(.85)	14.93	14.3
2006	(.91)	(.03)	(.94)	15.59	15.9

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

2005	(.98)	(.05)	(1.03)	15.98	16.0
2004	(.98)	--	(.98)	15.59	15.0

	Auction Rate Preferred Shares at End of Period			Variable Rate Deman at End	
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Liqui and Per

CALIFORNIA PREMIUM INCOME (NCU)

Year Ended 2/28:					
2009 (b)	\$ 40,875	\$ 25,000	\$ 68,584	\$ --	\$
Year Ended 8/31:					
2008	43,000	25,000	70,910	--	
2007	43,000	25,000	72,209	--	
2006	43,000	25,000	74,109	--	
2005	43,000	25,000	75,456	--	
2004	43,000	25,000	73,704	--	

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

Year Ended 2/28:					
2009 (b)	135,525	25,000	77,430	--	
Year Ended 8/31:					
2008	135,525	25,000	87,485	--	
2007	175,000	25,000	75,075	--	
2006	175,000	25,000	77,217	--	
2005	175,000	25,000	78,466	--	
2004	175,000	25,000	77,152	--	

108

	Ratios/Supplementa				
	Total Returns			Ratios to Aver Applicable to Before Credit	
	Based on Market Value**	Based on Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++(a)	Exp Excl Int

CALIFORNIA PREMIUM INCOME (NCU)

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

Year Ended 2/28:				
2009 (b)	(17.22)%	(6.92)%	\$ 71,260	1.57%*
Year Ended 8/31:				
2008	1.51	1.81	78,966	1.34
2007	(2.21)	.82	81,200	1.29
2006	3.14	2.72	84,467	1.23
2005	11.76	9.75	86,785	1.21
2004	12.04	12.94	83,772	1.23

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

Year Ended 2/28:				
2009 (b)	(14.14)	(11.45)	284,221	1.31*
Year Ended 8/31:				
2008	(.84)	1.85	338,732	1.26
2007	(5.19)	1.16	350,523	1.17
2006	5.47	3.63	365,516	1.13
2005	14.62	9.41	374,265	1.12
2004	12.07	12.11	365,066	1.14

Ratios/Supplemental Data

Ratios to Average Net Assets  
Applicable to Common Shares  
After Credit/Reimbursement\*\*\*

Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Portfolio Turnover Rate
---	---	-------------------------------	-------------------------------

CALIFORNIA PREMIUM INCOME (NCU)

Year Ended 2/28:				
2009 (b)	1.55%*	1.35%*	7.08%*	14%
Year Ended 8/31:				
2008	1.33	1.21	6.57	5
2007	1.27	1.19	6.16	11
2006	1.21	1.21	6.10	20
2005	1.20	1.20	6.09	13
2004	1.22	1.22	6.63	19

CALIFORNIA DIVIDEND ADVANTAGE (NAC)

Year Ended 2/28:				
2009 (b)				
Year Ended 8/31:	1.22*	1.08*	8.01*	14
2008	1.10	.99	6.93	19
2007	.94	.89	6.47	20
2006	.83	.83	6.51	13
2005	.75	.75	6.59	4
2004	.70	.70	6.83	12

\* Annualized.

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

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

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

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

\*\*\*\* Rounds to less than \$.01 per share.

+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended February 28, 2009.

See accompanying notes to financial statements.

109

| Financial HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Investment Operations	
				Distributions from Net Investment Income to Auction Rate Preferred Shareholders+	Di

CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)

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

Year Ended 2/28:					
2009 (b)	\$ 14.39	\$ .51	\$ (1.47)	\$ (.11)	\$
Year Ended 8/31:					
2008	14.69	1.01	(.37)	(.25)	
2007	15.36	.96	(.62)	(.25)	
2006	15.63	.97	(.19)	(.21)	
2005	14.97	.98	.71	(.12)	
2004	14.18	.99	.77	(.06)	

CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)

Year Ended 2/28:				
2009 (b)	13.62	.50	(2.13)	(.09)
Year Ended 8/31:				
2008	14.25	1.03	(.70)	(.25)
2007	15.03	.98	(.73)	(.27)
2006	15.31	.97	(.20)	(.22)
2005	14.65	.97	.68	(.13)
2004	13.72	.98	.88	(.07)

