NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSRS
November 08, 2010

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: August 31, 2010

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.

NUVEEN INVESTMENTS ANNOUNCES STRATEGIC COMBINATION WITH FAF ADVISORS

On July 29, 2010, Nuveen Investments, Inc. announced that U.S. Bancorp will receive a 9.5% stake in Nuveen Investments and cash consideration in exchange for the long-term asset business of U.S. Bancorp's FAF Advisors (FAF). Nuveen Investments is the parent of Nuveen Asset Management (NAM), the investment adviser for the Funds included in this report.

FAF Advisors, which currently manages about $25 billion of long-term assets and serves as the advisor of the First American Funds, will be combined with NAM, which currently manages about $75 billion in municipal fixed income assets. Upon completion of the transaction, Nuveen Investments, which currently manages about $150 billion of assets across several high-quality affiliates, will manage a combined total of about $175 billion in institutional and retail assets.

This combination will not affect the investment objectives, strategies or policies of the Funds in this report. Over time, Nuveen Investments expects that the combination will provide even more ways to meet the needs of investors who work with financial advisors and consultants by enhancing the multi-boutique model of Nuveen Investments, which also includes highly respected investment teams at NWQ Investment Management, Santa Barbara Asset Management, Symphony Asset Management, Tradewinds Global Investors, Winslow Capital and Nuveen HydePark.

The transaction is expected to close late in 2010, subject to customary conditions.

Chairman's
Letter to Shareholders

Dear Shareholder,

Recent months have revealed the fragility and disparity of the global economic recovery. In the U.S., the rate of economic growth has slowed as various stimulus programs have started to wind down, exposing weakness in the underlying economy. In contrast, many emerging market countries are experiencing a return to comparatively high rates of growth. Confidence in global financial markets has been undermined by concerns about high sovereign debt levels in Europe and the U.S. Until these countries can begin credible programs to reduce their budgetary deficits, market unease and hesitation will remain. On a more positive note, even though the countries now enjoying the strongest recovery depend on exports to countries with trade deficits, these importing countries have resisted the temptation to damage world trade by erecting trade barriers.

The U.S. economy is subject to unusually high levels of uncertainty as it struggles to recover from a devastating financial crisis. Unemployment remains stubbornly high, due to what appears to be both cyclical and structural forces. Federal Reserve policy makers are considering novel approaches to provide support to the economy, and administration policy makers are debating additional stimulus measures. However, the high levels of debt owed both by U.S. consumers and the U.S. government limit their ability to engineer a stronger economic recovery.

The U.S. financial markets reflect the crosscurrents now impacting the U.S. economy. Today's historically low interest rates reflect the Fed's easy monetary policy and the demand for U.S. government debt by U.S. and overseas investors looking for a safe haven for investment. Despite a continued corporate earnings recovery, equity markets continue to reflect concern about the possibility of a "double dip" recession. Encouragingly, financial institutions are rebuilding their balance sheets and the financial reform legislation enacted this summer has the potential to address many of the most significant contributors to the financial crisis, although many details still have to be worked out.

In this difficult environment, your Nuveen investment team continues to seek sustainable investment opportunities and, at the same time, remains alert for potential risks that may result from a recovery still facing many headwinds. As your representative, the Nuveen Fund Board monitors the activities of each investment team to assure that all maintain their investment disciplines. As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund.

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

Sincerely,

Robert P. Bremner
Chairman of the Board
October 21, 2010

Portfolio Manager's Comments

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)

Portfolio manager Scott Romans examines key investment strategies and the performance of the Nuveen California Municipal Funds for the six-month period ended August 31, 2010. 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 key strategies were used to manage the California Funds during the six-month reporting period ended August 31, 2010?

During this period, the combination of strong demand and tighter supply of new tax-exempt municipal issuance continued to create favorable supply/demand conditions that helped to support municipal bond prices. One reason for the decline in new tax-exempt supply was the considerable issuance of taxable municipal debt under the Build America Bond program. These bonds, first issued in April 2009, offer municipal issuers a federal subsidy equal to 35% of a security's interest payments, providing issuers with an attractive alternative to traditional tax-exempt debt. For the six months ended August 31, 2010, taxable Build America Bond issuance totaled $49.4 billion, representing more than 24% of new bonds in the municipal marketplace nationwide. Of that total, almost $9 billion in Build American Bonds were issued in California, accounting for approximately 30% of municipal supply in the state. Since California's total new issuance—both tax-exempt and taxable—was already down substantially from the same period a year earlier, the availability of tax-exempt bonds in California was significantly impacted. Because interest payments from Build America Bonds represent taxable income, we do not view these bonds as good investment opportunities for the Funds.

For the four insured California Funds, the supply situation was compounded by the continued decline in the issuance of AAA rated insured bonds. Over the period, new insured paper accounted for approximately 7% of national issuance, compared with 11% a year earlier and historical levels of approximately 50%. In response to this situation, in May 2010 the Funds' Board of Directors/Trustees approved changes to the Funds' investment policies that increased their investment flexibility while retaining the

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.

Any reference to credit ratings for portfolio holdings refers to the highest rating assigned by a Nationally Recognized Statistical Rating Organization ("NRSRO") such as Standard & Poor's, Moody's, or Fitch. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below investment grade. Holdings and ratings may change over time.

insured nature of their portfolios. The insured California Funds can now invest at least 80% of their net assets in municipal securities that are covered by insurance from insurers with a claims-paying ability rated at least BBB-at the time of purchase. In addition, the Funds may also invest up to 20% of their net assets in uninsured investment-grade credits rated BBB-or higher. The investment policy changes are discussed in more detail on page eight.

Despite the constrained issuance on tax-exempt municipal bonds, we continued to find attractive value opportunities by exploring both the primary and secondary markets for undervalued sectors and individual credits with the potential to perform well over the long term. We found value in a variety of sectors, including lower-rated health care credits, redevelopment agency (RDA) issues and bonds issued for school districts and community colleges. During this period, a number of bonds issued by redevelopment agencies became available in the secondary market. The proceeds of these bonds are used to fund programs to improve deteriorated, blighted and economically depressed areas. The quantity of RDA bonds available in the marketplace allowed us to be very selective in evaluating these bonds on a case by case basis, buying only those where our research indicated that we potentially would be compensated for taking on additional risk.

We also purchased zero coupon and convertible zero coupon[1] bonds issued for school districts and community colleges. These bonds, some of which were insured with underlying ratings of AA or A, offered longer durations with very attractive yields relative to their credit quality. Due to the low yield environment, bonds with longer durations were in less demand during this period, so this also meant very attractive pricing. Because the Funds tended to be at or short of their target duration, they were in a position to take advantage of this situation, benefiting from both the longer durations and strong yields of the bonds we added to our portfolios. With both the RDA bonds and the school district and community college credits, we were able to discover attractive candidates for purchase in both the insured and uninsured segments of the market.

Early in the period, we also added bonds issued by the state of California, including California general obligation (GO) and public works bonds, which are backed by appropriations of the state. We believed that these bonds offered good value, as credit spreads remained relatively wide. As the period progressed, these spreads began to tighten, and we reduced our purchases of California GOs as their spreads became less attractive.

Some of our investment activity during this period resulted from opportunities created by the provisions of the Build America Bond program. For example, tax-exempt supply was more plentiful in the health care sector because, as 501(c)(3) (non-profit) organizations, hospitals generally do not qualify for the Build America Bond program and must continue to issue bonds in the tax-exempt municipal market. Bonds with proceeds earmarked for refundings, working capital, and private activities also are not covered by the Build America Bond program, and this resulted in attractive opportunities in various other sectors of the market.

