

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-CSR  
January 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345  
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Nuveen Dividend Advantage Municipal Fund 3  
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(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Address of principal executive offices) (Zip code)

Jessica R. Droeger  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700  
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Date of fiscal year end: October 31, 2003  
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Date of reporting period: October 31, 2003  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2003

Nuveen  
Municipal Closed-End  
Exchange-Traded  
Funds

NUVEEN PERFORMANCE PLUS MUNICIPAL FUND  
NPP

NUVEEN MUNICIPAL ADVANTAGE FUND  
NMA

NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND  
NMO

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND  
NAD

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
NXZ

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
NZF

Photo of: Man holding up child in his arms.  
Photo of: 2 woman and 2 girls looking at seashells.

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

Logo: NUVEEN Investments

FASTER INFORMATION  
RECEIVE YOUR  
NUVEEN FUND REPORT  
ELECTRONICALLY

By registering for electronic delivery, you will receive an e-mail as soon as your Nuveen Fund information is available. Click on the link and you will be taken directly to the report. Your Fund report can be viewed and saved on your computer. Your report will arrive faster via e-mail than by traditional mail.

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

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SOME COMMON CONCERNS:

WILL MY E-MAIL ADDRESS BE DISTRIBUTED TO OTHER COMPANIES?

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No, your e-mail address is strictly confidential and will not be used for anything other than notification of shareholder information.

WHAT IF I CHANGE MY MIND AND WANT TO RECEIVE INVESTOR MATERIALS THROUGH REGULAR MAIL DELIVERY AGAIN?

If you decide you do not like receiving your reports electronically, it's a simple process to go back to regular mail delivery.

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to [WWW.INVESTORDELIVERY.COM](http://WWW.INVESTORDELIVERY.COM) and follow the simple instructions, using the address sheet that accompanied this report as a guide.
- 2 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen and follow the simple instructions.
- 3 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to [WWW.NUVEEN.COM](http://WWW.NUVEEN.COM)
- 2 Select ACCESS YOUR ACCOUNT. Select the E-REPORT ENROLLMENT section. Click on Enrollment Today.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger  
Chairman of the Board

Sidebar text: WE THINK YOUR NUVEEN FUND CAN BE AN IMPORTANT BUILDING BLOCK IN A PORTFOLIO DESIGNED TO PERFORM WELL THROUGH A VARIETY OF MARKET CONDITIONS.

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Dear  
SHAREHOLDER

I am very pleased to report that for the year ended October 31, 2003, your Nuveen Fund continued to provide you with attractive monthly tax-free income.

Your Nuveen Fund is managed with a value investing strategy that puts an emphasis on finding securities that we think are undervalued or underrated. We believe that there are always some municipal bonds that the market is not properly valuing, and that by using a consistent, research-oriented management approach we have the opportunity to find them for your Fund.

In this low-rate environment, many have begun to wonder whether interest rates will soon start to rise, and whether that possibility should cause them to adjust their holdings of fixed-income investments. We believe that by constructing a carefully balanced portfolio with the help of a trusted investment professional you may be able to reduce your overall investment risk and give yourself a better chance to meet your financial goals. We think that municipal bond investments like your Nuveen Fund can be important building blocks in a portfolio designed to perform well through a variety of market conditions.

Since 1898, Nuveen Investments has offered financial products and solutions that incorporate careful research, diversification, and the application of conservative risk-management principles. We are grateful that you have chosen us as a partner as you pursue your financial goals. We look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

December 15, 2003

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

Portfolio Manager's  
COMMENTS

Portfolio manager Tom Spalding discusses U.S. economic and market conditions, key investment strategies, and the annual performance of these national Funds. With 27 years of investment experience at Nuveen, Tom has managed NXZ since its inception in 2001, adding NPP, NMA, NMO, NAD, and NZF in January 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH PERIOD ENDED OCTOBER 31, 2003?

Over the 12-month reporting period the two greatest influences on the general economy continued to be historically low interest rates and the overall pace of

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economic improvement. In June 2003, the Federal Reserve reduced the fed funds rate to 1.0%, the lowest level since 1958. The Fed's accommodative monetary policy coupled with Washington's tax relief measures and increased spending for defense helped to fuel an 8.2% year-over-year jump in the third-quarter Gross Domestic Product (GDP), up from 3.3% in the second quarter. At the same time, inflation remained under control throughout the period.

In the municipal market, the slower rate of economic recovery over the majority of this reporting period, low interest rates, and lack of inflationary pressures helped many municipal bonds perform well. During the summer of 2003, however, stronger-than-expected economic data precipitated a spike in bond yields and a corresponding drop in bond prices that impacted results across all fixed-income markets, including the municipal market, for the 12-month period ended October 31, 2003.

During the first 10 months of 2003, municipal supply nationally remained robust, with \$319.9 billion in new bonds, up 8% over the same period in 2002.

HOW DID THESE NUVEEN FUNDS PERFORM OVER THIS REPORTING PERIOD?

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

	MARKET YIELD		TOTAL RETURN ON NAV	LEHMAN TOTAL RETURN1	LIPPER AVERAGE2
	10/31/03	TAXABLE- EQUIVALENT3	1 YEAR ENDED 10/31/03	1 YEAR ENDED 10/31/03	1 YEAR ENDED 10/31/03
NPP	6.64%	9.22%	6.97%	5.11%	8.08%
NMA	6.68%	9.28%	8.71%	5.11%	8.08%
NMO	6.63%	9.21%	10.24%	5.11%	8.08%
NAD	6.79%	9.43%	8.41%	5.11%	8.08%
NXZ	6.95%	9.65%	8.67%	5.11%	8.08%
NZF	6.87%	9.54%	7.82%	5.11%	8.08%

Past performance is not predictive of future results.

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

For the 12 months ended October 31, 2003, all six of the Funds in this report outperformed the unleveraged Lehman Brothers Municipal Bond Index. NMA, NMO, NAD and NXZ also outperformed their Lipper peer group average, while NPP and NZF trailed this measure. The use of leverage was one of the factors that influenced the performances of these Funds relative to the Lehman index over the past 12 months. While this

1 The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged, unmanaged index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.

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- 2 The total returns of these Funds are compared with the average annualized return of the 62 funds in the Lipper General Leveraged Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

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is a strategy that carries price risk and additional volatility, leveraging can provide opportunities for additional income for common shareholders, especially during periods of low short-term interest rates.

In general, the Funds also benefited from their duration<sup>4</sup> positioning during this period. As of October 31, 2003, the durations of these Funds ranged from 8.94 to 10.22, compared with 8.22 for the Lehman index. These durations were long enough to enable these Funds to benefit as interest rates declined during most of the 12-month reporting period and short enough to offer some protection as interest rates rose in recent months. In general, investments with longer durations would be expected to outperform those with shorter durations during periods of declining interest rates, all other factors being equal.

In addition to leverage and duration, factors such as call exposure, portfolio trading activity, and the price movement of specific sectors and holdings also had an impact on the Funds' relative performances during this period. For example, at the beginning of this reporting period, NPP held a higher concentration of airline-backed bonds than the other five Funds. In recent months, airline bonds started to rebound, recovering much of their value. Because we had already begun to trim NPP's airline allocation to bring it more in line with the other Funds, the Fund did not benefit from the recovery of these bonds to the extent that the others did.

### HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining at historically low levels, the dividend-paying capabilities of all of these Funds benefited from their use of leverage. During the 12 months ended October 31, 2003, continued low short-term rates enabled us to implement three dividend increases in NPP, NAD, and NXZ, two in NMA and NZF, and one in NMO.

Even at these dividend levels, each Fund's common share net investment income during the period exceeded the amount of dividends paid to common shareholders. This excess net investment income, along with any excess net investment income from prior fiscal periods, was held in reserve by the Funds as undistributed net investment income (UNII) and is part of the Funds' net asset value. The Funds, over time, will pay all their net investment income out to common shareholders. However, UNII reserves may help the Funds maintain more stable common share dividend levels over time should the short-term rates the Funds pay on their MuniPreferred shares rise or net common share earnings otherwise decline.

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

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Despite the increased volatility in the fixed-income markets during the summer of 2003, the Funds' share prices and NAVs finished the period higher than they had been at the beginning. As of October 31, 2003, the discounts to common share NAV for all six Funds were narrower than they had been 12 months earlier.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED OCTOBER 31, 2003?

Over this 12-month reporting period, we continued to place strong emphasis on keeping the Funds fully invested and well diversified, improving call protection, and enhancing dividend-paying capabilities. We also continued to focus on managing the Funds' durations as a way of enhancing our ability to mitigate interest rate risk and produce potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise (since bond prices move in the opposite direction of interest rates). The longer the duration of a Fund's portfolio, the greater its interest rate risk. As a result of our efforts, the durations of all six Funds shortened over the 12 month reporting period.

In line with the steepness of the municipal yield curve, the majority of our purchase activity over the past year focused on value opportunities in the intermediate part of the yield curve (i.e., bonds that mature in 15 to 20 years). In many cases, bonds in this part of the curve offered yields similar to those of longer-term bonds but, in our opinion, had less inherent interest rate risk. In the recent market environment, we have also focused on bonds offering above-market coupons that can help support the Funds' dividends and on issues in the low AA/high A credit quality sectors that can add diversification.

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HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2003?

We believe that, given the current geopolitical and economic climate, maintaining strong credit quality remains a vital requirement. As of October 31, 2003, these Nuveen Funds offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 65% to 83%.

Looking at bond calls, these Funds offer good levels of call protection over the next two years, with potential call exposure ranging from 2% in NXZ and NZF to 11% in NPP during 2004 and 2005. The number of bond calls will depend largely on market interest rates in coming months.

In general, we believe that these Nuveen Funds can continue to serve as attractive sources of tax-free income, while simultaneously offering the potential for portfolio diversification. In our opinion, the Funds represent a quality component of a well-balanced core investment portfolio that can continue to benefit shareholders over time.

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Nuveen Performance Plus Municipal Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NPP

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	69%
AA	14%
A	5%
BBB	8%
NR	3%
BB or Lower	1%

## PORTFOLIO STATISTICS

Share Price	\$14.64
Common Share Net Asset Value	\$15.45
Market Yield	6.64%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.22%
Net Assets Applicable to Common Shares (\$000)	\$925,525
Average Effective Maturity (Years)	17.33
Leverage-Adjusted Duration	9.99

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

	ON SHARE PRICE	ON NAV
1-Year	9.58%	6.97%
5-Year	5.54%	6.24%
10-Year	5.50%	6.30%

## TOP FIVE SECTORS (as a % of total investments)

U.S. Guaranteed	16%
Tax Obligation/General	15%
Tax Obligation/Limited	14%
Utilities	10%
Healthcare	9%



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Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE <sup>2</sup>	
Nov	0.077
Dec	0.078
Jan	0.078
Feb	0.078
Mar	0.0795
Apr	0.0795
May	0.0795
Jun	0.0795
Jul	0.0795
Aug	0.0795
Sep	0.081
Oct	0.081

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	14.4
	14.29
	14.12
	13.77
	13.95
	14.01
	13.86
	13.86
	14.15
	14.3
	13.98
	14.02
	14.16
	14.34
	14.27
	14.16
	14.15
	14.43
	14.48
	14.45
	14.28
	14.46
	14.42
	14.5
	14.59
	14.68
	14.89
	15.05
	15.48
	15.63
	15.78
	15.12
	15.32
	15.25
	15.36
	14.55
	14.16
	14.37
	14.02

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	14.11
	14.16
	14.34
	14.47
	14.44
	14.55
	14.54
	14.45
	14.65
10/31/03	14.64

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0254 per share.

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Nuveen Municipal Advantage Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NMA

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	60%
AA	15%
A	6%
BBB	17%
BB or Lower	2%

PORTFOLIO STATISTICS

Share Price	\$15.44
Common Share Net Asset Value	\$15.62
Market Yield	6.68%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.28%
Net Assets Applicable to Common Shares (\$000)	\$671,147
Average Effective Maturity (Years)	18.75
Leverage-Adjusted Duration	8.99

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

	ON SHARE PRICE	ON NAV
1-Year	13.17%	8.71%
5-Year	6.61%	6.51%
10-Year	6.07%	6.43%

### TOP FIVE SECTORS (as a % of total investments)

Healthcare	17%
Utilities	17%
U.S. Guaranteed	14%
Housing/Single Family	11%
Transportation	10%

### Bar Chart:

#### 2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

Nov	0.082
Dec	0.0835
Jan	0.0835
Feb	0.0835
Mar	0.086
Apr	0.086
May	0.086
Jun	0.086
Jul	0.086
Aug	0.086
Sep	0.086
Oct	0.086

### Line Chart:

#### SHARE PRICE PERFORMANCE

#### Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	14.65
	14.78
	14.44
	14.32
	14.35
	14.58
	14.39
	14.33
	14.7
	14.75
	14.48
	14.56
	14.75
	14.75

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	14.8
	14.79
	14.83
	14.91
	15.02
	15
	14.72
	15
	15.04
	14.97
	15
	15.18
	15.39
	15.53
	15.98
	16.31
	16.39
	15.69
	15.9
	15.92
	16.01
	15.44
	14.94
	15.22
	14.82
	14.94
	15.09
	15.12
	15.14
	15.27
	15.37
	15.31
	15.19
	15.3
10/31/03	15.44

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0733 per share.

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Nuveen Municipal Market Opportunity Fund, Inc.