Less Distributions

Net Investment Income to Common Shareholders	Capital Gains to Common Shareholders	Total	Ending Common Share Net Asset Value	End Mar Va
--	--------------------------------------	-------	-------------------------------------	------------

CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)

Year Ended 2/28:					
2009 (b)	\$ (.36)	\$ (.04)	\$ (.40)	\$ 12.91	\$ 10
Year Ended 8/31:					
2008	(.69)	--	(.69)	14.39	12
2007	(.76)	--	(.76)	14.69	13
2006	(.84)	--	(.84)	15.36	14
2005	(.91)	--	(.91)	15.63	15
2004	(.91)	--	(.91)	14.97	14

CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)

Year Ended 2/28:					
2009 (b)	(.37)	--	(.37)	11.53	10
Year Ended 8/31:					
2008	(.71)	--	(.71)	13.62	12
2007	(.76)	--	(.76)	14.25	13
2006	(.83)	--	(.83)	15.03	14
2005	(.86)	--	(.86)	15.31	14
2004	(.86)	--	(.86)	14.65	13

Auction Rate Preferred Shares at End of Period

Variable Rate Dem at End

Aggregate Amount	Liquidation and Market	Asset	Aggregate Amount	Liq an
------------------	------------------------	-------	------------------	--------

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

	Outstanding (000)	Value Per Share	Coverage Per Share	Outstanding (000)	P
-----					
CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)					
-----					
Year Ended 2/28:					
2009 (b)	\$ 110,000	\$ 25,000	\$ 68,369	\$ --	\$
Year Ended 8/31:					
2008	110,000	25,000	73,384	--	
2007	110,000	25,000	74,394	--	
2006	110,000	25,000	76,627	--	
2005	110,000	25,000	77,532	--	
2004	110,000	25,000	75,317	--	
-----					
CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)					
-----					
Year Ended 2/28:					
2009 (b)	154,075	25,000	70,117	--	
Year Ended 8/31:					
2008	159,925	25,000	76,377	--	
2007	187,000	25,000	70,963	--	
2006	187,000	25,000	73,459	--	
2005	187,000	25,000	74,367	--	
2004	187,000	25,000	72,241	--	
=====					

110

	Total Returns			Ratios/Supplem	
	Based on Market Value**	Based on Common Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	E Ex I
	-----			-----	
				Ratios to Applicab Before C	
				-----	
-----					
CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)					
-----					
Year Ended 2/28:					
2009 (b)	(13.83)%	(7.40)%	\$ 190,824	1.37%*	
Year Ended 8/31:					
2008	(2.80)	2.76	212,890	1.25	
2007	(3.39)	.46	217,332	1.25	
2006	4.19	3.82	227,160	1.16	
2005	14.98	10.80	231,140	1.16	
2004	13.60	12.11	221,395	1.18	
-----					
CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)					
-----					
Year Ended 2/28:					

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

2009 (b)	(17.58)	(12.54)	278,056	1.39*
Year Ended 8/31:				
2008	.46	.60	328,659	1.21
2007	(4.12)	(.32)	343,806	1.22
2006	8.50	3.81	362,473	1.16
2005	15.75	10.69	369,262	1.17
2004	11.97	13.36	353,360	1.20

Ratios/Supplemental Data

Ratios to Average Net Assets  
Applicable to Common Shares  
After Credit/Reimbursement\*\*\*

Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Portfolio Turnover Rate
---	---	-------------------------------	-------------------------------

CALIFORNIA DIVIDEND ADVANTAGE 2 (NVX)

Year Ended 2/28:				
2009 (b)	1.12%*	1.07%*	8.10%*	7%
Year Ended 8/31:				
2008	.97	.88	6.85	20
2007	.89	.81	6.33	21
2006	.73	.73	6.36	9
2005	.70	.70	6.40	3
2004	.72	.72	6.70	13

CALIFORNIA DIVIDEND ADVANTAGE 3 (NZH)

Year Ended 2/28:				
2009 (b)	1.12*	1.00*	8.76*	9
Year Ended 8/31:				
2008	.88	.86	7.29	23
2007	.81	.76	6.56	23
2006	.70	.70	6.54	10
2005	.70	.70	6.51	5
2004	.73	.73	6.78	13

\* Annualized.