The impact of the Build America Bond program was also evident in the area of longer-term issuance, as municipal issuers sought to take full advantage of the attractive

1 Convertible zero coupon bonds are tax-exempt municipal bonds that can be converted into corporate bonds of the issuing company. These bonds are generally sold at a discount from par and mature at par.

financing terms offered by these bonds. Approximately 70% of Build America Bonds were issued with maturities of at least 30 years. Even though this program significantly reduced the availability of tax-exempt credits with longer maturities, we continued to find good opportunities to purchase attractive longer-term bonds for these Funds.

Cash for new purchases during this period was generated primarily by the proceeds from called and maturing bonds, which we worked to redeploy to keep the Funds fully invested. Selling was relatively insignificant, as the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of August 31, 2010, all eight of these Funds continued to use inverse floating rate securities.2 We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform?

Individual results for the 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 8/31/10

	6-Month	1-Year	5-Year	10-Year
Uninsured Funds				
NCU	9.48%	17.30%	4.69%	6.66%
NAC	8.06%	17.03%	4.50%	6.93%
NVX	7.51%	16.39%	4.98%	N/A
NZH	7.51%	17.91%	3.64%	N/A
Standard & Poor's (S&P) California Municipal Bond Index3	6.71%	10.79%	4.56%	5.49%
Standard & Poor's (S&P) National Municipal Bond Index4	5.53%	10.19%	4.77%	5.67%
Lipper California Municipal Debt Funds Average5	9.32%	17.96%	3.65%	6.00%
Insured Funds				
NPC	7.69%	12.75%	4.73%	6.24%
NCL	9.69%	15.91%	4.89%	6.30%
NKL	7.62%	14.52%	5.06%	N/A
NKX	6.96%	13.23%	4.60%	N/A
Standard & Poor's (S&P) California Municipal Bond Index3	6.71%	10.79%	4.56%	5.49%
Standard & Poor's (S&P) Insured National Municipal Bond Index6	5.72%	10.21%	4.73%	5.80%
Lipper Single-State Insured Municipal Debt Funds Average7	7.90%	14.13%	4.67%	6.26%

For the six months ended August 31, 2010, the cumulative returns on common share net asset value (NAV) for all four of the uninsured Funds—NCU, NAC, NVX and NZH—exceeded the returns on the Standard & Poor's (S&P) California Municipal Bond Index as well as the S&P National Municipal Bond Index. NCU also outperformed the average return for the Lipper California Municipal Debt Funds Average, while the other three uninsured Funds underperformed this Lipper average. For the same period, all four of the insured Funds—NPC, NCL, NKL and NKX—exceeded the returns on the S&P California Municipal Bond Index and the S&P Insured National Municipal Bond Index. NCL outper-

* Six-month returns are cumulative; all other 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.

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

3 The Standard & Poor's (S&P) California Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade California municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

4 The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

5 The Lipper California Municipal Debt Funds Average is calculated using the returns of all leveraged and unleveraged closed-end funds in this category for each period as follows: 6-month, 24 funds; 1-year, 24 funds; 5-year, 24 funds; and 10-year, 12 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

6 The Standard & Poor's (S&P) Insured National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the insured segment of the U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

7 The Lipper Single-State Insured Municipal Debt Funds Average is calculated using the returns of all leveraged and unleveraged closed-end funds in this category for each period as follows: 6-month, 44 funds; 1-year, 44 funds; 5-year, 44 funds; and 10-year, 24 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

formed the average return on the Lipper Single-State Insured Municipal Debt Funds Average, while the remaining three insured Funds trailed the Lipper average.

Key management factors that influenced the Funds' returns during this period included yield curve positioning and duration, credit exposure and sector allocation. In addition, the use of structural leverage was an important positive factor during this period. The impact of structural leverage is discussed in more detail on page six.

For this period, municipal bonds with longer maturities generally outperformed those with shorter maturities, with credits at the longest end of the municipal yield curve posting the strongest returns. The outperformance of longer term bonds was due in part to the decline in interest rates, particularly at the longer end of the curve. The scarcity of tax-exempt bonds with longer maturities also drove up the prices of these bonds. Among these Funds, NCL and NCU were the most strongly positioned in terms of duration and yield curve, with overweights in the outperforming longer part of the yield curve and underexposure to the shorter end of the curve that did not perform as well. NVX, on the other hand, was relatively weaker in its duration and yield curve positioning, which negatively affected its performance. The net impact of duration and yield curve positioning varied in the other Funds from positive in NPC and NKX to neutral in NAC, NZH and NKL, depending upon their individual weightings along the yield curve.

During this period, we saw the demand for municipal bonds increase among both institutional and individual investors. This increase was driven by a variety of factors, including concerns about potential tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk for certain higher yielding bonds. Over time, this has caused credit spreads to narrow, and the trend greatly helped our lower-rated positions, especially those we bought at depressed values several years ago. At the same time, the supply of new tax-exempt municipal paper declined, due largely to the Build America Bond program. As investors bid up municipal bond prices, bonds rated A, BBB or below, and non-rated bonds generally outperformed those rated AAA or AA. NCU and NKL benefited from their heavier weightings in bonds rated A; NCU also had the smallest allocation of bonds rated AAA among these Funds. In NVX, an underweighting of the top-performing A rated credit category detracted from this Fund's performance. Although the remaining Funds were generally helped by their allocations to lower-rated bonds, credit exposure tended to be a neutral factor in their performance for the period.

Holdings that positively contributed to the Funds' returns during this period included health care and transportation bonds. Revenue bonds as a whole performed well, with leasing, special tax and education among the other sectors that outperformed the general municipal market. Zero coupon bonds also were among the strongest performers and general obligation (GO) and other tax-supported bonds outpaced the market for the first time in about a year. Most of these Funds, especially NZH, tended to be underweight in the tax-supported sector, particularly in California GOs, relative to the California market. This underweighting was due to the fact that California GOs comprise such a large portion of the tax-supported sector in California that it is very difficult to match the market weighting in our portfolios. During this period, the more underweight a Fund was in California GOs, the more it hurt that Fund's performance.

Among the poorest performers during this period were pre-refunded bonds, which are often backed by U.S. Treasury securities. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. As of August 31, 2010, NVX held the heaviest weightings of pre-refunded bonds among these Funds, while NCL had the smallest allocation of these bonds. Among the revenue sectors, resource recovery trailed the overall municipal market by the widest margin, and industrial development revenue (IDR), housing and electric utilities also turned in weaker performances. The performances of NPC and NKX also were hurt by their allocations to the "other revenue" sector, which focuses largely on community facilities district (CFD) or land development bonds, also known as "dirt deals." This area of the market was hard hit in the states most affected by the housing crisis, including California.

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of these Funds relative to the comparative indexes was the Funds' use of financial leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising.

Leverage made a positive contribution to the performance of all these Funds over this reporting period.

RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multi-generational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods to refinance a portion of the Nuveen funds' outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as inverse floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund's portfolio. Some funds have a greater ability to use TOBs than others. Some funds have issued Variable Rate Demand Preferred (VRDP) Shares, a floating rate form of preferred stock. Some funds have issued MuniFund Term Preferred (MTP) Shares, a fixed rate form of preferred stock with a mandatory redemption period of five years.

While all these efforts have reduced the total amount of outstanding ARPS issued by the Nuveen funds, the funds cannot provide any assurance on when the remaining outstanding ARPS might be redeemed.

During 2010, 33 Nuveen leveraged closed-end funds, (including NAC, NZH and NKX), received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds' officers and Board of Directors/ Trustees breached their fiduciary duties related to the redemption at par of the funds' ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee's recommendation.

Subsequently, twenty of the funds that received demand letters (including NKX) were named as nominal defendants in a putative shareholder derivative action complaint captioned Safier and Smith v. Nuveen Asset Management, et al. that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on July 27, 2010. Three additional funds were named as nominal defendants in a similar complaint captioned Curbow v. Nuveen Asset Management, et al. filed in the Cook County Chancery Court on August 12, 2010, and three additional funds were named as nominal defendants in a similar complaint captioned Beidler v. Nuveen Asset Management, et al. filed in the Cook County Chancery Court on September 21, 2010 (collectively, the "Complaints"). The Complaints, filed on behalf of purported holders of each fund's common shares, also name Nuveen Asset Management as a defendant, together with current and former Officers and interested Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaints contain the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs' costs and disbursements in pursuing the action. Nuveen Asset Management believes that the Complaints are without merit, and intends to defend vigorously against these charges.