Performance

OVERVIEW As of October 31, 2003

NMO

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Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	67%
AA	10%
A	12%
BBB	8%
NR	1%
BB or Lower	2%

PORTFOLIO STATISTICS

Share Price	\$14.29
Common Share Net Asset Value	\$15.11
Market Yield	6.63%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.21%
Net Assets Applicable to Common Shares (\$000)	\$687,955
Average Effective Maturity (Years)	17.92
Leverage-Adjusted Duration	8.94

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

	ON SHARE PRICE	ON NAV
1-Year	10.62%	10.24%
5-Year	4.53%	5.42%
10-Year	5.01%	5.85%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/General	23%
Transportation	16%
Tax Obligation/Limited	13%
U.S. Guaranteed	13%
Healthcare	10%

Bar Chart:

2002-2003 Monthly Tax-Free Dividends Per Share

Nov	0.078
Dec	0.078
Jan	0.078
Feb	0.078
Mar	0.079

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Apr	0.079
May	0.079
Jun	0.079
Jul	0.079
Aug	0.079
Sep	0.079
Oct	0.079

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	13.83
	14.07
	13.8
	13.57
	13.68
	13.8
	13.6
	13.63
	13.87
	13.99
	13.54
	13.72
	13.75
	13.92
	13.89
	13.89
	13.82
	14.05
	14.08
	14.05
	13.94
	14.1
	14.15
	14.1
	14.19
	14.19
	14.61
	14.62
	14.94
	15.16
	15.33
	14.76
	14.98
	15.09
	15.12
	14.47
	13.88
	14.24
	13.88
	13.98
	14.11
	14.1
	14.09
	14.2
	14.21
	14.17
	14.05
	14.12
10/31/03	14.29

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1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

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## Nuveen Dividend Advantage Municipal Fund

### Performance

OVERVIEW As of October 31, 2003

NAD

### Pie Chart:

#### CREDIT QUALITY

AAA/U.S. Guaranteed	65%
AA	10%
A	2%
BBB	7%
NR	11%
BB or Lower	5%

### PORTFOLIO STATISTICS

Share Price	\$15.12
Common Share Net Asset Value	\$15.17
Market Yield	6.79%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.43%
Net Assets Applicable to Common Shares (\$000)	\$595,266
Average Effective Maturity (Years)	16.72
Leverage-Adjusted Duration	9.18

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

	ON SHARE PRICE	ON NAV
1-Year	11.41%	8.41%
Since Inception	6.67%	7.84%

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TOP FIVE SECTORS (as a % of total investments)

Healthcare	16%
Transportation	14%
Tax Obligation/General	14%
U.S. Guaranteed	12%
Tax Obligation/Limited	12%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Nov	0.081
Dec	0.082
Jan	0.082
Feb	0.082
Mar	0.082
Apr	0.082
May	0.082
Jun	0.083
Jul	0.083
Aug	0.083
Sep	0.0855
Oct	0.0855

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	14.51
	14.5
	14.46
	14.34
	14.29
	14.4
	14.38
	14.4
	14.61
	14.95
	14.29
	14.5
	14.57
	14.79
	14.92
	14.87
	14.98
	15
	15.04
	14.93
	14.48
	14.74
	14.75
	14.84
	14.87
	14.95
	15.11
	15.29



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	15.7
	15.74
	16.02
	15.75
	15.78
	15.72
	15.67
	14.81
	14.5
	14.73
	14.48
	14.58
	14.44
	14.67
	14.75
	14.94
	14.9
	14.82
	14.82
	14.95
10/31/03	15.12

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

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Nuveen Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of October 31, 2003

NXZ

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	58%
AA	7%
A	16%
BBB	8%
NR	2%
BB or Lower	9%

PORTFOLIO STATISTICS

Share Price	\$14.85
Common Share Net Asset Value	\$15.13
Market Yield	6.95%

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Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.65%
Net Assets Applicable to Common Shares (\$000)	\$443,101
Average Effective Maturity (Years)	25.19
Leverage-Adjusted Duration	10.22

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

	ON SHARE PRICE	ON NAV
1-Year	14.39%	8.67%
Since Inception	6.09%	8.59%

TOP FIVE SECTORS (as a % of total investments)

Healthcare	24%
Tax Obligation/Limited	19%
Transportation	14%
Water and Sewer	9%
Tax Obligation/General	9%

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

Nov	0.079
Dec	0.0815
Jan	0.0815
Feb	0.0815
Mar	0.0845
Apr	0.0845
May	0.0845
Jun	0.086
Jul	0.086
Aug	0.086
Sep	0.086
Oct	0.086

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	14
	14.15
	13.83
	13.54
	13.72
	14.08
	13.89

	13.77
	14.25
	14.21
	14.21
	13.98
	14.15
	14.23
	14.41
	14.21
	14.2
	14.44
	14.55
	14.38
	14.31
	14.56
	14.65
	14.55
	14.58
	14.65
	14.79
	14.89
	15.28
	15.57
	15.67
	15.29
	15.4
	15.55
	15.3
	14.8
	14.6
	14.63
	14.48
	14.47
	14.5
	14.62
	14.7
	14.84
	14.84
	14.84
	14.66
	14.8
10/31/03	14.85

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.0093 per share.

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OVERVIEW As of October 31, 2003

NZF

## Pie Chart:

### CREDIT QUALITY

AAA/U.S. Guaranteed	72%
AA	11%
A	2%
BBB	9%
NR	4%
BB or Lower	2%

## PORTFOLIO STATISTICS

Share Price	\$13.80
Common Share Net Asset Value	\$14.74
Market Yield	6.87%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	9.54%
Net Assets Applicable to Common Shares (\$000)	\$594,154
Average Effective Maturity (Years)	21.56
Leverage-Adjusted Duration	10.00

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

	ON SHARE PRICE	ON NAV
1-Year	9.04%	7.82%
Since Inception	2.30%	7.65%

## TOP FIVE SECTORS (as a % of total investments)

Transportation	17%
Healthcare	16%
Water and Sewer	12%
Tax Obligation/Limited	12%
Tax Obligation/General	9%

## Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

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Nov	0.0755
Dec	0.0755
Jan	0.0755
Feb	0.0755
Mar	0.078
Apr	0.078
May	0.078
Jun	0.079
Jul	0.079
Aug	0.079
Sep	0.079
Oct	0.079

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

11/1/02	13.62
	13.63
	13.37
	13.23
	13.26
	13.55
	13.19
	13.05
	13.49
	13.62
	13.35
	13.44
	13.62
	13.74
	13.85
	13.73
	13.55
	13.73
	13.92
	13.73
	13.57
	13.82
	13.97
	13.85
	13.93
	14.07
	14.2
	14.28
	14.5
	14.73
	14.86
	14.55
	14.49
	14.75
	14.63
	14.15
	13.69
	13.91
	13.7
	13.84
	13.78
	13.81
	13.8
	13.72

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	13.72
	13.8
	13.71
	13.82
10/31/03	13.8

1 Taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

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Report of  
INDEPENDENT AUDITORS

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend Advantage Municipal Fund 3 as of October 31, 2003, and the related statements of operations and changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of October 31, 2003, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Dividend Advantage Municipal Fund, Nuveen Dividend Advantage Municipal Fund 2 and Nuveen Dividend

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Advantage Municipal Fund 3 at October 31, 2003, and the results of their operations, changes in their net assets and financial highlights for the periods indicated therein in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Chicago, Illinois  
December 12, 2003

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Nuveen Performance Plus Municipal Fund, Inc. (NPP)  
Portfolio of  
INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ALABAMA - 1.7%	
\$ 3,615	Alabama Water Pollution Control Authority, Revolving Fund Loan Bonds, Series 1994A, 6.750%, 8/15/17 - AMBAC Insured	8/05 at 100
	Jefferson County, Alabama, Sewer Revenue Warrants, Series 1997A Refunding:	
3,640	5.625%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured	2/07 at 100
1,435	5.625%, 2/01/22 - FGIC Insured	2/07 at 100
3,820	5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured	2/07 at 100
1,505	5.375%, 2/01/27 - FGIC Insured	2/07 at 100
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	ARIZONA - 1.3%	
1,000	Arizona State Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22	7/12 at 100
	Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B:	
5,365	5.750%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured	7/12 at 100
5,055	5.750%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured	7/12 at 100
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	ARKANSAS - 0.6%	
5,080	Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured	5/13 at 100
-----		
	CALIFORNIA - 12.7%	
11,000	Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Anaheim Public Improvements Project, Series 1997C, 0.000%, 9/01/20 - FSA Insured	No Opt. C

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2,000	California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33	3/13 at 100
6,435	State of California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured	No Opt. C
	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A:	
4,000	6.000%, 5/01/15	5/12 at 101
2,500	5.375%, 5/01/22	5/12 at 101
6,925	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured	6/06 at 100
10,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39	6/13 at 100
1,000	Mt. Diablo Hospital District, California Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured	12/03 at 102
13,450	Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.200%, 8/01/17 - MBIA Insured	No Opt. C
20,420	Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10	No Opt. C
2,325	Palmdale Community Redevelopment Agency, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax)	No Opt. C
10,000	San Bernardino County, California, Certificates of Participation, Medical Center Financing Project, Series 1995, 5.500%, 8/01/15 (Pre-refunded to 8/01/05) - MBIA Insured	8/05 at 102
2,000	Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 23B, 5.125%, 5/01/30 - FGIC Insured	5/09 at 101
2,000	San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2, Issue 27B, 5.125%, 5/01/26 - FGIC Insured	5/11 at 100
15,745	Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured	8/11 at 103



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Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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	COLORADO - 0.6%	
\$ 5,425	City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured	11/07 at 101
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	DISTRICT OF COLUMBIA - 0.7%	
6,985	District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	5/11 at 101
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	FLORIDA - 4.5%	
1,700	Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured	5/12 at 102
	Housing Finance Authority of Broward County, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments Project, Series 2001A:	
1,545	5.700%, 1/01/32 (Alternative Minimum Tax) - FSA Insured	7/11 at 100
1,805	5.800%, 1/01/36 (Alternative Minimum Tax) - FSA Insured	7/11 at 100
4,200	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, 2000 Series 11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured	1/10 at 100
10,050	State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 1999 Series D, 5.750%, 6/01/22	6/10 at 101
7,000	Hillsborough County Aviation Authority, Florida, Tampa International Airport Revenue Bonds, Series 2003A, 5.250%, 10/01/17 (Alternative Minimum Tax) - MBIA Insured	10/13 at 100
10,750	Martin County, Florida, Industrial Development Authority, Industrial Development Revenue Bonds, Indiantown Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax)	12/04 at 102
2,570	Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds, Country Club Villas II Project, Series 2001-1A, 5.850%, 1/01/37 (Alternative Minimum Tax) - FSA Insured	6/11 at 100
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	GEORGIA - 3.2%	
4,920	City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.600%, 1/01/30	1/10 at 101

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(Pre-refunded to 1/01/10) - FGIC Insured

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

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IDAHO - 0.3%

1,350	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000-G2, 5.950%, 7/01/25 (Alternative Minimum Tax)	7/10 at 100
1,170	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax)	1/10 at 100

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ILLINOIS - 20.2%

3,000	City of Chicago, Illinois, General Obligation Bonds, Library, Series 1997, 5.750%, 1/01/17 - FGIC Insured	1/08 at 102
32,170	City of Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: 0.000%, 1/01/21 - FGIC Insured	No Opt. C
32,670	0.000%, 1/01/22 - FGIC Insured	No Opt. C
10,000	Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenue, Series 1998-B1, 0.000%, 12/01/19 - FGIC Insured	No Opt. C
10,000	Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured	No Opt. C

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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ILLINOIS (continued)

\$ 9,145	City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, Series 1996A, 5.500%, 1/01/29 - MBIA Insured	1/07 at 101
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	DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000:		
8,000	0.000%, 11/01/18		No Opt. C
15,285	0.000%, 11/01/19		No Opt. C
3,500	Illinois Development Finance Authority, Pollution Control Revenue Refunding Bonds, Commonwealth Edison Company Project, Series 1994D, 6.750%, 3/01/15 - AMBAC Insured		3/05 at 102
10,000	Illinois Educational Facilities Authority, Adjustable Demand Revenue Bonds, University of Chicago, Series 1985 Remarketed, 5.700%, 12/01/25 (Pre-refunded to 12/01/03)		12/03 at 102
12,910	Illinois Health Facilities Authority, Revenue Bonds, Northwestern Memorial Hospital, Series 1994A, 6.000%, 8/15/24		8/04 at 102
3,285	Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15		8/09 at 101
4,580	Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX, Series 2000, 6.250%, 8/20/35		8/10 at 102
3,000	Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33		7/13 at 100
4,415	Illinois Health Facilities Authority, Revenue Refunding Bonds, Proctor Community Hospital Project, Series 1991, 7.375%, 1/01/23		1/04 at 100
3,700	Village of Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Alternative Minimum Tax)		11/09 at 100
6,000	McHenry County, Illinois, Conservation District General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 - FGIC Insured		2/11 at 100
	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A:		
9,400	0.000%, 12/15/18 - MBIA Insured		No Opt. C
16,570	0.000%, 12/15/20 - MBIA Insured		No Opt. C
23,550	0.000%, 12/15/22 - MBIA Insured		No Opt. C
13,000	0.000%, 12/15/24 - MBIA Insured		No Opt. C
	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A:		
5,180	5.500%, 12/15/23 - FGIC Insured		No Opt. C
5,100	5.500%, 12/15/23 - FGIC Insured		No Opt. C
10,650	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Hospitality Facilities Revenue Bonds, Series 1996A, 7.000%, 7/01/26		No Opt. C
17,865	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured		No Opt. C
6,090	Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29		10/09 at 102

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INDIANA - 6.9%		
5,000	Ft. Wayne South Side School Building Corporation, Indiana, First Mortgage Bonds, Series 1994, 6.125%, 1/15/12 (Pre-refunded to 1/15/04) - MBIA Insured	1/04 at 102
5,250	Indiana Bond Bank, State Revolving Fund Program Bonds, Guarantee Revenue Bonds, Series 1994A, 6.000%, 2/01/16	2/04 at 102
14,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured	8/10 at 101
	Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Incorporated Obligated Group, Series 1997:	
15,380	5.250%, 7/01/17 - MBIA Insured	7/07 at 101
2,250	5.250%, 7/01/22 - MBIA Insured	7/07 at 101
4,320	5.250%, 7/01/22 - MBIA Insured	7/07 at 101
8,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000, 5.375%, 12/01/25	12/10 at 100

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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INDIANA (continued)		
\$ 5,730	Michigan City School Building Corporation, Indiana, First Mortgage Bonds, Series 1994A, 6.125%, 12/15/09 (Pre-refunded to 12/15/04) - AMBAC Insured	12/04 at 102
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IOWA - 0.4%		
5,000	Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35	6/11 at 101
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KANSAS - 0.9%		
5,790	Sedgwick County Unified School District No. 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17	9/10 at 100
3,200	Unified School District No. 500, County of Wyandotte, Kansas, General Obligation School Bonds, Series 2001, 4.000%, 9/01/21 - FSA Insured	9/11 at 100

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	KENTUCKY - 0.4%	
3,700	Louisville Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 6.250%, 5/15/26 - MBIA Insured	5/07 at 101
-----		
	LOUISIANA - 6.7%	
2,475	East Baton Rouge Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Refunding Bonds, Series 1997B-1, 5.750%, 10/01/26	10/07 at 102
35,700	Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1996, 5.750%, 7/01/26 (Pre-refunded to 7/01/06) - FGIC Insured	7/06 at 102
5,630	New Orleans Housing Development Corporation, Louisiana, FNMA Multifamily Housing Revenue Refunding Bonds, Curran Place Apartments, Series 1990A, 7.700%, 8/01/23	12/03 at 100
10,000	Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30	5/11 at 101
6,250	5.875%, 5/15/39	5/11 at 101
-----		
	MAINE - 1.3%	
5,935	Maine State Housing Authority, Mortgage Purchase Bonds, Series 1994A, 5.700%, 11/15/26	2/04 at 102
5,680	Portland, Maine, General Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - FSA Insured	7/13 at 100
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	MARYLAND - 2.7%	
1,145	Community Development Administration, Maryland Department of Housing and Community Development, Residential Revenue Bonds, Series H, 5.800%, 9/01/32 (Alternative Minimum Tax)	9/10 at 100
7,720	Maryland Transportation Authority, Baltimore-Washington International Airport, Parking Revenue Bonds, Series 2002B, 5.125%, 3/01/20 (Alternative Minimum Tax) - AMBAC Insured	3/12 at 101
7,475	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Revenue Bonds, Series 1994A, 6.250%, 7/01/28	7/04 at 102
7,090	Takoma Park, Maryland, Hospital Facilities Refunding and Improvement Revenue Bonds, Washington Adventist Hospital Project, Series 1995, 6.500%, 9/01/12 - FSA Insured	No Opt. C