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

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid



on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended February 28, 2009.

See accompanying notes to financial statements.

111

| Financial HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Investment Ope Distribution from Ne Investmen Income t Auction Rat Preferre Shareholder
INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)				
Year Ended 2/28:				
2009 (b)	\$ 14.61	\$ .50	\$ (1.07)	\$ (.1)
Year Ended 8/31:				
2008	14.91	1.03	(.33)	(.2)
2007	15.50	1.01	(.57)	(.2)
2006	15.81	1.01	(.25)	(.2)
2005	15.35	1.01	.52	(.1)
2004	14.60	1.02	.84	(.0)
INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)				
Year Ended 2/28:				
2009 (b)	14.19	.39	(1.32)	-
Year Ended 8/31:				

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

2008	14.47	.97	(.30)	(.2
2007	14.92	.96	(.46)	(.2
2006	15.17	.95	(.25)	(.2
2005	14.62	.96	.57	(.1
2004	13.79	.96	.84	(.0

Less Distributions

	Net Investment Income to Common Shareholders	Capital Gains to Common Shareholders	Total	Ending Common Share Net Asset Value
--	--	--------------------------------------	-------	-------------------------------------

INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)

Year Ended 2/28:				
2009(b)	\$ (.37)	\$ (.04)	\$ (.41)	\$ 13.5
Year Ended 8/31:				
2008	(.72)	(.02)	(.74)	14.6
2007	(.77)	--****	(.77)	14.9
2006	(.85)	--	(.85)	15.5
2005	(.90)	(.05)	(.95)	15.8
2004	(.91)	(.13)	(1.04)	15.3

INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)

Year Ended 2/28:				
2009(b)	(.35)	(.05)	(.40)	12.8
Year Ended 8/31:				
2008	(.71)	--	(.71)	14.1
2007	(.71)	--	(.71)	14.4
2006	(.74)	--	(.74)	14.9
2005	(.85)	--	(.85)	15.1
2004	(.91)	--	(.91)	14.6

Auction Rate Preferred Shares at End of Period

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

INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)

Year Ended 2/28:				
2009(b)	\$ 108,250	\$ 25,000	\$ 72,683	\$ --
Year Ended 8/31:				
2008	118,000	25,000	72,321	--
2007	118,000	25,000	73,289	--
2006	118,000	25,000	75,111	--
2005	118,000	25,000	76,113	--
2004	118,000	25,000	74,616	--

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

INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)

-----				
Year Ended 2/28:				
2009 (b)	--	--	--	35,500
Year Ended 8/31:				
2008	--	--	--	35,500
2007	45,000	25,000	72,302	--
2006	45,000	25,000	73,764	--
2005	45,000	25,000	74,595	--
2004	45,000	25,000	72,782	--
=====				

112

-----				
				Ratios/Su
				Rati
				App
				Bef
-----				
Total Returns				
-----				
Based on Market Value**	Based on Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)		Expenses Including Interest
-----				

INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)

Year Ended 2/28:				
2009 (b)	(14.22) %	(4.50) %	\$ 206,467	1.32
Year Ended 8/31:				
2008	(.03)	2.98	223,356	1.19
2007	(4.64)	1.13	227,923	1.21
2006	10.72	3.62	236,525	1.17
2005	9.00	9.46	241,254	1.16
2004	12.54	12.53	234,186	1.18

INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)

Year Ended 2/28:				
2009 (b)	(11.55)	(6.42)	75,661	2.57
Year Ended 8/31:				
2008	.12	2.97	83,531	1.33
2007	6.35	1.69	85,144	1.27
2006	4.56	3.43	87,775	1.22
2005	7.46	9.84	89,272	1.21
2004	11.54	12.86	86,008	1.23
=====				