As of August 31, 2010, the amounts of ARPS redeemed by the Funds are as shown in the accompanying table.

Fund		Auction Rate Preferred Shares Redeemed	% of Original Auction Rate Preferred Share
NPC	$	45,000,000	100.0%
NCL	$	21,675,000	22.8%
NCU	$	8,625,000	20.1%
NAC	$	39,475,000	22.6%
NVX	$	16,225,000	14.8%
NZH	$	117,500,000	62.8%
NKL	$	14,250,000	12.1%
NKX	$	45,000,000	100.0%

As of August 31, 2010, NZH had issued and outstanding $86,250,000 of MTP.

During this six-month reporting period, NCU, NAC, NVX and NKL filed with the Securities and Exchange Commission (SEC) registration statements seeking to register MTP. These registration statements, declared effective by the SEC, enable the Funds to issue to the public shares of MTP to refinance all or a portion of their ARPS. The issuance of MTP by these Funds is subject to market conditions. There is no assurance that these MTP shares will be issued.

As noted in previous shareholder reports, NKX has issued and outstanding $35.5 million of VRDP. During this six-month reporting period, NPC issued $42.7 million of VRDP to redeem at par its remaining outstanding ARPS. As noted previously, VRDP is a newly-developed instrument that essentially replaces all or a portion of the ARPS used as leverage and potentially could be used to refinance all or a portion of the ARPS of other Funds. VRDP shares include a liquidity feature that allows holders of VRDP to have their shares purchased by a liquidity provider in the event that sell orders have not been matched with purchase orders and successfully settled in a remarketing. VRDP is offered only to qualified institutional buyers, defined pursuant to Rule 144A under the Securities Act of 1933.

During September 2010, subsequent to the reporting period, NCU completed the issuance of $35.25 million of 2.00%, Series 2015 MTP. The net proceeds from this offering were used to refinance the Fund's remaining outstanding ARPS at par. The newly-issued MTP shares trade on the New York Stock Exchange (NYSE) under the symbol "NCU Pr C". MTP is a fixed-rate form of preferred stock with a mandatory redemption period, in this case, of five years. By issuing MTP, the Fund seeks to take advantage of the current historically low interest rate environment to lock in an attractive federally tax-exempt cost of leverage for a period as long as the term of the MTP. The Fund's managers believe that issuing MTP may help the Fund mitigate the risk of a significant increase in their cost of leverage should short-term interest rates rise sharply in the coming years. Using the proceeds from the issuance of MTP, NCU redeemed at par the remaining $34.375 million of its outstanding ARPS.

Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies and Footnote 4 – Fund Shares for further details on MTP and VRDP Shares.

As of August 31, 2010, 83 out of the 84 Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions

bring the total amount of Nuveen's municipal closed-end funds' ARPS redemptions to approximately $5.5 billion of the approximately $11 billion outstanding.

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

RECENT CHANGES TO INVESTMENT POLICIES OF NUVEEN INSURED FUNDS

As a result of the "credit crunch" that began in 2007 and that led to the financial crisis that peaked in late 2008, the financial strength ratings assigned to most municipal bond insurers have been downgraded by the primary ratings agencies. These ratings downgrades generally have reduced, and any additional ratings downgrades may further reduce, the effective rating of many of the bonds insured by those bond insurers, including bonds held by the Funds. This in turn has sharply reduced, and in some cases may have eliminated, the value provided by such insurance. Nonetheless, the Fund's holdings continue to be well diversified and on the whole, the underlying credit quality of its holdings are of medium to high quality. It is also important to note that municipal bonds historically have had a very low rate of default.

On May 3, 2010, the Nuveen funds' Board of Directors/Trustees approved changes to the investment policies of all of the Nuveen insured municipal bond closed-end funds, including NPC, NCL, NKL and NKX. The Board took this action in response to the continuing challenges faced by municipal bond insurers. The changes to each Fund's investment policies are intended to increase the Fund's investment flexibility in pursuing its investment objective, while retaining the insured nature of its portfolio.

The changes, which were effective immediately, provide that under normal circumstances, the Funds invest at least 80% of their net assets (as defined in Footnote 7—Management Fees and Other Transactions with Affiliates) in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. For purposes of this 80%, insurers must have a claims-paying ability rated at least BBB-at the time of purchase by at least one independent rating agency. In addition, each Fund invests at least 80% of its net assets in municipal securities that are rated at least BBB-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 that are unrated but judged to be of similar credit quality by Nuveen Asset Management, or that are 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. Inverse floating rate securities with underlying bonds that are covered by insurance are included for purposes of the 80%. Each Fund may also invest up to 20% of its net assets in municipal securities that are rated at least BBB-(based on the higher of the rating of the insurer, if any, or the underlying bond) or that are unrated but judged to be of comparable quality by Nuveen Asset Management.

Common Share Dividend and Share Price Information

During the six-month reporting period ended August 31, 2010, NPC, NCU, NAC, NVX, NKL and NKX each had one monthly dividend increase. NPC, NCL and NCU also had an additional dividend increase that was declared just prior to the start of this reporting period and took effect in March 2010. The dividend of NCL and NZH remained stable throughout the period.

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 August 31, 2010, all of the Funds in this report had positive UNII balances, based upon our best estimate, for tax purposes and positive UNII balances for financial reporting purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

As of August 31, 2010, and the since inception of the Funds' repurchase program, the following Funds have cumulatively repurchased common shares as shown in the accompanying table.

Fund	Common Shares Repurchased	% of Outstanding Common Shares
NPC	17,700	0.3%
NCL	53,500	0.4%
NCU	42,100	0.7%
NAC	—	—
NVX	50,700	0.3%
NZH	12,900	0.1%
NKL	32,700	0.2%
NKX	—	—

During the six-month reporting period, the Funds did not repurchased any of their outstanding common shares.

As of August 31, 2010, the Funds' common share prices were trading at (-) discounts to their common share NAVs as shown in the accompanying table.

Fund	8/31/10 (-) Discount	Six-Month Average (-) Discount
NPC	-3.69%	-7.54%
NCL	-3.83%	-4.25%
NCU	-2.95%	-6.91%
NAC	-0.96%	-5.11%
NVX	-1.66%	-3.46%
NZH	-0.07%	-1.32%
NKL	-1.37%	-3.24%
NKX	-3.22%	-5.26%

NPC	Nuveen Insured California
Performance	Premium Income
OVERVIEW	Municipal Fund, Inc.

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.86
Common Share Net Asset Value (NAV)	$	15.43
Premium/(Discount) to NAV		-3.69%
Market Yield		5.85%
Taxable-Equivalent Yield3		8.99%
Net Assets Applicable to Common Shares ($000)	$	99,399
Average Effective Maturity on Securities (Years)		16.57
Leverage-Adjusted Duration		8.93

Average Annual Total Return (Inception 11/19/92)		
	On Share Price	On NAV
6-Month (Cumulative)	15.18%	7.69%
1-Year	20.75%	12.75%
5-Year	4.82%	4.73%
10-Year	6.53%	6.24%

Portfolio Composition (as a % of total investments)	
Tax Obligation/Limited	35.1%
Tax Obligation/General	23.6%
U.S. Guaranteed	19.0%
Water and Sewer	13.0%
Other	9.3%

Insurers (as a % of total Insured investments)	
NPFG4	31.9%
AGM	25.8%
AMBAC	19.0%
FGIC	13.5%
AGC	7.6%
SYNCORA GTY	2.2%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Insurance for more information. As of August 31, 2010, the Fund includes 81% (as a % of total investments) of Insured securities.