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MASSACHUSETTS - 3.3%		
1,820	Massachusetts Educational Financing Authority, Education Loan Revenue and Refunding Bonds, Issue G, Series 2000A, 5.700%, 12/01/11 (Alternative Minimum Tax) - MBIA Insured	12/09 at 101
	Massachusetts Municipal Wholesale Electric Company, Power Supply System Revenue Bonds, Series 1987A:	
70	8.750%, 7/01/18 (Pre-refunded to 1/01/04)	1/04 at 100
70	8.750%, 7/01/18 (Pre-refunded to 7/01/04)	7/04 at 100
35	8.750%, 7/01/18 (Pre-refunded to 1/01/05)	1/05 at 100
35	8.750%, 7/01/18 (Pre-refunded to 7/01/05)	7/05 at 100
2,500	Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30	11/12 at 100
5,000	Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E, 5.250%, 1/01/22 - FGIC Insured	1/13 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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MASSACHUSETTS (continued)		
	Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, 2002 Series A:	
\$ 4,000	5.125%, 8/01/28 - MBIA Insured	2/12 at 100
5,000	5.125%, 2/01/34 - MBIA Insured	2/12 at 100
1,420	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group Issue, Series A, 4.750%, 7/01/27 - MBIA Insured	7/08 at 101
8,500	Route 3 North Transportation Improvements Association, Commonwealth of Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded to 6/15/10) - MBIA Insured	6/10 at 100
<hr/>		
MICHIGAN - 5.4%		
17,000	Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured	11/07 at 100
3,000	City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, Series 1997A, 5.000%, 7/01/21 - MBIA Insured	7/07 at 101
3,885	Grand Rapids Housing Corporation, Multifamily Revenue Refunding Bonds, FHA-Insured Mortgage Loan-Section 8	1/04 at 104

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	Assisted Elderly Project, Series 1992, 7.375%, 7/15/41	
4,030	Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System, Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured	8/08 at 100
1,000	Michigan State Building Authority, Facilities Program Revenue Refunding Bonds, Series 2001I, 5.000%, 10/15/24	10/11 at 100
7,115	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Henry Ford Health System, Series 2003A, 5.500%, 3/01/16	3/13 at 100
3,000	Michigan Strategic Fund, Collateralized Limited Obligation Revenue Refunding Pollution Control Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured	9/09 at 102
10,000	Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured	12/08 at 101

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MINNESOTA - 6.6%

7,475	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Mortgage Loan Multifamily Senior Housing Revenue Bonds, Wingate Project, Series 2002A, 5.625%, 8/20/43	2/12 at 102
990	Dakota County Housing and Redevelopment Authority, Minnesota, FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.900%, 10/01/27 (Alternative Minimum Tax)	4/04 at 102
3,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured	1/11 at 100
18,020	Plymouth, Minnesota, GNMA Collateralized Mortgage Loan Senior Housing Revenue Bonds, Regent at Plymouth Project, Series 2002A, 4.090%, 9/20/43	3/12 at 105
21,860	St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured	11/15 at 103
3,395	St. Paul Housing and Redevelopment Authority, Minnesota, Single Family Mortgage Revenue Refunding Bonds, FNMA Mortgage-Backed Securities Middle Income Program - Phase II, Series 1995, 6.800%, 3/01/28	3/05 at 102

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MISSISSIPPI - 1.1%

9,750	Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22	4/04 at 102
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MISSOURI - 1.4%		
2,000	Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - FSA Insured	10/13 at 100
6,350	City of Kansas City, Missouri, General Improvement Airport Revenue Bonds, Series 2003B, 5.250%, 9/01/17 - FGIC Insured	9/12 at 100
435	Missouri Housing Development Commission, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1988A, 8.300%, 5/01/19 (Alternative Minimum Tax)	11/03 at 100

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
<hr/>		
MISSOURI (continued)		
\$ 3,740	Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured	6/11 at 101
<hr/>		
MONTANA - 1.1%		
1,845	Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.150%, 6/01/30 (Alternative Minimum Tax)	6/07 at 101
2,890	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	12/09 at 100
4,795	Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax)	12/08 at 101
<hr/>		
NEBRASKA - 0.4%		
3,260	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, 2000 Series E, 5.850%, 9/01/20 (Alternative Minimum Tax)	9/10 at 100

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NEVADA - 2.5%		
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10,900	Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 - MBIA Insured	6/12 at 100
10,505	State of Nevada, General Obligation Bonds, Municipal Bond Bank Project No. 52, Series 1996A, 6.000%, 5/15/21 (Pre-refunded to 5/15/06)	5/06 at 101

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NEW HAMPSHIRE - 1.2%

	New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Revenue Remarketing Bonds, Countryside LP Project, Series 1994:	
3,725	6.000%, 7/01/18 (Alternative Minimum Tax)	7/10 at 101
6,945	6.100%, 7/01/24 (Alternative Minimum Tax)	7/10 at 101

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NEW JERSEY - 7.1%

4,425	New Jersey Higher Education Student Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured	6/10 at 101
3,000	New Jersey Economic Development Authority, Transportation Project Sublease Revenue Bonds, New Jersey Transit Corporation - Light Rail Transit System Projects, Series 1999A, 5.250%, 5/01/17 (Pre-refunded to 5/01/09) - FSA Insured	5/09 at 100
8,750	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1996B, 5.250%, 6/15/16	6/07 at 102
9,250	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/23	6/13 at 100
4,500	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - FSA Insured	No Opt. C
10,000	New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured	7/13 at 100
15,000	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32	6/12 at 100
3,125	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39	6/13 at 100
	Township of West Deptford, County of Gloucester, New Jersey, General Obligation Bonds, Series 2000:	
3,150	5.500%, 9/01/21 - FGIC Insured	9/10 at 100
3,335	5.500%, 9/01/22 - FGIC Insured	9/10 at 100

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NEW YORK - 16.5%

	5	City of New York, New York, General Obligation Bonds, Fiscal Series 1987D, 8.500%, 8/01/08	2/04 at 100
	12,500	City of New York, New York, General Obligation Bonds, Fiscal Series 1997A, 7.000%, 8/01/05	No Opt. C
	6,300	City of New York, New York, General Obligation Bonds, Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured	5/10 at 101

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	PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
		NEW YORK (continued)	
		City of New York, New York, General Obligation Bonds, Fiscal Series 1996F:	
\$	2,240	5.750%, 2/01/15 (Pre-refunded to 2/01/06)	2/06 at 101
	14,055	5.750%, 2/01/15	2/06 at 101
	20,650	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1996B, 5.750%, 6/15/26 - MBIA Insured	6/06 at 101
	4,875	New York Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1997A, 5.500%, 6/15/24 - MBIA Insured	6/06 at 101
	10,000	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/30	6/09 at 101
	7,810	New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09)	8/09 at 101
	2,250	Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities Issue, Series 1999C, 5.500%, 7/01/29 - MBIA Insured	7/09 at 101
	4,000	Dormitory Authority of the State of New York, State University Educational Facilities, Revenue Bonds, Series 1990B, 6.000%, 5/15/17	11/03 at 100
	1,500	Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured	8/07 at 101
	2,070	Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program 1998 Issue 1, Gateway-Longview Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured	7/08 at 101
	17,000	Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue	7/09 at 101

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	Bonds, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured	
3,000	Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured	1/08 at 102
2,000	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B, 5.375%, 2/15/26 - MBIA Insured	2/06 at 102
	Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999:	
1,580	6.375%, 7/01/13 - RAAI Insured	7/09 at 101
9,235	6.125%, 7/01/21 - RAAI Insured	7/09 at 101
3,000	New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation Project, Series 1998A, 5.950%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured	9/08 at 102
14,750	New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, Series 1993F Refunding, 5.375%, 2/15/14 - MBIA Insured	2/04 at 102
-----		
	NORTH CAROLINA - 0.2%	
2,000	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured	1/08 at 102
-----		
	NORTH DAKOTA - 0.3%	
2,900	North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2000A, 6.500%, 1/01/31 (Alternative Minimum Tax)	7/10 at 100
-----		
	OHIO - 5.8%	
7,500	Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured	1/10 at 101
17,715	Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, Mortgage-Backed Securities Program, Series 1999C, 5.750%, 9/01/30 (Alternative Minimum Tax)	7/09 at 100
15,200	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax)	9/08 at 102
14,100	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	OKLAHOMA - 0.3%	
\$ 3,400	Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, Refunding Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08)	12/08 at 100
-----		
	OREGON - 1.0%	
1,220	State of Oregon, Housing and Community Services Department, Mortgage Revenue Bonds, Single Family Mortgage Program, Series 2000F, 6.250%, 7/01/28 (Alternative Minimum Tax)	1/10 at 100
9,150	Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company Project, Series 1985B, 4.800%, 6/01/10	No Opt. C
-----		
	PENNSYLVANIA - 4.3%	
	Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998:	
3,125	0.000%, 5/15/22 - FSA Insured	No Opt. C
3,125	0.000%, 5/15/23 - FSA Insured	No Opt. C
3,135	0.000%, 5/15/24 - FSA Insured	No Opt. C
3,155	0.000%, 5/15/26 - FSA Insured	No Opt. C
4,145	0.000%, 11/15/26 - FSA Insured	No Opt. C
2,800	0.000%, 5/15/28 - FSA Insured	No Opt. C
3,000	0.000%, 11/15/28 - FSA Insured	No Opt. C
4,730	Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)	No Opt. C
2,565	Cumberland County Municipal Authority, Pennsylvania, Carlisle Hospital and Health Services First Mortgage Revenue and Refunding Bonds, Series 1994, 6.800%, 11/15/14 (Pre-refunded to 11/15/04)	11/04 at 102
11,000	Delaware County Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East Issue, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured	11/08 at 102
	Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior	

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	Series 1994A:	
2,100	6.400%, 1/01/09 (Alternative Minimum Tax)	1/04 at 102
4,500	6.500%, 1/01/13 (Alternative Minimum Tax)	1/04 at 102
900	Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Subordinate Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax)	1/04 at 102
6,250	Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Series 1994B, 6.750%, 1/01/07 (Alternative Minimum Tax)	No Opt. C
-----		
	PUERTO RICO - 0.2%	
1,250	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 5.875%, 7/01/21 - MBIA Insured	7/10 at 101
-----		
	RHODE ISLAND - 0.5%	
2,000	Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 -MBIA Insured	7/12 at 100
1,260	Rhode Island Health and Educational Building Corporation, Revenue Refunding Bonds, Salve Regina University, Series 2002: 5.250%, 3/15/17 - RAAI Insured	3/12 at 101
1,080	5.250%, 3/15/18 - RAAI Insured	3/12 at 101
-----		
	SOUTH CAROLINA - 2.8%	
6,925	South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14	10/09 at 101
21,000	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22	5/11 at 101
-----		
	TENNESSEE - 2.8%	
2,260	The Health and Educational Facilities Board of the City of Johnson City, Tennessee, Hospital Revenue Refunding and Improvement Bonds, Johnson City Medical Center Hospital, Series 1998C, 5.125%, 7/01/25 (Pre-refunded to 7/01/23) - MBIA Insured	7/23 at 100
1,700	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured	3/10 at 101

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TENNESSEE (continued)	
\$ 6,675	Memphis Health, Educational and Housing Facilities Board, Tennessee, Multifamily Mortgage Revenue Refunding Bonds, Riverdale Plaza Apartments Project, Series 1993, 6.350%, 7/20/28	1/04 at 102
6,000	The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College Project Series 1996, 6.000%, 12/01/19 - AMBAC Insured	12/17 at 100
7,225	Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax)	7/10 at 101
-----		
	TEXAS - 4.7%	
3,740	Austin, Texas, Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 1999, 5.625%, 11/15/17 - AMBAC Insured	11/09 at 100
3,975	Bell County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, Series 2000A, 6.125%, 8/15/23 - MBIA Insured	2/10 at 101
5,690	Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, Series 2000B, American Airlines, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05)	11/05 at 100
680	Ft. Worth Housing Finance Corporation, Texas, Home Mortgage Revenue Refunding Bonds, Series 1991A, 8.500%, 10/01/11	4/04 at 101
1,625	Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured	7/09 at 101
180	Hidalgo County Housing Finance Corporation, Texas, GNMA/FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.750%, 10/01/15 (Alternative Minimum Tax)	4/04 at 102
3,885	Houston Independent School District Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, 0.000%, 9/15/19 - AMBAC Insured	No Opt. C
1,690	Webb County, Laredo, Texas, Combination Tax and Sewer System, Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured	2/08 at 100

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	Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998:		
4,930	0.000%, 8/15/20		8/06 at 46
3,705	0.000%, 8/15/22		8/06 at 41
695	Lubbock Housing Finance Corporation, Texas, Single Family Mortgage Revenue Refunding Bonds, GNMA Mortgage-Backed Securities Program, Series 1997A, 6.125%, 12/01/17		6/07 at 102
3,480	Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured		3/12 at 100
6,050	City of San Antonio, Texas, Electric and Gas Systems Revenue Refunding Bonds, Series 1998A, 4.500%, 2/01/21		2/09 at 100
6,000	Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26		2/11 at 100
4,000	Tarrant Regional Water District, Texas, Water Revenue Bonds, Series 1999 Refunding and Improvement, 5.000%, 3/01/22 - FSA Insured		3/13 at 100

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UTAH - 4.6%

10,000	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured		7/07 at 102
	Utah County, Utah, Hospital Revenue Bonds, IHC Health Services, Inc., Series 1997:		
12,500	5.250%, 8/15/21 - MBIA Insured		8/07 at 101
3,900	5.250%, 8/15/26 - MBIA Insured		8/07 at 101
4,445	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002-A1, 5.300%, 7/01/18 (Alternative Minimum Tax)		1/12 at 100
495	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax)		1/10 at 100
2,850	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax)		7/10 at 100

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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UTAH (continued)

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\$	3,165	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax)	7/10 at 100
	715	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax)	7/10 at 100
	1,255	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A2, 5.650%, 7/01/27 (Alternative Minimum Tax)	7/11 at 100
	945	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax)	1/11 at 100
-----			
		VERMONT - 0.5%	
	4,725	Vermont Housing Finance Agency, Single Family Housing Bonds, Series 1994-5, 7.000%, 11/01/27 (Alternative Minimum Tax)	11/04 at 102
-----			
		VIRGINIA - 1.8%	
	16,000	Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured	10/04 at 100
-----			
		WASHINGTON - 3.6%	
	12,235	Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydroelectric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured	No Opt. C
	5,000	Energy Northwest, Washington, Nuclear Project No. 1 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/16	7/13 at 100
	1,815	Grant County Public Utility District 2, Washington, Wanapum Hydroelectric Revenue Bonds, Series 1997A, Master Lease Program, 5.625%, 1/01/26 - MBIA Insured	1/06 at 102
	12,000	State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26	1/11 at 100
	5,000	Washington State Housing Finance Commission, Nonprofit Housing Revenue Bonds, The Kline Galland Center Project, Series 1999, 6.000%, 7/01/29 - RAAI Insured	7/09 at 101
	4,500	Washington Health Care Facilities Authority Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured	12/09 at 101



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WEST VIRGINIA - 0.5%		
5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22	10/11 at 100
WISCONSIN - 2.3%		
1,660	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care Obligated Group, Series 1993, 5.250%, 8/15/23 - MBIA Insured	2/04 at 102
11,620	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured	2/10 at 101
7,490	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, The Millennium Housing Foundation Inc. Project, Series 1998, 6.100%, 1/01/28	7/08 at 103
\$ 1,439,015	Total Long-Term Investments (cost \$1,285,853,235) - 147.9%	

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
SHORT-TERM INVESTMENTS - 1.1%	
\$ 10,600	Nebraska Educational Finance Authority, Revenue Bonds, Creighton University, Variable Rate Demand Obligations, Series 2003, 1.150%, 3/01/33 - AMBAC Insured+
\$ 10,600	Total Short-Term Investments (cost \$10,600,000)
Total Investments (cost \$1,296,453,235) - 149.0%	
Other Assets Less Liabilities - 2.8%	
Preferred Shares, at Liquidation Value - (51.8)%	
Net Assets Applicable to Common Shares - 100%	

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

\* Optional Call Provisions (not covered by the report of independent auditors): 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.