Ratios/Supplemental Data

-----  
Ratios to Average Net Assets  
Applicable to Common Shares

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

	After Credit/Reimbursement***			Port Tur
	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	
-----				
INSURED CALIFORNIA DIVIDEND ADVANTAGE (NKL)				
-----				
Year Ended 2/28:				
2009 (b)	.99%*	.90%*	7.69%*	
Year Ended 8/31:				
2008	.83	.83	6.88	
2007	.78	.73	6.55	
2006	.71	.71	6.58	
2005	.71	.71	6.51	
2004	.72	.72	6.74	
-----				
INSURED CALIFORNIA TAX-FREE ADVANTAGE (NKX)				
-----				
Year Ended 2/28:				
2009 (b)	2.25*	1.22*	6.21*	
Year Ended 8/31:				
2008	.91	.83	6.70	
2007	.77	.71	6.45	
2006	.73	.73	6.46	
2005	.73	.73	6.43	
2004	.73	.73	6.67	
=====				

\* Annualized.

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

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

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

\*\*\*\* Rounds to less than \$.01 per share.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; income ratios reflect income earned on assets

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

attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares, where applicable.

- (a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.
- (b) For the six months ended February 28, 2009.

See accompanying notes to financial statements.

113

Board Members & Officers

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

NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATION INCLUDING DURING
---------------------------------	------------------------------------	--	---	--

INDEPENDENT BOARD MEMBERS:

o ROBERT P. BREMNER 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board member	1997	193	Private Consultant Humanities
o JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board member	1999	193	President private 1996); Fire Gr Member State o Gazette College Member Departm College formerl formerl of Chic Operati Inc., a

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

o	WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board member	2004	193	Dean, T Univers formerl of Fina Univers previou Directo Reserve Directo Corpora Gamma S Directo 2005-Oc (1997-2 Georget
o	DAVID J. KUNDERT 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board member	2005	193	Directo Managem as Chai Managem Investm Preside thereto One Cor One Inv Board o of the of Boar Botanic Committ
o	WILLIAM J. SCHNEIDER 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	193	Chairma Ltd., a Senior (retire Member, School Philhar member, Clevela Directo

114

NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIP OCCUPAT INCLUDI DIRECTO DURING
---------------------------------	------------------------------------	--	---	--

-----  
INDEPENDENT BOARD MEMBERS:

o	JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	193	Executi Donnell thereto Protect
---	---	--------------	------	-----	--

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

o	CAROLE E. STONE 6/28/47 333 W. Wacker Drive Chicago, IL 60606	Board member	2007	193	Director (since Commiss (since Racing (2005-2 State D Chair, (2000-2 Assista
o	TERENCE J. TOTH 9/29/59 333 W. Wacker Drive Chicago, IL 60606	Board Member	2008	193	Directo Managem Managin (since 2007); Investm Preside Securit thereto Trust C Goodman Chicago Univers Board ( Chicago Member: (2005-2 Board ( Board ( Securit Norther (1997-2

INTERESTED BOARD MEMBER:

o	JOHN P. AMBOIAN 6/14/61 333 W. Wacker Drive Chicago, IL 60606	Board Member	2008	193	Chief E and Dir Investm (since Rittenh Investm Preside Corp. a Corp. (3
---	--	--------------	------	-----	---

115

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIP OCCUPAT DURING
-----------------------------------	------------------------------------	---	--	------------------------------

OFFICERS OF THE FUNDS:

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

o	GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	193	Managin Secreta Nuveen (since and Ass Managem Secreta Company Investm Symphon Investm 2003), and San (since and Nuv (since 2004) a of Nuve Managin Counsel Secreta Nuveen Charter
o	WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	121	Executi Investm Preside Nuveen prior t Structu
o	MARK J.P. ANSON 6/10/59 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	193	Preside Investm of Nuve Service previou British and Chi (1999-2 Analyst Analyst Certifi Certifi
o	CEDRIC H. ANTOSIEWICZ 1/11/62 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	121	Managin previou Nuveen
o	NIZIDA ARRIAGA 6/1/68 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	193	Vice Pr (since Managen (1996-2
o	MICHAEL T. ATKINSON 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	193	Vice Pr Investm Nuveen
o	MARGO L. COOK 4/11/64				Executi of Nuve



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

	333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	193	Head of (2007-2 Managem Mgt (19 Charter
o	LORNA C. FERGUSON 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	193	Managin Vice Pr Managin Asset M (2004-2 (1998-2 Nuveen

116

	NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIP OCCUPAT DURING
--	-----------------------------------	------------------------------------	---	--	------------------------------