2 Ratings shown are the highest of Standard & Poor’s Group, Moody’s Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

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 MBIA’s public finance subsidiary.

NCL Performance OVERVIEW

Nuveen Insured California Premium Income Municipal Fund 2, Inc.

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.32
Common Share Net Asset Value (NAV)	$	14.89
Premium/(Discount) to NAV		-3.83%
Market Yield		6.03%
Taxable-Equivalent Yield3		9.26%
Net Assets Applicable to Common Shares ($000)	$	188,649
Average Effective Maturity on Securities (Years)		17.56
Leverage-Adjusted Duration		9.37

Average Annual Total Return
(Inception 3/18/93)

	On Share Price	On NAV
6-Month (Cumulative)	16.16%	9.69%
1-Year	20.92%	15.91%
5-Year	4.88%	4.89%
10-Year	6.20%	6.30%

Portfolio Composition
(as a % of total investments)

Tax Obligation/Limited	41.7%
Tax Obligation/General	20.8%
Water and Sewer	14.4%
U.S. Guaranteed	6.7%
Utilities	5.6%
Transportation	5.0%
Other	5.8%

Insurers
(as a % of total Insured investments)

AMBAC	27.3%
NPFG4	21.7%
AGM	20.7%
FGIC	18.1%
AGC	11.6%
SYNCORA GTY	0.6%

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1 The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies,

Insurance for more information. As of August 31, 2010, the Fund includes 96% (as a % of total investments) of Insured securities.

2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

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 MBIA's public finance subsidiary.

NCU Performance OVERVIEW

Nuveen California Premium Income Municipal Fund

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.13
Common Share Net Asset Value (NAV)	$	14.56
Premium/(Discount) to NAV		-2.95%
Market Yield		6.16%
Taxable-Equivalent Yield2		9.46%
Net Assets Applicable to Common Shares ($000)	$	83,486
Average Effective Maturity on Securities (Years)		17.61
Leverage-Adjusted Duration		8.87

Average Annual Total Return
(Inception 6/18/93)

	On Share Price	On NAV
6-Month (Cumulative)	20.51%	9.48%
1-Year	24.58%	17.30%
5-Year	5.52%	4.69%
10-Year	6.74%	6.66%

Portfolio Composition (as a % of total investments)	
Tax Obligation/Limited	30.3%
Tax Obligation/General	18.9%
Health Care	17.8%
U.S. Guaranteed	8.5%
Utilities	5.3%
Water and Sewer	5.0%
Other	14.2%

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

NAC	Nuveen California
Performance	Dividend Advantage
OVERVIEW	Municipal Fund

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.40
Common Share Net Asset Value (NAV)	$	14.54
Premium/(Discount) to NAV		-0.96%
Market Yield		6.21%
Taxable-Equivalent Yield2		9.54%
Net Assets Applicable to Common Shares ($000)	$	341,415
Average Effective Maturity on Securities (Years)		19.41
Leverage-Adjusted Duration		9.61

Average Annual Total Return
(Inception 5/26/99)

	On Share Price	On NAV
6-Month (Cumulative)	18.05%	8.06%
1-Year	25.62%	17.03%
5-Year	4.61%	4.50%
10-Year	7.24%	6.93%

Portfolio Composition
(as a % of total investments)

Tax Obligation/Limited	22.7%
Health Care	19.0%
Tax Obligation/General	13.7%
U.S. Guaranteed	11.7%
Transportation	9.1%
Water and Sewer	7.1%
Education and Civic Organizations	4.7%
Other	12.0%

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

NVX	Nuveen California
Performance	Dividend Advantage
OVERVIEW	Municipal Fund 2

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.83
Common Share Net Asset Value (NAV)	$	15.08
Premium/(Discount) to NAV		-1.66%
Market Yield		6.47%
Taxable-Equivalent Yield2		9.94%
Net Assets Applicable to Common Shares ($000)	$	222,421
Average Effective Maturity on Securities (Years)		14.80
Leverage-Adjusted Duration		8.73

Average Annual Total Return (Inception 3/27/01)	On Share Price	On NAV
6-Month (Cumulative)	13.10%	7.51%
1-Year	24.51%	16.39%
5-Year	5.68%	4.98%
Since Inception	6.17%	6.48%

Portfolio Composition (as a % of total investments)	
U.S. Guaranteed	25.4%
Health Care	13.9%
Tax Obligation/Limited	11.1%
Tax Obligation/General	9.0%
Transportation	8.6%
Water and Sewer	7.5%
Utilities	6.3%
Education and Civic Organizations	5.5%
Other	12.7%

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

NZH Performance OVERVIEW

Nuveen California Dividend Advantage Municipal Fund 3

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	13.69
Common Share Net Asset Value (NAV)	$	13.70
Premium/(Discount) to NAV		-0.07%
Market Yield		6.57%
Taxable-Equivalent Yield2		10.09%
Net Assets Applicable to Common Shares ($000)	$	330,409
Average Effective Maturity on Securities (Years)		16.90
Leverage-Adjusted Duration		8.77

Average Annual Total Return (Inception 9/25/01)	On Share Price	On NAV
6-Month (Cumulative)	11.79%	7.51%
1-Year	20.19%	17.91%
5-Year	5.06%	3.64%
Since Inception	5.24%	5.45%

Portfolio Composition (as a % of total investments)	
Tax Obligation/Limited	28.4%
Health Care	19.1%
U.S. Guaranteed	13.4%
Tax Obligation/General	11.7%
Consumer Staples	5.2%
Transportation	5.0%
Water and Sewer	4.0%
Other	13.2%

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

NKL	Nuveen Insured California
Performance	Dividend Advantage
OVERVIEW	Municipal Fund

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	15.14
Common Share Net Asset Value (NAV)	$	15.35
Premium/(Discount) to NAV		-1.37%
Market Yield		6.22%
Taxable-Equivalent Yield3		9.55%
Net Assets Applicable to Common Shares ($000)	$	234,211
Average Effective Maturity on Securities (Years)		16.10
Leverage-Adjusted Duration		7.11

Average Annual Total Return
(Inception 3/25/02)

	On Share Price	On NAV
6-Month (Cumulative)	14.40%	7.62%
1-Year	22.68%	14.52%
5-Year	6.22%	5.06%
Since Inception	6.39%	6.83%

Portfolio Composition (as a % of total investments)	
Tax Obligation/Limited	32.8%
Tax Obligation/General	19.2%
U.S. Guaranteed	11.6%
Utilities	9.9%
Water and Sewer	9.8%
Health Care	4.4%
Other	12.3%

Insurers (as a % of total Insured investments)	
AGM	26.5%
AMBAC	26.0%
NFPG4	21.5%
FGIC	17.4%
SYNCORA GTY	5.3%
Other	3.3%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial

Statements, Footnote 1 – General Information and Significant Accounting Policies, Insurance for more information. As of August 31, 2010, the Fund includes 82% (as a % of total investments) of Insured securities.

2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

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 MBIA's public finance subsidiary.

NKX	Nuveen Insured California
Performance	Tax-Free Advantage
OVERVIEW	Municipal Fund

as of August 31, 2010

Fund Snapshot		
Common Share Price	$	14.12
Common Share Net Asset Value (NAV)	$	14.59
Premium/(Discount) to NAV		-3.22%
Market Yield		5.69%
Taxable-Equivalent Yield3		8.74%
Net Assets Applicable to Common Shares ($000)	$	85,868
Average Effective Maturity on Securities (Years)		18.24
Leverage-Adjusted Duration		8.88

Average Annual Total Return
(Inception 11/21/02)

	On Share Price	On NAV
6-Month (Cumulative)	13.00%	6.96%
1-Year	17.57%	13.23%
5-Year	5.31%	4.60%
Since Inception	5.01%	5.86%

Portfolio Composition
(as a % of total investments)

Tax Obligation/Limited	32.3%
Health Care	16.3%
Tax Obligation/General	12.9%
U.S. Guaranteed	11.8%
Water and Sewer	9.7%
Transportation	5.6%
Long-Term Care	5.1%
Other	6.3%

Insurers
(as a % of total Insured investments)

AMBAC	44.7%
NPFG4	20.2%
AGM	12.1%
AGC	9.4%
BHAC	5.5%
SYNCORA GTY	4.5%
FGIC	3.6%

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1 The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Insurance for more information. As of August 31, 2010, the Fund includes 77% (as a % of total investments) of Insured securities.