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\*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen Municipal Advantage Fund, Inc. (NMA)  
Portfolio of  
INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ALABAMA - 3.3%	
\$ 10,000	Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured	2/09 at 101
5,075	The Health Care Authority of Lauderdale County and the City of Florence, Alabama, Revenue Bonds, Coffee Health Group, Series 1999A, 5.250%, 7/01/24 - MBIA Insured	7/09 at 101
5,155	Phenix City, Alabama, Industrial Development Board Environmental Improvement Revenue Bonds, MeadWestvaco Project, 2002A, 6.350%, 5/15/35 (Alternative Minimum Tax)	5/12 at 100
-----		
	ARIZONA - 0.7%	
5,000	Maricopa County, Arizona, Pollution Control Corporation, Pollution Control Revenue Refunding Bonds, Remarketing Series 1992A, Public Service Company of New Mexico, 5.750%, 11/01/22	5/06 at 101
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CALIFORNIA - 7.5%

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

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 COLORADO - 2.6%

8,350	Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente, Series 1994A, 5.350%, 11/01/16	7/06 at 102
2,650	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/16 - MBIA Insured	No Opt. C
	Platte River Power Authority, Colorado, Power Revenue Bonds, Series EE Refunding:	
2,000	5.375%, 6/01/17	6/12 at 100
5,000	5.375%, 6/01/18	6/12 at 100

-----  
 CONNECTICUT - 0.8%

5,000	Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2000B, Subseries B-2, 5.750%, 11/15/21 (Alternative Minimum Tax)	11/09 at 100
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 DISTRICT OF COLUMBIA - 1.4%

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4,940	District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988F-1, 6.375%, 6/01/26 (Alternative Minimum Tax)	12/04 at 103
4,390	District of Columbia Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax)	6/07 at 102

24

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	FLORIDA - 2.0%	
\$ 2,770	Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, 2000 Series O-1, 5.850%, 12/01/31 (Alternative Minimum Tax) - FSA Insured	12/10 at 100
9,990	City of Tampa, Florida, Allegany Health System Revenue Bonds, St. Mary's Hospital, Inc. Issue, Series 1993, 5.125%, 12/01/23 - MBIA Insured	12/03 at 102
-----		
	HAWAII - 0.8%	
3,205	Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax)	7/07 at 102
2,215	Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31	7/10 at 102
-----		
	ILLINOIS - 13.7%	
5,865	City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 (Pre-refunded to 7/01/10) - FGIC Insured	7/10 at 101
4,000	Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 - AMBAC Insured	12/07 at 102
12,500	Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured	12/07 at 102
5,000	City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines,	No Opt. C

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	Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)#	
5,000	City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured	1/11 at 101
5,000	City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 - AMBAC Insured	1/08 at 102
10,115	Illinois Health Facilities Authority, Revenue Bonds, Rush-Presbyterian-Saint Luke's Medical Center Obligation Group, Series 1996A Refunding, 6.250%, 11/15/20 - MBIA Insured	11/06 at 102
6,165	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22	2/07 at 102
3,935	Illinois Health Facilities Authority, Revenue Bonds, Victory Health Services, Series 1997A, 5.375%, 8/15/16	8/07 at 101
6,000	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22	5/12 at 100
	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A:	
12,455	5.500%, 12/15/24 - FGIC Insured	12/09 at 101
10,000	5.250%, 12/15/28 - FGIC Insured	12/09 at 101
2,600	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured	No Opt. C
1,940	University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured	4/13 at 100
-----		
	INDIANA - 5.2%	
7,425	Ft. Wayne International Airport Building Corporation, Indiana, General Obligation Airport Bonds, Series 1994, 5.900%, 1/01/14 (Alternative Minimum Tax)	1/04 at 101
5,205	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured	8/10 at 101
9,000	Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Community Hospitals Projects, Series 1995, 5.700%, 5/15/22 - MBIA Insured	5/06 at 102
6,075	LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21	10/09 at 101

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Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	INDIANA (continued)	
\$ 3,215	Mooresville Consolidated School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 1994B, 6.400%, 7/15/15 (Pre-refunded to 1/15/04)	1/04 at 102
2,725	Saint Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center Inc. Project, Series 1999, 5.450%, 2/15/12	2/09 at 102
-----		
	IOWA - 0.8%	
1,925	Iowa Finance Authority, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Bonds, Series 1995C, 6.450%, 1/01/24	1/05 at 102
3,500	Marshalltown, Iowa, Pollution Control Revenue Refunding Bonds, Iowa Electric Light and Power Company Project, Series 1993, 5.500%, 11/01/23 - MBIA Insured	11/03 at 102
-----		
	KANSAS - 0.8%	
5,000	Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07)	No Opt. C
-----		
	KENTUCKY - 1.6%	
5,500	Louisville Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured	5/07 at 101
4,950	Louisville and Jefferson County Metropolitan Sewer District, Commonwealth of Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured	11/07 at 101
-----		
	LOUISIANA - 6.2%	
13,500	De Soto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured	9/09 at 102
10,000	Louisiana Public Facilities Authority, Extended Care Facilities	No Opt. C

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Revenue Bonds, Comm-Care Corporation Project,  
Series 1994, 11.000%, 2/01/14

	Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B:	
6,000	5.500%, 5/15/30	5/11 at 101
11,750	5.875%, 5/15/39	5/11 at 101

-----  
MASSACHUSETTS - 2.8%

5,000	Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan of 2002 Series D, 5.375%, 8/01/21 - MBIA Insured	8/12 at 100
1,750	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Health Issue A, 5.000%, 7/01/28 - AMBAC Insured	1/09 at 101
9,120	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 (Alternative Minimum Tax) - FSA Insured	12/09 at 100
1,495	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 79, 5.950%, 12/01/27 (Alternative Minimum Tax) - FSA Insured	12/09 at 100

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MICHIGAN - 1.1%

3,275	Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18	2/04 at 102
4,995	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A: 5.250%, 8/15/23	8/08 at 101
3,000	5.250%, 8/15/28	8/08 at 101

-----  
MINNESOTA - 2.2%

5,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 - FGIC Insured	1/11 at 100
5,890	Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 5.550%, 7/01/24 (Alternative Minimum Tax)	7/09 at 100
3,560	Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%, 1/01/23 (Alternative Minimum Tax)	1/10 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	MISSISSIPPI - 0.7%	
\$ 2,140	Coahoma-Clarksdale Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990A, 8.000%, 8/01/24	2/04 at 100
2,665	Coahoma-Clarksdale Housing Development Corporation, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990B, 8.000%, 8/01/24	2/04 at 100
-----		
	MISSOURI - 0.4%	
1,500	Missouri-Illinois Metropolitan District Bi-State Development Agency, Metrolink Cross County Extension Project, Mass Transit Sales Tax Appropriation Bonds, Series 2002B, 5.000%, 10/01/32 - FSA Insured	10/13 at 100
855	Missouri Housing Development Commission, Homeownership Loan Program, Single Family Mortgage Revenue Bonds, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax)	9/09 at 102
-----		
	MONTANA - 2.4%	
8,420	Montana Board of Housing, Single Family Program Bonds, Series 1995B, 6.400%, 12/01/27 (Alternative Minimum Tax)	12/05 at 102
6,920	Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A, 6.050%, 12/01/37	6/07 at 101
-----		
	NEVADA - 3.9%	
7,310	Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/19	7/10 at 100
7,500	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded to 7/01/10) - MBIA Insured	7/10 at 101
7,000	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured	1/10 at 100
2,125	Nevada Housing Division, Single Family Mortgage Bonds, 1997 Senior Series C-2, 5.750%, 4/01/29 (Alternative Minimum Tax)	4/07 at 102
-----		
	NEW HAMPSHIRE - 0.6%	



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2,480	New Hampshire Business Finance Authority, Water Facility Revenue Bonds, Pennichuck Water Works Inc., Series 1994A, 6.350%, 12/01/19 - AMBAC Insured	12/04 at 102
1,320	New Hampshire Business Finance Authority, Revenue Bonds, Pennichuck Water Works, Inc., Series 1994B, 6.450%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured	12/04 at 102
-----		
NEW JERSEY - 3.2%		
3,000	New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 1991C, 6.500%, 1/01/09	No Opt. C
	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002:	
16,000	5.750%, 6/01/32	6/12 at 100
5,000	6.125%, 6/01/42	6/12 at 100
-----		
NEW MEXICO - 1.1%		
7,500	City of Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Public Service Company of New Mexico, San Juan Project, Series 1997B, 5.800%, 4/01/22	4/06 at 101
-----		
NEW YORK - 15.4%		
7,000	Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29	7/12 at 100
	County of Nassau, New York, General Obligations, Serial General Improvement Bonds, Series F:	
3,980	7.000%, 3/01/11 (Pre-refunded to 3/01/10) - FSA Insured	3/10 at 100
4,070	7.000%, 3/01/12 (Pre-refunded to 3/01/10) - FSA Insured	3/10 at 100
3,925	7.000%, 3/01/15 (Pre-refunded to 3/01/10) - FSA Insured	3/10 at 100
	The City of New York, New York, General Obligation Bonds, Fiscal Series 1997G:	
1,515	6.000%, 10/15/26 (Pre-refunded to 10/15/07)	10/07 at 101
8,485	6.000%, 10/15/26	10/07 at 101
7,435	The City of New York, New York, General Obligation Bonds, Fiscal Series 2000E, 5.750%, 5/15/20	5/10 at 101
9,750	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 - FGIC Insured	6/09 at 101

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	NEW YORK (continued)	
\$ 5,000	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1997B, 5.750%, 6/15/29 - FGIC Insured	6/07 at 101
10,000	New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000B, 6.000%, 11/15/29 (Pre-refunded to 5/15/10)	5/10 at 101
4,975	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax)	12/08 at 102
3,000	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 2002, 7.625%, 12/01/32	12/12 at 101
3,655	Dormitory Authority of the State of New York, State University Educational Facilities Revenue Bonds, Series 1997, 5.125%, 5/15/27 (Pre-refunded to 5/15/08)	5/08 at 101
45	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997B: 5.625%, 2/15/21 (Pre-refunded to 2/15/07)	2/07 at 102
7,315	5.625%, 2/15/21	2/07 at 102
9,495	State of New York Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax)	4/10 at 100
5,000	New York State Urban Development Corporation, Correctional Facilities Service Contract Revenue Bonds, Series C, 6.000%, 1/01/29 (Pre-refunded to 1/01/09) - AMBAC Insured	1/09 at 101
-----		
	NORTH CAROLINA - 4.3%	
9,815	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 7A, 1998 Trust Agreement, 6.250%, 1/01/29 (Alternative Minimum Tax)	7/09 at 100
9,915	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 8A, 1998 Trust Agreement, 5.950%, 1/01/27 (Alternative Minimum Tax)	1/10 at 100
5,990	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 9A, 1998 Trust Agreement, 5.875%, 7/01/31 (Alternative Minimum Tax)	1/10 at 100
1,545	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 10A, 1998 Trust Agreement, 5.400%, 7/01/32 (Alternative Minimum Tax) -	7/10 at 100