-----  
OFFICERS OF THE FUNDS:

o	STEPHEN D. FOY 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	193	Vice Pr Control Investm 2005) o Certifi
o	WILLIAM T. HUFFMAN 5/7/69 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	193	Chief O Income Managem Preside (2002 - Advisor (2007) Investm
o	WALTER M. KELLY 2/24/70 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	193	Senior Preside Vice Pr Counsel LLC; Vi Assista Asset M
o	DAVID J. LAMB 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	193	Senior formerl Nuveen Nuveen Certifi
o	TINA M. LAZAR 8/27/61 333 W. Wacker Drive	Vice President	2002	193	Senior formerl Investm

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

Chicago, IL 60606

o	LARRY W. MARTIN 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	193
o	KEVIN J. MCCARTHY 3/26/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2007	193

Preside  
(since  
  
Vice Pr  
Assista  
Investm  
2005) a  
Investm  
2005) a  
of Nuve  
and Ass  
Investm  
NWQ Inv  
(since  
LLC (si  
Investo  
Managem  
HydePar  
Solutio  
Vice Pr  
Nuveen  
Institu

Managin  
Vice Pr  
Investm  
Assista  
Managem  
Inc., N  
Nuveen  
Group L  
Company  
LLC, NW  
Managem  
Managem  
and Nuv  
(since  
Bell, B

117

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIP OCCUPAT DURING
-----------------------------------	------------------------------------	---	--	------------------------------

OFFICERS OF THE FUNDS:

o	JOHN V. MILLER 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	193
o	GREGORY MINO 1/4/71			Vice Pr (since

Managin  
Vice Pr  
Managem  
Charter  
  
Vice Pr  
(since

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

	333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	193	(2004-2 (2007-2 Managem (2000-2 Merrill Charter
o	CHRISTOPHER M. ROHRBACHER 8/1/71 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	193	Vice Pr (since Secreta 2008); Arps, S (2002-2
o	JAMES F. RUANE 7/3/62 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2007	193	Vice Pr (since Deloitt formerl Certifi
o	MARK L. WINGET 12/21/68 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	193	Vice Pr (since Secreta 2008); Price P

- (1) For California Premium Income (NCU), California Dividend Advantage (NAC), California Dividend Advantage 2 (NVX), California Dividend Advantage 3 (NZH), Insured California Dividend Advantage (NKL), and Insured California Tax-Free Advantage (NKX), Board Members serve three year terms, except for two board members who are elected annually by the holders of Preferred shares. The Board of Trustees for NCU, NAC, NVX, NZH, NKL, and NKX is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. For Insured California Premium Income (NPC) and Insured California Premium Income 2 (NCL), the Board Members serve a one year term to serve until the next annual meeting or until their successors shall have been duly elected and qualified. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

Reinvest Automatically EASILY and CONVENIENTLY

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

NUVEEN CLOSED-END FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

119

FLEXIBLE

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

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

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

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

### CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

120

NOTES

121

NOTES

122

NOTES

123

NOTES

124

NOTES

125

### Glossary of TERMS USED in this REPORT

- o AUCTION RATE BOND: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed", with current holders receiving a formula-based interest rate until the next scheduled auction.
- o AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time

period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in common share NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

- **AVERAGE EFFECTIVE MATURITY:** The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.
- **INVERSE FLOATERS:** Inverse floating rate securities are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.
- **LEVERAGE-ADJUSTED DURATION:** Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.
- **MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD):** An investment's current annualized dividend divided by its current market price.
- **NET ASSET VALUE (NAV):** A Fund's NAV per common share is calculated by subtracting the liabilities of the Fund (including any Preferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of common shares outstanding. Fund NAVs are calculated at the end of each business day.
- **TAXABLE-EQUIVALENT YIELD:** The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.
- **ZERO COUPON BOND:** A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

126

## Other Useful INFORMATION

## QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the twelve-month period ended June 30, 2008, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com).

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public References Section at 100 F Street NE, Washington, D.C. 20549.