2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

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 MBIA's public finance subsidiary.

NPC — Nuveen Insured California Premium Income Municipal Fund, Inc.
Portfolio of Investments

August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 4.5% (3.3% of Total Investments)			
$ 750	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 – NPFG Insured (Alternative Minimum Tax)	9/10 at 100.00	Baa1	$ 750,735
1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 – AMBAC Insured	5/15 at 100.00	Aa2	1,616,115
2,000	California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 – NPFG Insured	11/15 at 100.00	Aa2	2,153,320
4,250	Total Education and Civic Organizations			4,520,170
	Health Care – 5.4% (3.9% of Total Investments)			
3,000	California Health Facilities Financing Authority, Insured Revenue Bonds, Sutter Health, Series 1998A, 5.375%, 8/15/30 – NPFG Insured	2/11 at 100.00	Aa3	3,001,860
724	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.104%, 7/01/47 – AGM Insured (IF)	7/18 at 100.00	AAA	842,186
1,500	California Statewide Community Development Authority, Certificates of Participation, Sutter Health Obligated Group, Series 1999, 5.500%, 8/15/19 – AGM Insured	2/11 at 100.00	AAA	1,505,985
5,224	Total Health Care			5,350,031
	Housing/Single Family – 0.2% (0.1% of Total Investments)			
145	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)	2/16 at 100.00	A	148,468
	Tax Obligation/General – 32.6% (23.6% of Total Investments)			
	Bonita Unified School District, San Diego County, California, General Obligation Bonds, Series 2004A:			
1,890	5.250%, 8/01/23 – NPFG Insured	8/14 at 100.00	AA–	2,111,943
1,250	5.250%, 8/01/25 – NPFG Insured	8/14 at 100.00	AA–	1,382,638
	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 100.00	AA–	2,918,831
1,775	5.250%, 9/01/22 – FGIC Insured	9/14 at 100.00	AA–	1,993,520
1,130		No Opt. Call	AAA	1,351,344

	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 9.269%, 2/01/16 – AGM Insured (IF)			
1,225	Fresno Unified School District, Fresno County, California, General Obligation Refunding Bonds, Series 1998A, 6.550%, 8/01/20 – NPFG Insured	2/13 at 103.00	Aa3	1,407,378
1,180	Jurupa Unified School District, Riverside County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 – FGIC Insured	8/13 at 100.00	A	1,236,286
3,000	Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.500%, 8/01/19 – NPFG Insured	8/11 at 103.00	A	3,243,330
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 100.00	AA–	169,304
3,000	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 – NPFG Insured	7/15 at 100.00	Aa2	3,167,610
	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 2001C:			
1,335	5.000%, 7/01/21 – AGM Insured	7/11 at 102.00	AAA	1,408,398
3,500	5.000%, 7/01/22 – AGM Insured	7/11 at 102.00	AAA	3,692,430
4,895	5.000%, 7/01/23 – AGM Insured	7/11 at 102.00	AAA	5,164,127
3,000	San Jacinto Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 5.250%, 8/01/32 – AGM Insured	No Opt. Call	AAA	3,153,270
29,920	Total Tax Obligation/General			32,400,409
	Tax Obligation/Limited – 48.5% (35.1% 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 – AGM Insured	8/11 at 101.00	AAA	1,040,010

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	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 100.00	AA–	$ 1,299,430
1,615	5.000%, 12/01/21 – AMBAC Insured	12/13 at 100.00	AA–	1,709,962
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 100.00	A	198,058
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 101.00	A–	555,563
3,190	Chula Vista Public Financing Authority, California, Pooled Community Facility District Assessment Revenue Bonds, Series 2005A, 4.500%, 9/01/27 – NPFG Insured	9/15 at 100.00	A	2,921,434
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 100.00	N/R	1,908,588
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 100.00	A2	5,009,100
3,180	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Tender Option Bonds Trust 4686, 9.053%, 6/01/45 – AGC Insured (IF)	6/15 at 100.00	AAA	3,148,327
700	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 100.00	Ba1	585,781
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 100.00	A	448,276
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 100.00	A1	322,951
895	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 – AGM	12/14 at 100.00	AAA	995,813

	Insured			
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 100.00	A+	1,502,760
3,150	Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 – AMBAC Insured	8/17 at 100.00	A–	2,878,376
7,000	Rancho Cucamonga Redevelopment Agency, California, Housing Set-Aside Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/34 – NPFG Insured	9/17 at 100.00	A+	6,712,090
165	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured	9/15 at 100.00	A–	155,250
205	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured	8/13 at 100.00	AA–	208,465
5,150	San Jacinto Unified School District, Riverside County, California, Certificates of Participation, Series 2010, 5.375%, 9/01/40 – AGC Insured	9/20 at 100.00	AAA	5,343,640
1,500	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/28 – NPFG Insured	8/15 at 100.00	A	1,516,545
3,565	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/25 – AGM Insured	9/15 at 100.00	AAA	3,678,617
3,250	Tustin Community Redevelopment Agency, California, Tax Allocation Housing Bonds Series 2010, 5.250%, 9/01/39 – AGM Insured	9/20 at 100.00	AAA	3,359,850
2,805	Yucaipa-Calimesa Joint Unified School District, San Bernardino County, California, General Obligation Refunding Bonds, Series 2001A, 5.000%, 10/01/31 – NPFG Insured	10/11 at 100.00	A	2,738,802
48,555	Total Tax Obligation/Limited			48,237,688
	Transportation – 2.5% (1.8% of Total Investments)			
2,400	San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 – NPFG Insured	9/14 at 100.00	A+	2,465,568
	U.S. Guaranteed – 26.4% (19.0% of Total Investments) (4)			
6,000	Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM)	No Opt. Call	AAA	8,932,320
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. Call	AAA	6,683,870

NPC — Nuveen Insured California Premium Income Municipal Fund, Inc. (continued)
Portfolio of Investments August 31, 2010 (Unaudited)

	Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)		Value
		U.S. Guaranteed (4) (continued)				
$	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. Call	AAA	$	8,697,488
	1,485	San Jose, California, Single Family Mortgage Revenue Bonds, Series 1985A, 9.500%, 10/01/13 (ETM)	No Opt. Call	Aaa		1,890,257
	18,840	Total U.S. Guaranteed				26,203,935
		Utilities – 0.3% (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 100.00	N/R		322,892
		Water and Sewer – 17.9% (13.0% of Total Investments)				
	2,200	Atwater Public Financing Authority, California, Wastewater Revenue Bonds, Tender Option Bond Trust 3145, 17.905%, 5/01/40 – AGM Insured (IF)	5/19 at 100.00	AAA		2,555,344
	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 100.00	A1		5,527,577
	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 100.00	A1		1,298,954
	235	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFG Insured	4/16 at 100.00	AA–		240,038
	5,000	Indio Water Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 4/01/31 – AMBAC Insured	4/16 at 100.00	A+		5,155,650
	220	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 – NPFG Insured	6/16 at 100.00	A+		226,008
	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 100.00	N/R		1,355,445
	1,345	West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/20 – NPFG Insured	8/13 at 100.00	Aa2		1,471,686
	16,985	Total Water and Sewer				17,830,702
$	126,664	Total Investments (cost $129,201,536) – 138.3%				137,479,863

Variable Rate Demand Preferred Shares, at Liquidation Value – (43.0)% (5)	(42,700,000)
Other Assets Less Liabilities - 4.7%	4,618,697
Net Assets Applicable to Common Shares - 100%	$ 99,398,560

The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, 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: 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: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(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.