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AMBAC Insured

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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NORTH DAKOTA - 0.7%		
4,575	North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1998B, 5.500%, 7/01/29 (Alternative Minimum Tax) - MBIA Insured	7/08 at 102
-----		
OHIO - 6.0%		
5,000	Akron, Bath, and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1998A, 5.375%, 11/15/18	11/09 at 101
6,000	County of Cuyahoga, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Inc., Series 1999, 5.500%, 1/15/30 - AMBAC Insured	7/09 at 101
7,840	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999: 6.750%, 4/01/18	4/10 at 101
5,000	6.750%, 4/01/22	4/10 at 101
2,680	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program, Residential Mortgage Revenue Bonds, Series 2000D, 5.450%, 9/01/31 (Alternative Minimum Tax)	8/10 at 100
2,650	Ohio State Higher Education, General Obligation Bonds, Series 2003A, 5.000%, 5/01/22	5/13 at 100
10,000	Ohio Air Quality Development Authority, Pollution Control Revenue Refunding Bonds, Ohio Edison Company Project, Series 1999C, 5.800%, 6/01/16 (Mandatory put 12/01/04)	12/04 at 100
-----		
OKLAHOMA - 2.0%		
5,000	Oklahoma Industries Authority, Health System Revenue and Refunding Bonds, INTEGRIS Obligated Group of Baptist Medical Center, Inc., South Oklahoma City Hospital Corporation, and Rural Health, Inc., Series 1999A, 5.750%, 8/15/29 - MBIA Insured	8/09 at 101
10,000	Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc, Series 2001B, 5.650%, 12/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08)	12/08 at 100
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	PENNSYLVANIA - 2.2%		
\$	20	Pennsylvania Housing Finance Agency, FNMA Rental Housing Revenue Refunding Bonds, Series 1993, 5.800%, 7/01/18	1/04 at 102
	2,500	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002A, 5.500%, 2/01/31 - FSA Insured	2/12 at 100
	4,285	Venango Housing Corporation, Pennsylvania, Multifamily FHA-Insured Mortgage Revenue Bonds, Evergreen Arbors Project, Series 1990A, 8.000%, 2/01/24	2/04 at 100
	6,750	Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured	No Opt. C
-----			
	RHODE ISLAND - 2.7%		
		The Housing Authority of the City of Providence, Rhode Island, Multifamily Mortgage Revenue Bonds, FHA-Insured Mortgage Loan - Cathedral Square Apartments II Project, 1992 Series:	
	370	7.375%, 4/01/10 (Alternative Minimum Tax)	4/07 at 100
	1,060	7.400%, 4/01/20 (Alternative Minimum Tax)	4/07 at 100
	3,050	7.500%, 10/01/32 (Alternative Minimum Tax)	4/07 at 100
	12,250	Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, 5.500%, 5/15/16 - MBIA Insured	5/07 at 102
-----			
	SOUTH CAROLINA - 3.9%		
	10,000	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20	12/12 at 101
	2,500	Lexington County Health Services District, South Carolina, Hospital Revenue Bonds, Series 2003 Refunding and Improvement, 5.750%, 11/01/28	11/13 at 100
		South Carolina Public Service Authority, Revenue Refunding Bonds, Series 2003A:	
	3,560	5.000%, 1/01/20 - AMBAC Insured	7/13 at 100
	2,125	5.000%, 1/01/21 - AMBAC Insured	7/13 at 100
	7,500	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28	5/11 at 101
-----			
	TENNESSEE - 5.2%		
	6,000	Knox County Health, Educational, and Housing Facilities Board, Tennessee, Hospital Facilities Revenue Bonds, Baptist Health System of East Tennessee, Series 2002,	4/12 at 101

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6.500%, 4/15/31

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

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TEXAS - 16.3%

14,900	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11)	No Opt. C
6,000	Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Lighting and Power Company Project, Series 1998, 5.050%, 11/01/18 (Alternative Minimum Tax) - AMBAC Insured	No Opt. C
8,400	Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation Project, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax)	4/09 at 101
10,000	Harris County Health Facilities Development Corporation, Texas, Special Facilities Revenue Bonds, Texas Medical Center Project, Series 1996, 5.900%, 5/15/16 - MBIA Insured	5/06 at 102
5,000	Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured	11/13 at 100
12,500	City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured	7/10 at 100

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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TEXAS (continued)

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		City of Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993 A-J:	
\$	5,490	6.800%, 12/15/10 - AMBAC Insured	No Opt. C
	2,000	6.800%, 12/15/11 - AMBAC Insured	No Opt. C
	16,305	Matagorda County Navigation District 1, Texas, Revenue Refunding Bonds, Reliant Energy Project, Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax)	5/09 at 101
	3,425	Sabine River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11)	No Opt. C
	4,700	Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21	10/12 at 100
	4,000	State of Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 199C, 5.500%, 8/01/35	8/09 at 100
	6,840	Travis County Health Facilities Development Corporation, Texas, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded to 11/15/09) - AMBAC Insured	11/09 at 101
	2,500	Trinity River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, 5.000%, 5/01/27 (Alternative Minimum Tax) (Mandatory put 11/01/06)	No Opt. C
	245	Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood I Project, Series 1990A, 7.625%, 1/01/10 - MBIA Insured	1/04 at 100
	205	Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood II Project, Series 1990C: 7.625%, 1/01/10 - MBIA Insured	1/04 at 100
	1,250	7.650%, 7/01/23 - MBIA Insured	1/04 at 100
-----			
		VIRGINIA - 1.0%	
	6,380	Capital Region Airport Authority, Richmond, Virginia, Airport Revenue Bonds, International Airport Projects, Series 1995A, 5.625%, 7/01/20 - AMBAC Insured	7/05 at 102
-----			
		WASHINGTON - 14.5%	
	8,810	Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured	7/11 at 101
	10,730	Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Refunding	7/11 at 101

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	Bonds, Series 2001C, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured		
5,665	Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured	7/12 at 100	
10,730	Pierce County School District 320, Sumner, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 - FSA Insured	12/10 at 100	
10,550	Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax)	12/10 at 100	
5,315	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 (Alternative Minimum Tax) - MBIA Insured	No Opt. C	
19,295	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999A, 6.000%, 9/01/29 - MBIA Insured	3/10 at 101	
5,000	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B, 6.000%, 9/01/20 (Alternative Minimum Tax) - MBIA Insured	3/10 at 101	
5,000	Washington Health Care Facilities Authority Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured	12/09 at 101	
8,750	Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/18	7/08 at 102	
-----			
	WEST VIRGINIA - 0.7%		
5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22	10/11 at 100	
-----			
	WISCONSIN - 7.8%		
\$	8,000	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27	6/12 at 100
	5,000	Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas & Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative	4/12 at 100

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	Minimum Tax)		
3,000	Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured		No Opt. C
3,640	Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax)		3/10 at 100
	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Medical Group, Inc. Project, Series 1996:		
10,000	5.600%, 11/15/16 - FSA Insured		5/06 at 102
20,000	5.750%, 11/15/25 - FSA Insured		5/06 at 102
-----			
\$ 962,480	Total Long-Term Investments (cost \$936,335,897) - 148.5%		
=====			
	SHORT-TERM INVESTMENTS - 1.8%		
4,000	Moffat County, Colorado, Pollution Control Revenue Refunding Bonds, Pacificorp Projects, Variable Rate Demand Bonds, Series 1994, 1.200%, 5/01/13 - AMBAC Insured+		
6,095	Montgomery County, Tennessee, Public Building Authority Pooled Financing Revenue Bonds, County Loan Pool Program, Variable Rate Demand Bonds, Series 2002, 1.150%, 4/01/32+		
2,000	Nebraska Educational Finance Authority, Variable Rate Demand Revenue Refunding Bonds, Creighton University, Series 2001, 1.150%, 8/01/31+		
-----			
\$ 12,095	Total Short-Term Investments (cost \$12,095,000)		
=====			
	Total Investments (cost \$948,430,897) - 150.3%		
-----			
	Other Assets Less Liabilities - 3.0%		
-----			
	Preferred Shares, at Liquidation Value - (53.3)%		
-----			
	Net Assets Applicable to Common Shares - 100%		
=====			

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

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

\*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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



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considered to be equivalent to AAA rated securities.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO)  
Portfolio of  
INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ARIZONA - 0.8%	
\$ 3,000	Arizona State Transportation Board, Highway Revenue Bonds, Series 2001, 5.250%, 7/01/20	7/11 at 100
1,725	Maricopa County Industrial Development Authority, Education Revenue Bonds, Arizona Charter Schools Project I, Series 2000A, 6.750%, 7/01/29	7/10 at 102
570	Pima County Industrial Development Authority, Arizona, FNMA/GNMA Single Family Mortgage Revenue Bonds, Series 1997A, 7.100%, 11/01/29 (Alternative Minimum Tax)	5/07 at 105
-----		
	ARKANSAS - 1.8%	
5,000	Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15	2/10 at 100
3,480	Cabot School District No. 4 of Lonoke County, Arkansas, General Obligation Bonds, Series 2003 Refunding, 5.000%, 2/01/27 - AMBAC Insured	8/08 at 100
2,865	Board of Trustees of The University of Arkansas at	12/12 at 100

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Fayetteville, Various Facilities Revenue Bonds, Series 2002,  
5.500%, 12/01/20 - FGIC Insured

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CALIFORNIA - 4.9%		
3,225	California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33	3/13 at 100
1,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17	5/12 at 101
2,500	Los Angeles Community Redevelopment Agency, California, Tax Allocation Refunding Bonds, Central Business District Redevelopment Project, Series 1987G, 6.750%, 7/01/10	1/04 at 100
	Department of Water and Power of The City of Los Angeles, California, Electric Plant Revenue Bonds, Second Issue of 1993:	
490	4.750%, 10/15/20	4/04 at 102
5,510	4.750%, 10/15/20	4/04 at 102
995	Department of Water and Power of The City of Los Angeles, California, Electric Plant Revenue Bonds, Issue of 1994, 5.375%, 2/15/34	2/04 at 102
	Orange County, California, Recovery Certificates of Participation, Series 1996A:	
13,100	5.875%, 7/01/19 - MBIA Insured	7/06 at 102
690	6.000%, 7/01/26 - MBIA Insured	7/06 at 102
5,000	San Joaquin Hills Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1997A, 0.000%, 1/15/17 - MBIA Insured	1/14 at 102

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COLORADO - 3.9%		
3,000	Broomfield, Colorado, Master Facilities Lease Purchase Agreement, Certificates of Participation, Series 1999, 5.750%, 12/01/24 - AMBAC Insured	12/09 at 100
6,000	Broomfield, Colorado, Sales and Use Tax Revenue Bonds, Series 2002A Refunding and Improvement, 5.500%, 12/01/22 - AMBAC Insured	12/12 at 100
11,465	City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 (Alternative Minimum Tax) - AMBAC Insured	11/10 at 100
20,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured	9/10 at 31

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GEORGIA - 6.2%		
15,000	City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds Series 2000A, 5.600%, 1/01/30 (Pre-refunded to 1/01/10) - FGIC Insured	1/10 at 101

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14,000	Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured	11/10 at 101
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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
GEORGIA (continued)		
\$ 8,000	Georgia, General Obligation Bonds, Series 1995C, 7.250%, 7/01/08	No Opt. C
ILLINOIS - 10.1%		
6,500	Chicago, Illinois, Gas Supply Revenue Refunding Bonds, Peoples Gas Light and Coke Company Project, Series 1995A, 6.100%, 6/01/25	6/05 at 102
5,250	City of Chicago, Illinois, Chicago Midway Airport, Revenue Bonds, Series 1998B, 5.000%, 1/01/28 - MBIA Insured	1/09 at 101
4,000	City of Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured	7/13 at 100
5,210	Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West Development, Series 1992A, 6.875%, 1/01/20	1/04 at 101
950	Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Village Center Development, Series 1992C, 6.600%, 3/01/07	3/04 at 101
38,645	State of Illinois, General Obligation Bonds, Illinois FIRST, Series 2000, 5.500%, 4/01/25 - MBIA Insured	4/10 at 100
1,975	Lake County Community High School District No. 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured	No Opt. C
3,250	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A: 0.000%, 6/15/25 - MBIA Insured	6/22 at 101
2,270	5.000%, 12/15/28 - MBIA Insured	6/12 at 101
INDIANA - 2.0%		
4,695	Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Butler University Project, Series 2001, 5.500%, 2/01/26 - MBIA Insured	2/11 at 100
20,695	Indianapolis Airport Authority, Indiana, Specialty Facility	11/05 at 102

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	Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)#	
2,000	City of Petersburg, Indiana, Pollution Control Revenue Refunding Bonds, Indianapolis Power and Light Company, Series 1991, 5.750%, 8/01/21	8/11 at 102
-----		
	IOWA - 0.6%	
4,215	Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, IPSCO Project, Series 1997, 6.000%, 6/01/27 (Alternative Minimum Tax) (Mandatory put 6/01/07)	No Opt. C
-----		
	KENTUCKY - 1.6%	
	Jefferson County, Kentucky, School District Finance Corporation, School Building Revenue Bonds, Series 2000A:	
3,045	5.250%, 7/01/17 - FSA Insured	1/10 at 101
7,490	5.250%, 7/01/20 - FSA Insured	1/10 at 101
-----		
	LOUISIANA - 1.1%	
7,415	Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation Project, Series 2002, 5.000%, 12/01/32 - MBIA Insured	12/12 at 100
-----		
	MARYLAND - 1.6%	
	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002:	
3,710	5.000%, 11/01/18	11/12 at 101
3,890	5.000%, 11/01/19	11/12 at 101
2,500	Department of Transportation, State of Maryland, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt. C
-----		
	MASSACHUSETTS - 3.3%	
5,250	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30	7/10 at 100
10,000	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2000A, 5.750%, 8/01/39 - FGIC Insured	8/10 at 101

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Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	MASSACHUSETTS (continued)	
\$ 6,195	University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, Commonwealth Guaranteed, 5.125%, 11/01/25 - MBIA Insured	11/10 at 100
-----		
	MICHIGAN - 1.5%	
6,635	Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 2001A, 5.750%, 7/01/28 (Pre-refunded to 7/01/11) - FGIC Insured	7/11 at 101
2,090	City of Grand Rapids Building Authority, County of Kent, Michigan, General Obligation Limited Tax Bonds, Series 2000, 5.375%, 8/01/17 - AMBAC Insured	8/10 at 100
-----		
	MINNESOTA - 8.1%	
13,675	State of Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16	11/10 at 100
4,375	Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-2, Remarketed, 6.050%, 7/01/31 (Alternative Minimum Tax)	1/11 at 101
30,000	Minnesota Agricultural and Economic Development Board, Health Care System Revenue Bonds, Fairview Health Services, Series 2000A, 6.375%, 11/15/29	11/10 at 101
3,390	The Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured	11/15 at 103
-----		
	MISSISSIPPI - 1.2%	
5,900	Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22	4/04 at 102
2,070	Mississippi Home Corporation, GNMA Mortgage-Backed Securities Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax)	7/07 at 105
-----		
	NEVADA - 3.8%	
	Director of Nevada State Department of Business and Industry,	

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	Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000:	
8,500	0.000%, 1/01/26 - AMBAC Insured	No Opt. C
5,315	0.000%, 1/01/27 - AMBAC Insured	No Opt. C
21,000	5.375%, 1/01/40 - AMBAC Insured	1/10 at 100

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NEW JERSEY - 4.0%

650	Camden County Pollution Control Financing Authority, New Jersey, Solid Waste Disposal and Resource Recovery System Revenue Bonds, Series 1991D, 7.250%, 12/01/10	12/03 at 100
21,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2000B, 5.750%, 6/15/17 (Pre-refunded to 6/15/10)	6/10 at 100
3,165	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42	6/12 at 100

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NEW MEXICO - 1.9%

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

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NEW YORK - 24.8%

5,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - MBIA Insured	6/08 at 101
11,000	Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series 1999A, 6.400%, 7/15/33	7/09 at 101
21,715	City of New York, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18	3/06 at 101
	City of New York, New York, General Obligation Bonds, Fiscal Series 2002G:	
1,000	5.000%, 8/01/17	8/12 at 100
10,500	5.750%, 8/01/18	8/12 at 100
5,000	City of New York, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16	8/12 at 100