## CEO CERTIFICATION DISCLOSURE

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

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

## COMMON AND PREFERRED SHARE INFORMATION

Each Fund intends to repurchase and/or redeem shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased and/or redeemed shares of their common and/or preferred stock as shown in the accompanying table:

FUND	COMMON SHARES REPURCHASED	PREFERRED SHARED REDEEMED
NPC	6,200	--
NCL	41,800	85
NCU	14,700	--
NVX	18,300	--
NZH	12,900	234
NKL	19,000	--

Any future repurchases and/or redemptions will be reported to shareholders in the next annual or semi-annual report.

## BOARD OF DIRECTORS/TRUSTEES

John P. Amboian  
Robert P. Bremner  
Jack B. Evans  
William C. Hunter  
David J. Kundert

William J. Schneider  
Judith M. Stockdale  
Carole E. Stone  
Terence J. Toth

FUND MANAGER  
Nuveen Asset Management  
333 West Wacker Drive  
Chicago, IL 60606

CUSTODIAN  
State Street Bank & Trust Company  
Boston, MA

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

LEGAL COUNSEL  
Chapman and Cutler LLP  
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
Ernst & Young LLP  
Chicago, IL

127

Nuveen Investments:

SERVING INVESTORS FOR GENERATIONS

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility. Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

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

Nuveen Investments is a global investment management firm that seeks to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets its growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, the Company managed \$119 billion of assets on December 31, 2008.

Find out how we can help you reach your financial goals.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective



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

and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at:

[www.nuveen.com/cef](http://www.nuveen.com/cef)

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

EAN-B-0209D

### ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/CEF/Info/Shareholder](http://www.nuveen.com/CEF/Info/Shareholder). (To view the code, click on Fund Governance and then click on Code of Conduct.)

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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

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

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

#### Nuveen California Dividend Advantage Municipal Fund 2

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes

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

no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

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

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

FISCAL YEAR ENDED	AUDIT FEES BILLED TO FUND (1)	AUDIT-RELATED FEES BILLED TO FUND (2)	TA BILLED
February 28, 2009(5)	\$ 17,675	\$ 0	
Percentage approved pursuant to pre-approval exception	0%	0%	
August 31, 2008	\$ 17,257	\$ 0	
Percentage approved pursuant to pre-approval exception	0%	0%	

- (1) "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees."
- (3) "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) "All Other Fees" are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.
- (5) Fund changed fiscal year from August to February starting in 2009.

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

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

The tables also show the percentage of fees subject to the pre-approval

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

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

FISCAL YEAR ENDED	AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	ALL BILLE AND AF SERVI
February 28, 2009(1)	\$ 0	\$ 0	
Percentage approved pursuant to pre-approval exception	0%	0%	
August 31, 2008	\$ 0	\$ 0	
Percentage approved pursuant to pre-approval exception	0%	0%	

(1) Fund changed fiscal year from August to February starting in 2009.

NON-AUDIT SERVICES

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

FISCAL YEAR ENDED	TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL	TOTAL BILLED AFFILIA PROVI
	TOTAL NON-AUDIT FEES	

	BILLED TO FUND	REPORTING OF THE FUND)
February 28, 2009(1)	\$ 850	\$ 0
August 31, 2008	\$ 800	\$ 0

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

(1) Fund changed fiscal year from August to February starting in 2009.

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

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Jack B. Evans, Terence J. Toth, William J. Schneider and David J. Kundert.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

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

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

In the rare event that a municipal issuer were to issue a proxy or that the registrant were to receive a proxy issued by a cash management security, NAM would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of

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

the registrant's Board or its representative. A member of NAM's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed with the SEC on Form N-PX, and the results provided to the registrant's Board and made available to shareholders as required by applicable rules.

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

THE PORTFOLIO MANAGER

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

NAME	FUND
Scott R. Romans	Nuveen California Dividend Advantage Municipal Fund 2

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

PORTFOLIO MANAGER	TYPE OF ACCOUNT MANAGED	ACCOUNTS	NUMBER OF ASSETS*
Scott R. Romans	Registered Investment Company	28	\$5.051 billion
	Other Pooled Investment Vehicles	0	\$0
	Other Accounts	3	\$.381 million

\* Assets are as of February 28, 2009. None of the assets in these accounts are subject to an advisory fee based on performance.