(5) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.1%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

NCL

Nuveen Insured California Premium Income Municipal Fund 2, Inc.
Portfolio of Investments
August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 5.0% (3.5% of Total Investments)			
$ 620	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 – NPFG Insured	11/10 at 100.00	AAA	$ 622,641
750	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 – NPFG Insured (Alternative Minimum Tax)	9/10 at 100.00	Baa1	750,735
1,500	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/25 – AMBAC Insured	5/15 at 100.00	Aa2	1,616,115
6,000	University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/27 – AMBAC Insured (UB)	5/13 at 100.00	Aa1	6,441,540
8,870	Total Education and Civic Organizations			9,431,031
	Health Care – 2.3% (1.6% of Total Investments)			
1,410	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.104%, 7/01/47 – AGM Insured (IF)	7/18 at 100.00	AAA	1,640,168
2,000	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2007A, 4.500%, 5/15/37 – NPFG Insured	5/15 at 101.00	Aa2	1,975,360
650	University of California, Hospital Revenue Bonds, UCLA Medical Center, Series 2004A, 5.500%, 5/15/18 – AMBAC Insured	5/12 at 101.00	N/R	676,221
4,060	Total Health Care			4,291,749
	Housing/Single Family – 1.0% (0.7% of Total Investments)			
275	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)	2/16 at 100.00	A	281,578
1,530	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006K, 5.500%, 2/01/42 – AMBAC Insured (Alternative Minimum Tax)	2/16 at 100.00	Aaa	1,569,122
1,805	Total Housing/Single Family			1,850,700
	Tax Obligation/General – 29.9% (20.8% of Total Investments)			
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 100.00	A	1,492,730

3,000	California State, General Obligation Bonds, Series 2006, 4.500%, 9/01/36 – AGM Insured	9/16 at 100.00	AAA	2,917,080
4,400	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 – NPFG Insured	2/13 at 100.00	A1	4,443,164
3,200	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/31 – AGM Insured	8/18 at 100.00	AAA	2,806,144
2,500	Corona-Norco Unified School District, Riverside County, California, General Obligation Bonds, Election 2006 Series 2009B, 5.375%, 2/01/34 – AGC Insured	8/18 at 100.00	AAA	2,684,700
	East Side Union High School District, Santa Clara County, California, General Obligation Bonds, 2008 Election Series 2010B:			
3,490	5.000%, 8/01/27 – AGC Insured	8/19 at 100.00	AAA	3,749,482
3,545	5.000%, 8/01/28 – AGC Insured	8/19 at 100.00	AAA	3,775,709
3,110	5.000%, 8/01/29 – AGC Insured	8/19 at 100.00	AAA	3,286,244
2,210	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Trust 2668, 9.269%, 2/01/16 – AGM Insured (IF)	No Opt. Call	AAA	2,642,895
1,255	Los Angeles Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005A, 5.000%, 8/01/24 – AGM Insured	8/15 at 100.00	AAA	1,357,759
4,000	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2007A, 4.500%, 7/01/24 – AGM Insured	7/17 at 100.00	AAA	4,214,960
	Los Rios Community College District, Sacramento, El Dorado and Yolo Counties, California, General Obligation Bonds, Series 2006C:			
2,110	5.000%, 8/01/21 – AGM Insured (UB)	8/14 at 102.00	AAA	2,369,066
3,250	5.000%, 8/01/22 – AGM Insured (UB)	8/14 at 102.00	AAA	3,730,253
3,395	5.000%, 8/01/23 – AGM Insured (UB)	8/14 at 102.00	AAA	3,896,679
1,270	Merced City School District, Merced County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/22 – FGIC Insured	8/13 at 100.00	A	1,380,109

NCL

Nuveen Insured California Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of Investments August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
$ 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 100.00	AA–	$ 322,736
2,500	Sacramento City Unified School District, Sacramento County, California, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 – NPFG Insured	7/15 at 100.00	Aa2	2,639,675
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. Call	Aa1	736,414
2,000	San Francisco Community College District, California, General Obligation Bonds, Series 2002A, 5.000%, 6/15/26 – FGIC Insured	6/11 at 101.00	Aa2	2,045,260
2,000	San Jacinto Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 5.250%, 8/01/32 – AGM Insured	No Opt. Call	AAA	2,102,180
1,000	San Ramon Valley Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/24 – AGM Insured	8/14 at 100.00	AAA	1,096,970
2,445	Washington Unified School District, Yolo County, California, General Obligation Bonds, Series 2004A, 5.000%, 8/01/21 – FGIC Insured	8/13 at 100.00	A+	2,681,089
53,535	Total Tax Obligation/General			56,371,298
	Tax Obligation/Limited – 59.8% (41.7% of Total Investments)			
	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C:			
5,130	0.000%, 9/01/18 – AGM Insured	No Opt. Call	AAA	3,865,250
8,000	0.000%, 9/01/21 – AGM Insured	No Opt. Call	AAA	4,838,960
	California Infrastructure Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:			
1,535	5.000%, 12/01/20 – AMBAC Insured	12/13 at 100.00	AA–	1,632,258
1,780	5.000%, 12/01/23 – AMBAC Insured	12/13 at 100.00	AA–	1,868,911
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 100.00	A2	4,088,560
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 100.00	A	385,958

7,000	Chula Vista Public Financing Authority, California, Pooled Community Facility District Assessment Revenue Bonds, Series 2005A, 4.500%, 9/01/27 – NPFG Insured	9/15 at 100.00	A	6,410,670
1,430	Cloverdale Community Development Agency, California, Tax Allocation Refunding Bonds, Cloverdale Redevelopment Project Series 2006, 5.000%, 8/01/36 – AMBAC Insured	No Opt. Call	A–	1,357,313
5,625	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 100.00	A2	5,656,275
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 100.00	A	8,058,341
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:			
7,250	5.000%, 6/01/35 – FGIC Insured	6/15 at 100.00	AAA	7,252,465
7,500	5.000%, 6/01/45 – AGC Insured	6/15 at 100.00	AAA	7,450,425
6,215	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Tender Option Bonds Trust 4686, 9.053%, 6/01/45 – AGC Insured (IF)	6/15 at 100.00	AAA	6,153,099
2,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Revenue Bonds, Tender Option Bonds Trust 2040, 10.300%, 6/01/45 – FGIC Insured (IF)	6/15 at 100.00	A2	1,651,640
875	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 100.00	Ba1	732,226
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 100.00	A–	1,576,223
1,810	Kern County Board of Education, California, Certificates of Participation Refunding, Series 1998A, 5.200%, 5/01/28 – NPFG Insured	11/10 at 100.00	A	1,812,299
5,000	La Quinta Redevelopment Agency, California, Tax Allocation Refunding Bonds, Redevelopment Project Area 1, Series 1998, 5.200%, 9/01/28 – AMBAC Insured	9/10 at 100.00	A+	5,014,050
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 100.00	A1	2,045,357