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	NEW YORK (continued)		
	City of New York, New York, General Obligation Bonds, Fiscal Series 1997H:		
\$	80	6.125%, 8/01/25 (Pre-refunded to 8/01/07)	8/07 at 101
	9,920	6.125%, 8/01/25	8/07 at 101
	17,870	New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09)	8/09 at 101
	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997A:		
	19,290	5.750%, 2/15/27 (Pre-refunded to 2/15/07)	2/07 at 102
	710	5.750%, 2/15/27	2/07 at 102
	4,500	New York State Energy Research and Development Authority, Gas Facilities Revenue Bonds, The Brooklyn Union Gas Company Project, Series 1989C, 5.600%, 6/01/25 (Alternative Minimum Tax) - MBIA Insured	1/04 at 102
	3,000	New York State Medical Care Facilities Finance Agency, Brookdale Hospital Medical Center Secured Hospital Revenue Bonds, 1995 Series A, 6.850%, 2/15/17 (Pre-refunded to 2/15/05)	2/05 at 102
	4,785	New York State Medical Care Facilities Finance Agency, Health Center Projects Revenue Bonds, Secured Mortgage Program, Series 1995A, 6.375%, 11/15/19	11/05 at 102
	10,000	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 5.750%, 12/01/22 (Alternative Minimum Tax) - MBIA Insured	12/07 at 102
	5,400	Tobacco Settlement Financing Corporation of New York State, Asset-Backed Bonds, Series 2003-A1, 5.500%, 6/01/16	6/10 at 100
	7,000	Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 1999B, 5.500%, 1/01/30 (Pre-refunded to 1/01/22)	1/22 at 100
	20,500	TSASC, Inc., New York, Tobacco Flexible Amortization Bonds, Series 1999-1, 6.250%, 7/15/34	7/09 at 101
<hr/>			
	NORTH CAROLINA - 1.2%		
	7,500	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - MBIA Insured	1/13 at 100
<hr/>			
	NORTH DAKOTA - 4.3%		
	22,905	Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - FSA Insured	6/10 at 101

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North Dakota Water Commission, Water Development and Management Program Bonds, Series 2000A:		
2,230	5.700%, 8/01/18 - MBIA Insured	8/10 at 100
2,450	5.750%, 8/01/19 - MBIA Insured	8/10 at 100
-----		
OHIO - 2.6%		
16,140	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12	No Opt. C
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OKLAHOMA - 0.0%		
300	Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08)	12/08 at 100
-----		
OREGON - 2.4%		
5,000	Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured	1/13 at 100
Portland, Oregon, Water System Revenue Bonds, Series 2000A:		
6,780	5.375%, 8/01/18	8/10 at 100
3,655	5.500%, 8/01/20	8/10 at 100
-----		
PENNSYLVANIA - 6.4%		
5,000	Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19	1/08 at 102
15,000	Delaware River Port Authority, Pennsylvania, Revenue Refunding Bonds, Series 1998B, 5.250%, 1/01/08 - AMBAC Insured	No Opt. C
15,050	Pennsylvania General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14	9/11 at 101

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
PENNSYLVANIA (continued)		
\$ 5,000	Pennsylvania Higher Education Assistance Agency,	12/10 at 100



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Capital Acquisition Revenue Bonds, Series 2000,  
5.875%, 12/15/30 (Pre-refunded to 12/15/10) - MBIA Insured

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PUERTO RICO - 1.1%		
8,150	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100

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SOUTH CAROLINA - 5.4%		
24,730	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22	12/12 at 101
1,865	Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured	1/07 at 102
10,000	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28	5/11 at 101

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TENNESSEE - 0.9%		
5,000	The Health, Educational, and Housing Facilities Board of Knox County, Tennessee, Hospital Facilities Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured	7/13 at 100
1,200	The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Refunding Bonds, The Blakeford at Green Hills, Series 1998, 5.650%, 7/01/16	1/04 at 102

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TEXAS - 26.5%		
5,000	Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax)	12/03 at 100
	Arlington Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 1995:	
3,710	0.000%, 2/15/12	2/05 at 67
3,710	0.000%, 2/15/13	2/05 at 62
12,250	Austin, Texas, Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 - AMBAC Insured	11/09 at 100
14,200	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11)	No Opt. C
	Brownsville Independent School District, Cameron County,	

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	Texas, General Obligation Bonds, Series 1999:		
5,015	5.625%, 8/15/25		8/09 at 100
8,825	5.625%, 8/15/29		8/09 at 100
	Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000:		
17,325	5.400%, 2/15/18		2/10 at 100
10,000	5.650%, 2/15/19		2/10 at 100
6,880	5.700%, 2/15/20		2/10 at 100
8,020	5.700%, 2/15/21		2/10 at 100
6,000	Dallas-Fort Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines, Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax)		11/09 at 101
11,750	Dallas-Fort Worth International Airport Facilities Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines, Inc., Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07)		11/07 at 100
21,500	City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured		7/10 at 100
22,500	Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2000B, 5.250%, 12/01/30 - FGIC Insured		12/10 at 100
1,250	Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - FSA Insured		12/11 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TEXAS (continued)	
\$ 15,000	San Antonio Independent School District, Bexar County, Texas, General Obligation Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded to 8/15/09)	8/09 at 100
4,259	Texas General Services Commission, Participation Interests, Series 1992, 7.500%, 9/01/22	9/05 at 100
3,970	City of Wichita Falls, Wichita County, Texas, Water and Sewer System Priority Lien Revenue Bonds, Series 2001, 5.000%, 8/01/21 - AMBAC Insured	8/11 at 100
-----		
	WASHINGTON - 16.1%	
5,500	Public Utility District No. 1 of Clark County, Washington, Generating System Revenue Refunding Bonds, Series 2000,	1/11 at 100

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	5.125%, 1/01/20 - FSA Insured	
2,755	Cowlitz County, Washington, Special Sewer Revenue Refunding Bonds, CSOB Wastewater Treatment Facilities, Series 2002, 5.500%, 11/01/16 - FGIC Insured	No Opt. C
10,000	Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Refunding Bonds, Series 2001A, 5.500%, 7/01/17 - FSA Insured	7/11 at 101
2,500	King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured	1/12 at 100
33,490	Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 - MBIA Insured	8/10 at 100
6,950	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 (Alternative Minimum Tax) - MBIA Insured	8/10 at 100
	Seattle, Washington, General Obligation Bonds, Series 2002 Refunding and Improvement:	
6,165	4.400%, 12/01/19	12/12 at 100
6,445	4.500%, 12/01/20	12/12 at 100
	City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding:	
6,630	5.750%, 1/01/17 - FSA Insured	1/11 at 101
3,500	5.750%, 1/01/18 - FSA Insured	1/11 at 101
9,000	State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured	1/12 at 100
7,890	Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University Project, Series 1999, 5.950%, 11/01/29 - RAAI Insured	11/09 at 101
3,520	Washington State Health Care Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 - AMBAC Insured	10/11 at 100
-----		
	WISCONSIN - 0.2%	
1,250	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., Series 1998, 5.700%, 3/01/28	3/08 at 101
-----		
	WYOMING - 0.4%	
2,800	Jackson National Rural Utilities Cooperative Financing Corporation, Wyoming, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power and Light Inc. Project, Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax)	5/07 at 101
-----		
\$ 1,019,914	Total Long-Term Investments (cost \$977,453,141) - 150.7%	
=====		

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
	SHORT-TERM INVESTMENTS - 1.7%
\$ 11,900	Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Variable Rate Demand Revenue Bonds, Series 2001, 1.150%, 7/01/31+
\$ 11,900	Total Short-Term Investments (cost \$11,900,000)
	Total Investments (cost \$989,353,141) - 152.4%
	Other Assets Less Liabilities - 2.8%
	Preferred Shares, at Liquidation Value - (55.2)%
	Net Assets Applicable to Common Shares - 100%

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

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

\*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

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

N/R Investment is not rated.

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

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based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund (NAD)  
Portfolio of  
INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	ALABAMA - 0.2%	
\$ 1,500	Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20	6/10 at 102
	ARIZONA - 2.6%	
15,000	Maricopa County, Arizona, Pollution Control Corporation, Pollution Control Revenue Remarketing Bonds, El Paso Electric Company, Series 1994A, 6.375%, 7/01/14 (Mandatory put 8/01/05)	No Opt. C
	CALIFORNIA - 2.1%	
2,475	Department of Water and Power of the City of Los Angeles, California, Power System Revenue Bonds, Series 2001A, Subseries A-3, 5.375%, 7/01/20	7/06 at 100
9,375	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2000A, 5.875%, 12/01/27	12/05 at 101
	COLORADO - 2.6%	
10,000	City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured	11/06 at 101
1,475	City and County of Denver, Colorado, Multifamily Housing Revenue Bonds, FHA-Insured Mortgage Loan - The Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax)	10/07 at 102
3,205	City and County of Denver, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A, 6.000%, 1/01/12 (Alternative Minimum Tax) - MBIA Insured	1/09 at 101

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-----  
CONNECTICUT - 0.5%

Connecticut Development Authority, Health Facility Refunding  
Revenue Bonds, Alzheimer's Resource Center of Connecticut,  
Inc. Project, Series 1994A:  
290 6.875%, 8/15/04 No Opt. C  
2,700 7.125%, 8/15/14 8/04 at 102

-----  
FLORIDA - 2.7%

1,630 Florida Housing Finance Agency, Housing Revenue Bonds,  
Mar Lago Village Apartments Project, Series 1997F,  
5.800%, 12/01/17 (Alternative Minimum Tax) -  
AMBAC Insured 12/07 at 102  
13,625 Martin County, Florida, Industrial Development Authority,  
Industrial Development Revenue Bonds, Indiantown  
Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25  
(Alternative Minimum Tax) 12/04 at 102

-----  
GEORGIA - 1.4%

4,000 Forsyth County Water and Sewerage Authority, Georgia,  
Revenue Bonds, Series 2000, 6.000%, 4/01/25  
(Pre-refunded to 4/01/10) 4/10 at 102  
3,500 The Hospital Authority of Hall County and the City of Gainesville,  
Georgia, Revenue Anticipation Certificates, Northeast Georgia  
Health System, Inc. Project, Series 1999, 5.500%, 5/15/29 -  
MBIA Insured 5/09 at 101

-----  
IDAHO - 0.8%

1,045 Idaho Housing and Finance Association, Single Family  
Mortgage Bonds, Series 1999E, 5.750%, 1/01/21  
(Alternative Minimum Tax) 7/09 at 101  
1,690 Idaho Housing and Finance Association, Single Family  
Mortgage Bonds, Series 2000D, 6.350%, 7/01/22  
(Alternative Minimum Tax) 1/10 at 100  
1,595 Idaho Housing and Finance Association, Single Family  
Mortgage Bonds, Series 2000E, 5.950%, 7/01/20  
(Alternative Minimum Tax) 7/10 at 100

-----  
ILLINOIS - 33.2%

3,635 Channahon, Illinois, Revenue Refunding Bonds, Morris  
Hospital, Series 1999, 5.750%, 12/01/12 12/09 at 102  
22,750 City of Chicago, Illinois, General Obligation Bonds, Emergency  
Telephone System, Refunding Series 1999, 5.500%, 1/01/23 -  
FGIC Insured No Opt. C

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ILLINOIS (continued)	
\$ 7,250	Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured	No Opt. C
	Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A:	
935	5.500%, 12/20/19 (Alternative Minimum Tax)	10/10 at 101
1,210	5.600%, 12/20/29 (Alternative Minimum Tax)	10/10 at 101
1,925	5.650%, 12/20/40 (Alternative Minimum Tax)	10/10 at 101
4,940	City of Chicago, Illinois, Wastewater Transmission Revenue Bonds, Series 1995, 5.125%, 1/01/25 - FGIC Insured	1/06 at 102
5,000	City of Chicago, Illinois, Water Revenue Bonds, Series 1997, 5.250%, 11/01/27 - FGIC Insured	11/07 at 102
24,835	Illinois Development Finance Authority, Revenue Bonds, The Presbyterian Home of Lake Forest Project, Series 1999, 5.625%, 9/01/31 - FSA Insured	9/07 at 102
3,935	Illinois Development Finance Authority, Local Government Program Revenue Bonds, Round Lake Community Unit School District 116 Project, Series 1999, 0.000%, 1/01/15 - MBIA Insured	No Opt. C
2,750	Illinois Educational Facilities Authority, Revenue Bonds, MJH Education Assistance Illinois LLC, Series 1999D, 5.450%, 9/01/14 - AMBAC Insured	9/09 at 100
	Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 1997A:	
1,600	5.000%, 7/01/24 (Pre-refunded to 7/01/07) - MBIA Insured	7/07 at 101
5,400	5.000%, 7/01/24 - MBIA Insured	7/07 at 101
5,490	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16	2/07 at 102
17,280	Illinois Health Facilities Authority Converted Adjustable Rate Revenue Bonds, Highland Park Hospital, Series 1991A, 6.000%, 10/01/15 (Pre-refunded to 10/01/07) - FGIC Insured	10/07 at 102
9,940	Illinois Health Facilities Authority, Revenue Bonds, University of Chicago Project, Series 1985A Remarketed, 5.500%, 8/01/20	8/11 at 103
7,245	Illinois Health Facilities Authority, Revenue Refunding Bonds,	1/04 at 100

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	Proctor Community Hospital Project, Series 1991, 7.375%, 1/01/23	
	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A:	
9,750	0.000%, 12/15/22 - MBIA Insured	No Opt. C
13,000	0.000%, 12/15/23 - MBIA Insured	No Opt. C
20,500	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.500%, 12/15/24 - FGIC Insured	12/09 at 101
	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999:	
22,650	5.750%, 6/01/19 - FSA Insured	No Opt. C
3,500	5.750%, 6/01/23 - FSA Insured	No Opt. C
5,000	Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax)	No Opt. C
4,500	Will County School District No. 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured	No Opt. C
-----		
	INDIANA - 3.9%	
8,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 - MBIA Insured	8/10 at 101
8,755	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded to 11/15/09) - MBIA Insured	11/09 at 101
4,190	Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation Inc., Project, Series 1999, 5.700%, 6/01/24	6/09 at 101
-----		
	IOWA - 2.0%	
11,135	Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Waldorf College Project, Series 1999, 7.375%, 10/01/19	10/10 at 102
-----		
PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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	KANSAS - 0.6%	



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\$ 3,825 Wichita, Kansas, Water and Sewer Utility Revenue Bonds, 10/06 at 101  
 Series 1999, 4.000%, 10/01/18 - FGIC Insured

-----  
 KENTUCKY - 5.6%

3,030 Hardin County School District Finance Corporation, Kentucky, 2/10 at 101  
 School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20

Kentucky Economic Development Financing Authority, Hospital  
 System Revenue and Refunding Improvement Bonds,  
 1,850 Appalachian Regional Healthcare, Inc. Project, Series 1997:  
 5.850%, 10/01/17 4/08 at 102  
 5,000 5.875%, 10/01/22 4/08 at 102