Compensation. Each portfolio manager's compensation consists of three basic elements--base salary, cash bonus and long-term incentive compensation. The compensation strategy is to annually compare overall compensation to the market in order to create a compensation structure that is competitive and consistent with similar financial services companies. As discussed below, several factors are considered in determining each portfolio manager's total compensation. In any year these factors may include, among others, the effectiveness of the investment strategies recommended by the portfolio manager's investment team, the investment performance of the accounts managed by the portfolio manager, and the overall performance of Nuveen Investments, Inc. (the parent company of NAM). Although investment performance is a factor in determining the portfolio manager's compensation, it is not necessarily a decisive factor. The portfolio manager's performance is evaluated in part by comparing the manager's performance against a specified investment benchmark. This fund-specific benchmark is a customized subset (limited to bonds in each Fund's specific state and with certain maturity parameters) of the S&P/Investortools Municipal Bond index, an index comprised of bonds held by managed municipal bond fund customers of Standard & Poor's Securities Pricing, Inc. that are priced daily and whose fund holdings aggregate at least \$2 million. As of February 28, 2009, the S&P/Investortools Municipal Bond index was comprised of 51,571 securities with an aggregate current market value of \$1,024 billion.

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

Cash bonus. Each portfolio manager is also eligible to receive an annual cash bonus. The level of this bonus is based upon evaluations and determinations made by each portfolio manager's supervisors, along with reviews submitted by his peers. These reviews and evaluations often take into account a number of factors, including the effectiveness of the investment strategies recommended to

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

the NAM's investment team, the performance of the accounts for which he serves as portfolio manager relative to any benchmarks established for those accounts, his effectiveness in communicating investment performance to stockholders and their representatives, and his contribution to the NAM's investment process and to the execution of investment strategies. The cash bonus component is also impacted by the overall performance of Nuveen Investments, Inc. in achieving its business objectives.

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

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

Beneficial Ownership of Securities. As of February 28, 2009, the portfolio manager beneficially owned the following dollar range of equity securities issued by the registrant and other Nuveen Funds managed by NAM's municipal investment team.

NAME OF PORTFOLIO MANAGER	FUND	DOLLA RANGE EQUIT SECUR BENEF OWNED FUND
Scott R. Romans	Nuveen California Dividend Advantage Municipal Fund 2	\$0

PORTFOLIO MANAGER BIO:

Scott R. Romans, PhD, joined Nuveen Investments in 2000 as a senior analyst in the education sector. In 2003, he was assigned management responsibility for

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

several closed- and open-ended municipal bond funds most of which are state funds covering California and other western states. He has been Vice President of NAM since 2004, Portfolio Manager since 2003, and was, formerly, Assistant Vice President (2003-2004) and Senior Analyst (2000-2003). Currently, he manages investments for 29 Nuveen-sponsored investment companies. He holds an undergraduate degree from the University of Pennsylvania and an MA and PhD from the University of Chicago.

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

Period*	(a) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED	(b) AVERAGE PRICE PAID PER SHARE (OR UNIT)	(c) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	(d) * MAXIMUM APPROXIMATE SHARES THAT CAN BE PURCHASED UNDER THE PROGRAM
AUGUST 7-31, 2008	0		0	1,480,000
SEPTEMBER 1-30, 2008	0		0	1,480,000
OCTOBER 1-31, 2008	0		0	1,480,000
NOVEMBER 1-30, 2008	0		0	1,480,000
DECEMBER 1-31, 2008	0		0	1,480,000
JANUARY 1-31, 2009	100	\$10.85	100	1,479,900
FEBRUARY 1-28, 2009	18,200	\$10.26	18,200	1,461,700
TOTAL	18,300			

\* The registrant's repurchase program, which authorized the repurchase of 1,480,000 shares, was announced on August 7, 2008. Any repurchases made by the registrant pursuant to the program were made through open-market transactions.

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

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this item.

### ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).

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

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

ITEM 12. EXHIBITS.

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

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

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

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

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

SIGNATURES

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

(Registrant) Nuveen California Dividend Advantage Municipal Fund 2  
-----

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

Kevin J. McCarthy  
Vice President and Secretary

Date: May 8, 2009  
-----

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the



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

following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

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

Date: May 8, 2009

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

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

Date: May 8, 2009