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
$ 1,000	Los Angeles Community Redevelopment Agency, California, Tax Allocation Bonds, Bunker Hill Project, Series 2004A, 5.000%, 12/01/20 – AGM Insured	12/14 at 100.00	AAA	$ 1,112,640
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 – NPFG Insured	7/13 at 100.00	AAA	1,381,175
4,000	Los Angeles, California, Certificates of Participation, Municipal Improvement Corporation, Series 2003AW, 5.000%, 6/01/33 – AMBAC Insured	6/13 at 100.00	A+	4,050,920
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 100.00	A+	3,005,520
6,120	Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 – AMBAC Insured	8/17 at 100.00	A–	5,592,272
2,810	Oakland Joint Powers Financing Authority, California, Lease Revenue Bonds, Administration Building Projects, Series 2008B, 5.000%, 8/01/21 – AGC Insured	8/18 at 100.00	AAA	3,125,675
4,140	Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A, 5.000%, 6/01/28 – AMBAC Insured	6/13 at 101.00	A–	4,153,000
390	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 – NPFG Insured	12/10 at 102.00	A	393,073
325	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured	9/15 at 100.00	A–	305,796
1,000	Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 – NPFG Insured	9/13 at 100.00	A	1,012,070
2,500	Roseville Financing Authority, California, Special Tax Revenue Bonds, Series 2007A, 5.000%, 9/01/33 – AMBAC Insured	9/17 at 100.00	N/R	2,339,525
405	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured	8/13 at 100.00	AA–	411,845
4,655	San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 – NPFG Insured	9/10 at 101.00	A	4,719,099

1,500	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 8/01/28 – NPFG Insured	8/15 at 100.00	A	1,516,545
5,510	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A, 5.000%, 9/01/28 – AGM Insured	9/15 at 100.00	AAA	5,633,369
1,205	Tustin Community Redevelopment Agency, California, Tax Allocation Housing Bonds Series 2010, 5.000%, 9/01/30 – AGM Insured	No Opt. Call	AAA	1,254,080
1,020	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 – AMBAC Insured	8/17 at 100.00	A	1,040,471
118,250	Total Tax Obligation/Limited			112,897,355
	Transportation – 7.1% (5.0% of Total Investments)			
6,500	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/18 – NPFG Insured	1/11 at 68.38	A	4,105,660
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 100.00	A1	4,354,840
5,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.250%, 5/01/31 – NPFG Insured (Alternative Minimum Tax)	5/11 at 100.00	A1	5,008,550
15,500	Total Transportation			13,469,050
	U.S. Guaranteed – 9.7% (6.7% of Total Investments) (4)			
1,380	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2000, 5.875%, 11/01/20 (Pre-refunded 11/01/10) – NPFG Insured	11/10 at 100.00	A2 (4)	1,393,069
1,900	Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 – AMBAC Insured (ETM)	9/10 at 100.00	N/R (4)	1,945,600
3,000	Escondido Union High School District, San Diego County, California, General Obligation Bonds, Series 1996, 5.700%, 11/01/10 – NPFG Insured (ETM)	No Opt. Call	AAA	3,027,390

NCL Nuveen Insured California Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of Investments August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (4) (continued)			
	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) – AGM Insured	8/14 at 100.00	AAA	$ 1,180,110
1,000	5.250%, 8/01/22 (Pre-refunded 8/01/14) – AGM Insured	8/14 at 100.00	AAA	1,180,110
1,610	Poway Redevelopment Agency, California, Tax Allocation Refunding Bonds, Paguay Redevelopment Project, Series 2000, 5.750%, 6/15/33 (Pre-refunded 12/15/10) – NPFG Insured	12/10 at 102.00	AAA	1,668,041
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. Call	AAA	5,917,104
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 101.00	N/R (4)	1,023,270
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 101.00	N/R (4)	994,405
16,115	Total U.S. Guaranteed			18,329,099
	Utilities – 8.1% (5.6% of Total Investments)			
670	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 – SYNCORA GTY Insured	9/15 at 100.00	N/R	627,066
100	Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 – AMBAC Insured	12/10 at 101.00	N/R	101,800
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 100.00	A+	1,950,780
	Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A:			
2,800	5.000%, 7/01/24 – NPFG Insured	7/13 at 100.00	A1	2,926,840
5,000	5.000%, 7/01/28 – NPFG Insured	7/13 at 100.00	A1	5,170,350
4,000	Southern California Public Power Authority, California, Milford Wind Corridor Phase I Revenue Bonds, Series 2010-1, 5.000%, 7/01/28	No Opt. Call	AA–	4,428,680
14,520	Total Utilities			15,205,516

	Water and Sewer – 20.7% (14.4% of Total Investments)			
1,100	Atwater Public Financing Authority, California, Wastewater Revenue Bonds, Tender Option Bond Trust 3145, 17.905%, 5/01/40 – AGM Insured (IF)	5/19 at 100.00	AAA	1,277,672
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 100.00	A1	2,112,120
750	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 – AGM Insured	10/16 at 100.00	AAA	769,133
460	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFG Insured	4/16 at 100.00	AA–	469,862
2,700	Los Angeles County Sanitation Districts Financing Authority, California, Senior Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 10/01/21 – AGM Insured	10/13 at 100.00	AAA	3,016,170
2,000	Los Angeles, California, Wastewater System Revenue Bonds, Series 2005A, 4.500%, 6/01/29 – NPFG Insured	6/15 at 100.00	AA	2,044,940
430	Marina Coast Water District, California, Enterprise Certificate of Participation, Series 2006, 5.000%, 6/01/31 – NPFG Insured	6/16 at 100.00	A+	441,743
12,000	Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.000%, 2/01/33 – FGIC Insured (UB)	8/13 at 100.00	AAA	12,361,920
1,520	San Buenaventura, California, Water Revenue Certificates of Participation, Series 2004, 5.000%, 10/01/25 – AMBAC Insured	10/14 at 100.00	AA	1,586,287
1,000	San Diego County Water Authority, California, Water Revenue Certificates of Participation, Series 2008A, 5.000%, 5/01/38 – AGM Insured	5/18 at 100.00	AAA	1,056,960
3,675	San Dieguito Water District, California, Water Revenue Bonds, Refunding Series 2004, 5.000%, 10/01/23 – FGIC Insured	10/14 at 100.00	AA+	4,023,317

	Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)		Value
		Water and Sewer (continued)				
		Santa Clara Valley Water District, California, Certificates of Participation, Series 2004A:				
$	1,400	5.000%, 2/01/19 – FGIC Insured	2/14 at 100.00	AA+	$	1,517,208
	445	5.000%, 2/01/20 – FGIC Insured	2/14 at 100.00	AA+		477,730
	465	5.000%, 2/01/21 – FGIC Insured	2/14 at 100.00	AA+		496,569
	2,500	West Basin Municipal Water District, California, Revenue Certificates of Participation, Series 2003A, 5.000%, 8/01/30 – NPFG Insured	8/13 at 100.00	Aa2		2,561,875
		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 100.00	AAA		2,185,192
	2,530	5.000%, 10/01/33 – FGIC Insured	10/13 at 100.00	AAA		2,686,405
	36,985	Total Water and Sewer				39,085,103
$	269,640	Total Investments (cost $260,027,897) – 143.6%				270,930,901
		Floating Rate Obligations – (9.5)%				(17,880,000)
		Other Assets Less Liabilities – 4.8%				8,923,092
		Auction Rate Preferred Shares, at Liquidation Value – (38.9)% (5)				(73,325,000)
		Net Assets Applicable to Common Shares – 100%				$ 188,648,993

The Fund intends to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, 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: 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: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(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 27.1%.