Newport Public Properties Corporation, Kentucky, First Mortgage  
 Revenue Bonds, Public Parking and Plaza Project, Series 2000A:  
 16,730 8.375%, 1/01/18 7/10 at 104  
 3,000 8.500%, 1/01/27 7/10 at 104  
 4,985 8.375%, 1/01/27 7/10 at 104

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 LOUISIANA - 1.7%

2,245 City of Lafayette, Louisiana, Public Improvement Sales Tax 5/10 at 101  
 Bonds, Series 2000B, 5.625%, 5/01/25 - FGIC Insured

9,545 Tobacco Settlement Financing Corporation, Louisiana, 5/11 at 101  
 Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30

-----  
 MARYLAND - 0.9%

5,000 Community Development Administration, Maryland Department 9/09 at 100  
 of Housing and Community Development, Residential  
 Revenue Bonds, Series 2000G, 5.950%, 9/01/29  
 (Alternative Minimum Tax)

-----  
 MASSACHUSETTS - 1.8%

1,500 Boston, Massachusetts, Industrial Development Financing 9/12 at 102  
 Authority, Subordinate Revenue Bonds, Crosstown Center  
 Project, Series 2002, 8.000%, 9/01/35 (Alternative  
 Minimum Tax)

785 Massachusetts Port Authority, Special Facilities Revenue 9/06 at 102  
 Bonds, US Air Project, Series 1996-A, 5.875%, 9/01/23  
 (Alternative Minimum Tax) - MBIA Insured

7,000 Massachusetts Port Authority, Special Facilities Revenue 7/07 at 102  
 Bonds, BOSFUEL Corporation Project, Series 1997,  
 5.500%, 7/01/18 (Alternative Minimum Tax) -  
 MBIA Insured

955 Massachusetts Housing Finance Agency, Single Family 12/04 at 102  
 Housing Revenue Bonds, Series 32, 6.600%, 12/01/26  
 (Alternative Minimum Tax)

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

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MINNESOTA - 0.8%		
2,250	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines, Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax)	4/11 at 101
2,510	Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax)	1/10 at 101

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MISSOURI - 1.4%		
Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care Series 2001A:		
4,370	5.250%, 6/01/21 - AMBAC Insured	6/11 at 101
3,670	5.250%, 6/01/28 - AMBAC Insured	6/11 at 101

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MONTANA - 0.9%		
3,900	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	12/09 at 100

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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MONTANA (continued)		
\$ 1,000	Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax)	12/09 at 100

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NEBRASKA - 0.4%		
2,000	Nebraska Higher Education Loan Program Incorporated, Senior Subordinate Bonds, Series 1993A-5A, 6.200%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured	No Opt. C
<hr/>		
NEW HAMPSHIRE - 0.7%		
4,250	New Hampshire Housing Finance Authority Single Family Mortgage Acquisition Revenue Bonds, Series 1995D, 6.550%, 7/01/26 (Alternative Minimum Tax)	7/05 at 102
<hr/>		
NEW JERSEY - 8.2%		
3,835	New Jersey Higher Education Student Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured	6/10 at 101
2,000	New Jersey Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Jersey City Medical Center Issue, Series 2001, 4.800%, 8/01/21 - AMBAC Insured	8/11 at 100
15,600	New Jersey Economic Development Authority, Solid Waste Facilities Revenue Bonds, Bridgewater Resources Inc. Project, Series 1999B, 8.250%, 6/01/19 (Alternative Minimum Tax)##	No Opt. C
475	New Jersey Economic Development Authority, Solid Waste Revenue Bonds, Bridgewater Resources Inc. Project, Series 2003C, 0.000%, 6/30/05##	No Opt. C
4,130	New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured	No Opt. C
4,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18	No Opt. C
10,000	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 5.900%, 12/01/17 (Alternative Minimum Tax) - MBIA Insured	12/07 at 102
10,000	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32	6/12 at 100
3,165	6.125%, 6/01/42	6/12 at 100
<hr/>		
NEW YORK - 19.1%		
1,940	Cattaraugus County Industrial Development Agency,	No Opt. C

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	New York, Revenue Bonds, Laidlaw Energy and Environmental Inc. Project, Series 1999A, 8.500%, 7/01/21 (Alternative Minimum Tax)#	
5,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 - FSA Insured	6/08 at 101
	County of Nassau, New York, General Obligation Serial Improvement Bonds, Series B:	
4,005	5.250%, 6/01/19 - AMBAC Insured	6/09 at 102
7,005	5.250%, 6/01/20 - AMBAC Insured	6/09 at 102
7,005	5.250%, 6/01/21 - AMBAC Insured	6/09 at 102
2,000	City of New York, New York, General Obligation Bonds, Fiscal Series 1998E, 5.250%, 8/01/14 - AMBAC Insured	2/08 at 101
14,000	City of New York, New York, General Obligation Bonds, Series 1998F, 5.375%, 8/01/19 - MBIA Insured	2/08 at 101
2,525	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 1998A, 5.000%, 8/15/27 (Pre-refunded to 8/15/07)	8/07 at 101
12,350	New York City Transitional Finance Authority, Future Tax Secured Bonds, Fiscal Series 2000C, 5.500%, 11/01/29 (Pre-refunded to 5/01/10)	5/10 at 101
10,000	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09)	8/09 at 101
4,400	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996E, 5.250%, 2/15/18 - AMBAC Insured	2/07 at 102
2,170	Dormitory Authority of the State of New York, Frances Schervier Home & Hospital Insured Revenue Bonds, Franciscan Health Partnership Obligated Group, Series 1997, 5.500%, 7/01/17 - RAAI Insured	7/07 at 102

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	NEW YORK (continued)	
	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B:	
\$ 4,305	5.125%, 8/15/21 (Pre-refunded to 2/15/06) - MBIA Insured	2/06 at 100
165	5.125%, 8/15/21 - MBIA Insured	2/06 at 102
7,500	Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - MBIA Insured	2/08 at 101

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10,000	Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1999 Series 1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured	7/09 at 101
2,000	Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1997 Series 1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured	1/08 at 102
7,500	New York State Urban Development Corporation, Correctional Facilities Revenue Bonds, Series 6, 5.375%, 1/01/25 (Pre-refunded to 1/01/06) - AMBAC Insured	1/06 at 102
-----		
NORTH CAROLINA - 0.6%		
3,000	County of Wake, North Carolina, General Obligation School Bonds, Series 2001B, 5.250%, 2/01/17	2/11 at 102
-----		
OHIO - 4.4%		
2,300	Amherst Exempted Village School District, Ohio, General Obligation Unlimited Tax School Improvement Bonds, Series 2001, 5.125%, 12/01/21 - FGIC Insured	12/11 at 100
3,635	Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax)	1/05 at 103
5,650	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax)	9/08 at 102
13,500	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102
1,115	Warren County, Ohio, Special Assessment Bonds, Waterstone Boulevard, Series 1997 General Obligation, 5.500%, 12/01/17	12/07 at 101
-----		
OREGON - 0.4%		
2,255	Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured	6/10 at 101
-----		
PENNSYLVANIA - 5.0%		
3,480	Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/22	11/10 at 102

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2,365	Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)	No Opt. C
18,900	City of Philadelphia Airport Revenue Refunding Bonds, Pennsylvania, Philadelphia Airport System, Series 1998A, 5.500%, 6/15/18 (Alternative Minimum Tax) - FGIC Insured	6/08 at 102
3,205	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured	8/12 at 100
-----		
RHODE ISLAND - 2.7%		
2,015	Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured	5/09 at 102
3,500	Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.750%, 4/01/29 - AMBAC Insured	4/10 at 101
12,000	Tobacco Settlement Financing Corporation of Rhode Island, Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32	6/12 at 100
-----		
TENNESSEE - 2.3%		
5,260	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured	3/10 at 101
2,425	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured	3/11 at 100

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
TENNESSEE (continued)		
\$ 3,625	Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375%, 7/01/25 (Alternative Minimum Tax)	7/10 at 101
1,790	Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-2B, 6.250%, 1/01/20 (Alternative Minimum Tax)	7/10 at 100

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	TEXAS - 14.2%	
1,000	Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax)	12/03 at 100
10,000	Austin, Texas, Airport System Prior Lien Revenue Bonds, Series 1995A, 6.125%, 11/15/25 (Alternative Minimum Tax) - MBIA Insured	11/05 at 102
2,560	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 1999C, 7.700%, 4/01/32 (Alternative Minimum Tax)	4/13 at 101
4,675	Carrollton-Farmers Branch Independent School District, Dallas County, Texas, School Building Unlimited Tax Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded to 2/15/09)	2/09 at 100
	Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999:	
5,130	0.000%, 8/15/20	8/09 at 52
7,000	0.000%, 8/15/21	8/09 at 49
7,345	0.000%, 8/15/23	8/09 at 44
7,000	0.000%, 8/15/24	8/09 at 41
7,350	0.000%, 8/15/25	8/09 at 39
7,000	0.000%, 8/15/26	8/09 at 36
2,000	Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, American Airlines, Series 2000B, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05)	11/05 at 100
6,000	Dallas-Fort Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, American Airlines, Series 2000C, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07)	11/07 at 100
	Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A:	
12,000	5.375%, 7/01/24 - MBIA Insured	7/09 at 101
11,000	5.375%, 7/01/29 - MBIA Insured	7/09 at 101
2,500	Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded to 8/01/10) - FSA Insured	8/10 at 100
4,245	Laredo Independent School District, Webb County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.250%, 8/01/24	8/09 at 100
2,000	Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 - FGIC Insured	3/09 at 100
1,500	Port Arthur, Texas, Jefferson County, General Obligation Bonds, Series 1997, 5.000%, 2/15/21 - MBIA Insured	2/07 at 100
10,000	Tarrant County Health Facilities Development Corporation Texas Health Resources System Revenue Bonds, Series 1997A, 5.250%, 2/15/17 - MBIA Insured	2/08 at 102

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	UTAH - 1.2%		
195	Utah Housing Finance Agency, Single Family Mortgage Senior Bonds, Federally Insured or Guaranteed Mortgage Loans, Series 1994F, 7.000%, 7/01/27 (Alternative Minimum Tax)		7/04 at 102
	Utah Housing Finance Agency, Single Family Mortgage Bonds, 1999 Series C-2 Class I:		
1,795	5.700%, 7/01/19 (Alternative Minimum Tax)		1/10 at 101
910	5.750%, 7/01/21 (Alternative Minimum Tax)		1/10 at 101
1,685	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax)		7/09 at 101
350	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 (Alternative Minimum Tax)		7/09 at 101
1,800	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax)		7/10 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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	VIRGINIA - 1.4%		
\$ 4,815	Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured		10/04 at 100
3,395	Virginia Small Business Financing Authority, Industrial Development Water Revenue Bonds, S.I.L. Clean Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax)		11/09 at 102

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	WASHINGTON - 10.7%		
4,000	Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/17		7/13 at 100
	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B:		
1,755	6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured		3/10 at 101
2,590	6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured		3/10 at 101
	Port of Seattle, Washington, Special Facilities Revenue Bonds, Terminal 18 Project, Series 1999C:		
875	6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured		3/10 at 101
1,260	6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured		3/10 at 101



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9,760	City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding, 5.625%, 1/01/21 - FSA Insured	1/11 at 101
7,725	Tobacco Settlement Authority, Washington State, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100
11,605	State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured	7/09 at 100
3,350	State of Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured	No Opt. C
	State of Washington, General Obligation Compound Interest Bonds, Series 1999S-3:	
17,650	0.000%, 1/01/20	No Opt. C
18,470	0.000%, 1/01/21	No Opt. C
4,800	Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1997A, 5.250%, 7/01/16 - FSA Insured	7/07 at 102
-----		
	WISCONSIN - 6.3%	
3,810	City of La Crosse, Wisconsin, Industrial Development Refunding Revenue Bonds, Dairyland Power Cooperative Project, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured	12/08 at 102
4,180	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc. Project, Series 1999, 5.625%, 5/15/29	5/09 at 101
	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Development Inc. Project, Series 1999:	
8,375	6.250%, 11/15/20	11/09 at 101
5,000	6.250%, 11/15/28	11/09 at 101
12,700	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured	8/09 at 101
2,200	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.125%, 8/15/33	8/13 at 100
-----		
\$ 901,055	Total Long-Term Investments (cost \$810,194,357) - 144.9%	
=====		

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AMOUNT (000)	DESCRIPTION(1)
	SHORT-TERM INVESTMENTS - 1.8%
\$ 5,250	California Statewide Communities Development Authority, Variable Rate Demand Revenue Bonds, Fremont-Rideout Health Group, Series 2001A, 1.100%, 1/01/31 - AMBAC Insured+
2,300	Fulton County Residential Care Facilities Authority, Georgia, Variable Rate Demand Revenue Refunding Bonds, Lenbrook Square Foundation Inc., Series 1996, 1.200%, 1/01/18+
3,300	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Wellesley College Variable Rate Demand Obligations, Series 1999G, 1.080%, 7/01/39+
\$ 10,850	Total Short-Term Investments (cost \$10,850,000)
	Total Investments (cost \$821,044,357) - 146.7%
	Other Assets Less Liabilities - 2.9%
	Preferred Shares, at Liquidation Value - (49.6)%
	Net Assets Applicable to Common Shares - 100%

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- \* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- \*\*\* Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- # Non-income producing security. In August 2002, Cattaraugus Acquisition Corp. (an entity formed by several Nuveen Funds owning various interests in the Laidlaw Energy and Environmental Inc. project) took possession of 80% of the Laidlaw Energy assets on behalf of the various Nuveen Funds. Cattaraugus Acquisition Corp. has determined that a sale of the facility is in the best interests of shareholders and is proceeding accordingly.
- ## Non-income producing security. In June 2003, Waste Solutions Group, Inc. (an entity formed for the benefit

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of Nuveen Dividend Advantage Municipal Fund (NAD) which owns various interests in the Bridgewater Resources Inc. project) took possession of 45% of the Bridgewater Resources Inc. assets on behalf of the Fund. Bridgewater Resources Inc. emerged from bankruptcy in June 2003. NAD, via Waste Solutions Group Inc., has agreed to allow debt service reserve monies to be used for capital expenses, and has also agreed to a debt service moratorium until December 2005. Nuveen Advisory Corp. will continue to actively monitor the Bridgewater Resources, Inc. project, and to cause NAD and Waste Solutions Group Inc. to act in what it believes is in the best interests of fund shareholders.

N/R Investment is not rated.