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. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

NCU Nuveen California Premium Income Municipal Fund
Portfolio of Investments

August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 6.5% (4.5% 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 100.00	Baa3	$ 1,500,585
215	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 100.00	BBB	203,003
2,950	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	5/12 at 100.00	Baa3	2,917,845
1,350	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 100.00	BBB	846,950
6,015	Total Consumer Staples			5,468,383
	Education and Civic Organizations – 6.2% (4.3% of Total Investments)			
70	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 100.00	A3	70,293
	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:			
45	5.000%, 11/01/21	11/15 at 100.00	A2	48,520
60	5.000%, 11/01/25	11/15 at 100.00	A2	63,116
1,112	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 9.041%, 3/01/33 (IF)	3/18 at 100.00	Aa2	1,173,583
2,000	California State University, Systemwide Revenue Bonds, Series 2005C, 5.000%, 11/01/27 – NPFG Insured	11/15 at 100.00	Aa2	2,153,320
	University of California, General Revenue Bonds, Series 2003A:			
255	5.125%, 5/15/17 – AMBAC Insured (UB)	5/13 at 100.00	Aa1	285,368
1,245	5.125%, 5/15/17 – AMBAC Insured (UB)	5/13 at 100.00	Aa1	1,377,530
4,787	Total Education and Civic Organizations			5,171,730
	Energy – 0.6% (0.4% 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 100.00	Baa3	466,005
	Health Care – 25.9% (17.8% of Total Investments)			
3,435	California Health Facilities Financing Authority, Hospital Revenue Bonds, Downey Community Hospital, Series 1993, 5.750%, 5/15/15 (5)	11/10 at 100.00	N/R	2,275,825
155	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 4/01/37	4/16 at 100.00	A+	155,668
3,525	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (UB)	11/16 at 100.00	Aa3	3,572,376
1,500	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102.00	A+	1,534,305
685	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/46	2/17 at 100.00	Baa2	638,173
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 100.00	A–	978,180
1,740	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.250%, 7/01/30	7/15 at 100.00	BBB	1,604,837
490	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006, 5.000%, 3/01/41	3/16 at 100.00	A+	490,701
730	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 100.00	A+	748,228
3,000	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 100.00	Aa2	3,422,490
2,100	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured	No Opt. Call	A1	2,201,892
1,690	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2005A, 5.000%, 11/15/43	11/15 at 100.00	Aa3	1,692,873

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
$ 377	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 18.104%, 7/01/47 – AGM Insured (IF)	7/18 at 100.00	AAA	$ 437,960
760	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38	12/17 at 100.00	BBB	871,249
1,000	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2009E, 5.000%, 5/15/38	5/17 at 101.00	Aa2	1,036,470
22,187	Total Health Care			21,661,227
	Housing/Single Family – 3.2% (2.2% of Total Investments)			
2,500	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008L, 5.500%, 8/01/38	2/18 at 100.00	A	2,539,400
130	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 – FGIC Insured (Alternative Minimum Tax)	2/16 at 100.00	A	133,110
2,630	Total Housing/Single Family			2,672,510
	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 102.00	BBB	511,360
	Tax Obligation/General – 27.5% (18.9% of Total Investments)			
1,500	California, General Obligation Bonds, Series 2003, 5.000%, 2/01/31 – NPFG Insured	2/13 at 100.00	A1	1,514,715
	California, General Obligation Bonds, Various Purpose Series 2009:			
2,350	6.000%, 11/01/39	11/19 at 100.00	A1	2,635,666
1,300	5.500%, 11/01/39	11/19 at 100.00	A1	1,397,188
4,000	California, General Obligation Veterans Welfare Bonds, Series 1999BR, 5.300%, 12/01/29 (Alternative Minimum Tax)	12/10 at 100.00	AA	4,001,080
6,000	Hartnell Community College District, California, General Obligation Bonds, Series 2006B, 5.000%, 6/01/29 – AGM Insured (UB)	6/16 at 100.00	AAA	6,325,620
3,000	Pomona Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 6.150%, 8/01/15 – NPFG Insured	8/11 at 103.00	A	3,238,830
15		8/14 at 100.00	Aa2	16,991

	Riverside Community College District, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/22 – NPFG Insured			
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 100.00	AA–	142,850
1,355	San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 5.000%, 9/01/25 – NPFG Insured	9/15 at 100.00	Aa1	1,451,015
8,345	Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42	No Opt. Call	Aa2	2,260,243
28,000	Total Tax Obligation/General			22,984,198
	Tax Obligation/Limited – 44.0% (30.3% 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 100.00	BBB+	940,940
	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 100.00	AA–	1,787,683
1,865	5.000%, 12/01/24 – AMBAC Insured	12/13 at 100.00	AA–	1,949,951
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	11/10 at 100.50	A2	5,987,487
1,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30	10/19 at 100.00	A2	1,064,310
2,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009I-1, 6.375%, 11/01/34	11/19 at 100.00	A2	2,217,140
535	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15	7/14 at 100.00	Aa3	610,398

NCU Nuveen California Premium Income Municipal Fund (continued)
Portfolio of Investments August 31, 2010 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
$ 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 100.00	A	$ 167,587
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 101.00	A–	466,860
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:			
75	5.000%, 9/01/26	9/16 at 100.00	N/R	73,225
175	5.125%, 9/01/36	9/16 at 100.00	N/R	159,458
3,500	Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 – NPFG Insured	8/11 at 100.00	A	3,505,915
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 100.00	A1	290,188
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 100.00	A+	2,003,680
3,230	Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2005, 5.000%, 8/01/35 – NPFG Insured	8/15 at 100.00	A	2,977,285
155	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured	9/15 at 100.00	A–	145,841
190	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 – AMBAC Insured	8/13 at 100.00	AA–	193,211
1,500	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 – NPFG Insured	No Opt. Call	A1	1,663,335
3,000	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20	No Opt. Call	A1	3,326,670
2,000	San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.200%,	4/19 at 100.00	AA–	2,159,260

	4/01/26			
	San Marcos Public Facilities Authority, California, Revenue Refunding Bonds, Series 1998:			
1,500	5.800%, 9/01/18	9/10 at 100.00	Baa3	1,513,605
1,000	5.800%, 9/01/27	9/10 at 100.00	Baa3	1,002,040
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 100.00	AA–	319,485
2,050	Santa Barbara County, California, Certificates of Participation, Series 2001, 5.250%, 12/01/19 – AMBAC Insured	12/11 at 102.00	AA+	2,195,817
35,690	Total Tax Obligation/Limited			36,721,371
	Transportation – 3.5% (2.4% 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 100.00	AA	824,538
220	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2008, Trust 3211, 13.243%, 10/01/32 (IF)	4/18 at 100.00	AA	286,147
2,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 5.000%, 1/01/35	1/11 at 100.00	BBB–	1,831,539
3,000	Total Transportation			2,942,224
	U.S. Guaranteed – 12.4% (8.5% of Total Investments) (4)			
2,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 101.00	Aaa	2,179,780
3,000	California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 – AGM Insured (ETM)	No Opt. Call	AAA	3,727,530
370	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15 (Pre-refunded 7/01/14)	7/14 at 100.00	AAA	431,217
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 100.00	AAA	3,987,236
8,865	Total U.S. Guaranteed			10,325,763

	Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)		Value
		Utilities – 7.7% (5.3% of Total Investments)				
$	890	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37	No Opt. Call	A	$	897,458
	275	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2, 5.000%, 7/01/21 – NPFG Insured	7/13 at 100.00	AA–		305,159
	295	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 – SYNCORA GTY Insured	9/15 at 100.00	N/R		276,096
	4,580	Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, Series 2002Q, 5.250%, 8/15/20 – AGM Insured	8/12 at 100.00	AAA		4,914,798
	6,040	Total Utilities				6,393,511
		Water and Sewer – 7.3% (5.0% of Total Investments)				
	1,125	Burbank, California, Wastewater System Revenue Bonds, Series 2004A, 5.000%, 6/01/23 – AMBAC Insured	6/14 at 100.00	AA+		1,189,969
	205	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 – NPFG Insured	4/16 at 100.00	AA–		209,395
	670	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 16.914%, 7/01/35 (IF)	7/19 at 100.00	AAA		929,290
	1,500	Orange County Water District, California, Revenue Certificates of Participation, Tender Option Bond Trust 11782-1, 17.261%, 2/15/35 (IF)	8/15 at 100.00	AAA		1,917,420
	1,795	Woodbridge Irrigation District, California, Certificates of Participation, Water Systems Project, Series 2003, 5.500%, 7/01/33	7/13 at 100.00	A+		1,815,463
	5,295	Total Water and Sewer				6,061,537
$	123,509	Total Investments (cost $116,309,786) – 145.4%				121,379,819
		Floating Rate Obligations – (8.0)%				(6,650,000)