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

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ)  
Portfolio of  
INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ALABAMA - 4.2%	
\$ 18,500	Huntsville Health Care Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31	6/11 at 101
-----		
	ARIZONA - 0.6%	
2,500	Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured	7/12 at 100
-----		
	ARKANSAS - 0.6%	
2,500	Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 2002C, 5.400%, 1/01/34 (Alternative Minimum Tax)	1/12 at 100

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CALIFORNIA - 10.0%		
6,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101
13,825	Department of Veterans Affairs of the State of California, Home Purchase Revenue Bonds, Series 2001A, 5.550%, 12/01/25 - AMBAC Insured	6/06 at 101
11,200	State of California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28	8/13 at 100
1,500	California Statewide Communities Development Authority, Revenue Bonds, East Valley Tourist Authority, Senior Lien, Series 2003B, 9.250%, 10/01/20	10/15 at 103
5,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39	6/13 at 100
6,000	Regional Airports Improvement Corporation, California, American Airlines Inc. Terminal 4 Project, Los Angeles International Airport Facilities Sublease Revenue Bonds, Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax)	12/12 at 102
240	Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company Project, Series 1966A, 4.000%, 3/01/16	3/04 at 100

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COLORADO - 5.2%		
3,000	Colorado Educational and Cultural Facilities Authority, Boulder County, Colorado, Charter School Revenue Bonds, Peak to Peak Charter School Project, Created by Boulder Valley School District No. RE-2, 7.500%, 8/15/21	8/11 at 100
10,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured	9/10 at 31
1,885	Eagle County Air Terminal Corporation, Colorado, Airport Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31 (Alternative Minimum Tax)	5/11 at 101
5,000	Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured	6/11 at 102
22,000	Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001B: 0.000%, 6/15/28 - FSA Insured	6/11 at 35
17,650	0.000%, 6/15/29 - AMBAC Insured	6/11 at 33
1,000	Plaza Metropolitan District No. 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101

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FLORIDA - 5.1%		
15,000	City of Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured	10/11 at 100
3,000	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured	10/12 at 100
4,000	Miami-Dade County Health Facilities Authority, Florida, Hospital Revenue Refunding Bonds, Miami Children's Hospital, Series 2001A, 5.125%, 8/15/26 - AMBAC Insured	8/11 at 101

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
<hr/>		
HAWAII - 2.3%		
	Honolulu City and County, Hawaii, Board of Water Supply, Water System Revenue Bonds, Series 2001:	
\$ 3,000	5.250%, 7/01/26 - FSA Insured	7/11 at 100
6,725	5.250%, 7/01/31 - FSA Insured	7/11 at 100
<hr/>		
ILLINOIS - 12.0%		
15,270	City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.250%, 1/01/33 - MBIA Insured	1/11 at 101
3,710	Chicago, Illinois, FHA/GNMA Collateralized Multifamily Housing Revenue Bonds, Stone Terrace Apartments Project, Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax)	12/11 at 100
1,755	City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)#	No Opt. C
3,790	Chicago, Illinois, Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative Minimum Tax)	4/11 at 105
3,180	Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation Project, Series 2002A, 6.250%, 12/01/32	12/21 at 100
5,000	Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured	9/11 at 100

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3,100	Illinois Development Finance Authority, Revenue Bonds, Midwestern University, Series 2001B, 6.000%, 5/15/31	5/11 at 101
5,000	Illinois Health Facilities Authority, Revenue Bonds, Edward Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 - FSA Insured	2/11 at 101
3,000	Illinois Educational Facilities Authority, Student Housing Revenue Bonds, Educational Advancement Foundation Fund, University Center Project, Series 2002, 6.250%, 5/01/34	5/12 at 101
2,275	State of Illinois, Build Illinois Bonds, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16	6/11 at 100
4,980	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured	6/06 at 102
5,000	Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax)	No Opt. C

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INDIANA - 5.6%

2,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, The Methodist Hospital Inc, Series 2001, 5.500%, 9/15/31	9/11 at 100
2,500	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured	No Opt. C
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A:	
4,000	5.000%, 6/01/23 - FSA Insured	6/13 at 100
6,000	5.000%, 6/01/24 - FSA Insured	6/13 at 100
2,000	Indianapolis Airport Authority, Indiana, Special Facilities Revenue Bonds, Federal Express Corporation Project, Series 1994, 7.100%, 1/15/17 (Alternative Minimum Tax)	7/04 at 102
5,000	Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)#	11/05 at 102
6,000	Saint Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center Inc. Project, Series 1999, 5.800%, 2/15/24	2/09 at 102

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IOWA - 0.2%

1,000	Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College Project, Series 2002, 5.500%, 10/01/28 - ACA Insured	10/12 at 100
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KANSAS - 3.9%

17,000	City of Wichita, Kansas, Hospital Facilities Improvement and Refunding Revenue Bonds, Via Christi Health System Inc, Series III 2001, 5.625%, 11/15/31	11/11 at 101
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LOUISIANA - 3.1%

17,060	Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101
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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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MASSACHUSETTS - 4.2%

\$ 3,300	Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation Project, Series 1997, 5.750%, 7/01/39 (Alternative Minimum Tax) - MBIA Insured	7/07 at 102
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15,000	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Series 1997A Senior, 5.000%, 1/01/37 - MBIA Insured	1/07 at 102
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MICHIGAN - 14.3%

Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 2001A:		
15,390	5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured	7/11 at 100
20,000	5.500%, 7/01/33 - FGIC Insured	7/11 at 101
14,610	5.250%, 7/01/33 - FGIC Insured	7/11 at 100

4,000	Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy, Series 2001A, 8.000%, 10/01/31	10/09 at 102
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Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A:		
2,000	6.250%, 8/15/13	2/04 at 102
4,000	6.500%, 8/15/18	2/04 at 102

2,000	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18	8/08 at 101
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MINNESOTA - 3.2%

14,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A,	1/11 at 100
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5.250%, 1/01/32 - FGIC Insured

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MISSOURI - 4.9%		
21,000	Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured	6/11 at 101

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MONTANA - 1.2%		
5,320	Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax)	12/10 at 100

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NEVADA - 4.6%		
12,275	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured	1/10 at 100
3,500	State of Nevada, Director of Business and Industry, Las Vegas Monorail Company Project, Second Tier Series 2000, 7.375%, 1/01/40	1/10 at 102
4,000	Henderson, Nevada, Health Care Facility Revenue Bonds, Catholic Healthcare West, Series 1998A, 5.250%, 7/01/18	7/08 at 101

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NEW HAMPSHIRE - 2.7%		
8,000	New Hampshire Business Finance Authority, Pollution Control Revenue Bonds, Connecticut Light and Power Company, Series 1992A Refunding, Remarketed, 5.850%, 12/01/22	10/08 at 102
3,660	New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax)	5/11 at 100

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NEW JERSEY - 1.4%		
3,995	New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc. Project, Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax)	11/10 at 101
425	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: 6.750%, 6/01/39	6/13 at 100
2,700	6.250%, 6/01/43	6/13 at 100

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NEW MEXICO - 5.2%		
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	New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A:	
12,000	5.500%, 8/01/25	8/11 at 101
10,800	5.500%, 8/01/30	8/11 at 101

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	NEW YORK - 6.7%	
\$ 6,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2000L, 5.375%, 5/01/33	5/11 at 100
14,500	New York City Municipal Water Finance Authority, Water and Sewer System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33	6/11 at 101
5,000	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, American Airlines, Inc. JFK Airport Project, Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax)	8/12 at 101
4,900	Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Obligated Group, Series 2000A, 6.625%, 7/01/19	7/10 at 101
-----		
	NORTH CAROLINA - 1.7%	
2,950	North Carolina Capital Facilities Financing Agency, Educational Facilities Revenue Bonds, Johnson and Wales University Project, Series 2003A, 5.000%, 4/01/33 - XLCA Insured	4/13 at 100
4,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15	1/09 at 102
-----		
	NORTH DAKOTA - 0.9%	
4,130	North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2001A, 5.550%, 1/01/32 (Alternative Minimum Tax)	7/10 at 100
-----		
	OHIO - 0.4%	
1,845	Board of Education, City School District of Columbus, Franklin County, Ohio, General Obligation Bonds,	6/13 at 100

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Series 2003, 5.000%, 12/01/28 - FGIC Insured

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OKLAHOMA - 0.7%		
	Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A:	
2,655	5.125%, 8/15/10	8/09 at 101
1,000	5.200%, 8/15/11	8/09 at 101

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OREGON - 3.9%		
8,000	Hospital Facility Authority of Clackamas County, Oregon, Revenue Refunding Bonds, Legacy Health System, Series 2001, 5.250%, 5/01/21	5/11 at 101
9,000	State of Oregon Department of Administrative Services, Certificates of Participation, Series 2001D, 5.000%, 5/01/26 - AMBAC Insured	5/11 at 101

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PENNSYLVANIA - 3.0%		
5,000	Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/30	11/10 at 102
8,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31	1/11 at 101

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SOUTH CAROLINA - 0.2%		
630	South Carolina Public Service Authority, Revenue Refunding Bonds, Series 1996A, 5.750%, 1/01/22 - MBIA Insured	1/06 at 102

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SOUTH DAKOTA - 1.1%		
4,820	South Dakota Housing Development Authority, Remarketed Homeownership Mortgage Bonds, Series 1997E-4, 5.450%, 5/01/18 (Alternative Minimum Tax)	5/09 at 102

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TEXAS - 22.7%		
7,500	City of Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - FSA Insured	11/10 at 100
	Dallas-Fort Worth International Airport Public Facility Improvement Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001:	

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15,000	5.250%, 1/15/26 - FSA Insured	1/09 at 100
1,750	5.200%, 1/15/31 - FSA Insured	1/09 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TEXAS (continued)	
\$ 10,000	Gulf Coast Industrial Development Authority, Texas, Solid Waste Disposal Revenue Bonds, Citgo Petroleum Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax)	4/12 at 100
3,000	Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured	7/09 at 101
40,000	Houston Sports Authority, Harris County, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - MBIA Insured	11/30 at 54
30,980	Houston Sports Authority, Harris County, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured	11/11 at 100
	Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001:	
10,715	0.000%, 8/15/25	8/11 at 43
12,940	0.000%, 8/15/26	8/11 at 40
	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B:	
5,000	0.000%, 9/01/30 - AMBAC Insured	No Opt. C
5,000	0.000%, 9/01/31 - AMBAC Insured	No Opt. C
5,000	Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital Project, Series 2001, 7.250%, 1/01/31	1/11 at 100
10,500	Texas State, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35	8/11 at 100
2,000	Tom Green County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21	5/11 at 101
-----		
	UTAH - 0.5%	
2,200	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1993A, 5.500%, 7/01/20	1/04 at 102
-----		
	WASHINGTON - 4.8%	

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7,250	City of Seattle, Washington, Municipal Light and Power Improvements and Revenue Refunding Bonds, Series 2001, 5.125%, 3/01/26 - FSA Insured	3/11 at 100
3,500	City of Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/18 - FSA Insured	1/11 at 101
2,000	State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured	7/09 at 100
7,500	Washington State Health Care Facilities Authority, Revenue Bonds, Providence Health System, Series 2001A, 5.250%, 10/01/21 - MBIA Insured	10/11 at 100
-----		
	WEST VIRGINIA - 1.1%	
5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company Project, Series 2003L, 5.500%, 10/01/22	10/11 at 100
-----		
	WISCONSIN - 0.7%	
1,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26	5/12 at 100
2,100	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.125%, 8/15/33	8/13 at 100
-----		
\$ 732,985	Total Long-Term Investments (cost \$613,391,578) - 142.9%	
=====		

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	
	SHORT-TERM INVESTMENTS - 4.6%	
\$ 10,000	Clark County School District, Nevada, General Obligation Variable Rate Demand Bonds, Series A, 1.120%, 6/15/21 - FSA Insured+	
10,200	Clarksville Public Building Authority, Tennessee, Municipal Bond Fund Pooled Financing, Variable Rate Demand Bonds, Series 2003, 1.150%, 1/01/33+	

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\$	20,200	Total Short-Term Investments (cost \$20,200,000)
=====		
		Total Investments (cost \$633,591,578) - 147.5%
-----		
		Other Assets Less Liabilities - 2.6%
-----		
		Preferred Shares, at Liquidation Value - (50.1)%
-----		
		Net Assets Applicable to Common Shares - 100%
=====		

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- \* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- \*\*\* Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- N/R Investment is not rated.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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AMOUNT (000)	DESCRIPTION(1)	PROVISIO
-----		
	ALABAMA - 1.0%	
\$ 5,655	Alabama State Port Authority, Docks Facilities Revenue Bonds, Series 2001, 5.250%, 10/01/26 (Alternative Minimum Tax) - MBIA Insured	10/11 at 100
-----		
	ALASKA - 0.7%	
4,000	Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured	7/08 at 100
-----		
	ARKANSAS - 0.9%	
	Sebastian County, Arkansas, Sparks Regional Medical Center, Public Health Facilities Board Hospital Revenue Improvement Bonds, Series 2001A:	
1,805	5.500%, 11/01/13	11/11 at 101
1,900	5.500%, 11/01/14	11/11 at 101
1,305	5.250%, 11/01/21	11/11 at 101
-----		
	CALIFORNIA - 9.6%	
5,000	California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I - LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
18,850	California State, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured	6/07 at 101
1,500	California Statewide Communities Development Authority, Revenue Bonds, East Valley Tourist Authority, Senior Lien, Series 2003B, 9.250%, 10/01/20	10/15 at 103
	Los Angeles, California, Regional Airports Improvement Corporation Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001:	
13,955	5.750%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured	1/12 at 100
5,000	5.375%, 1/01/21 (Alternative Minimum Tax) - AMBAC Insured	1/12 at 100
1,500	5.250%, 1/01/23 (Alternative Minimum Tax) - AMBAC Insured	1/12 at 100
10,000	5.500%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured	1/12 at 100
-----		
	COLORADO - 8.5%	
2,250	Canterberry Crossing Metropolitan District II, Parker, Colorado, General Obligation Limited Tax Bonds, Series 2002, 7.375%, 12/01/32	12/12 at 100
1,775	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Series 2001, Frontier	6/11 at 100

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	Academy Project in Weld County School District No. 6, 7.375%, 6/01/31	
3,250	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32	5/12 at 102
1,700	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32	3/12 at 100
5,060	Colorado Housing and Finance Authority, Multifamily Project Bonds, Class I, Series 2001A-1, 5.500%, 4/01/31 (Alternative Minimum Tax)	10/11 at 100
10,100	City of Colorado Springs, Colorado, Utilities System Improvement and Refunding Revenue Bonds, Series 1997A, 5.375%, 11/15/26	11/07 at 100
2,000	City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 (Alternative Minimum Tax) - FGIC Insured	11/11 at 100
	City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996A:	
19,150	5.750%, 11/15/16 - MBIA Insured	11/06 at 101
1,105	5.500%, 11/15/25 - MBIA Insured	11/06 at 101
1,000	Plaza Metropolitan District No. 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	CONNECTICUT - 1.4%	
\$ 5,250	Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2000B, Subseries B-2, 5.850%, 5/15/31 (Alternative Minimum Tax)	11/09 at 100
2,895	Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, Series 2001A, Subseries A-2, 5.350%, 11/15/22 (Alternative Minimum Tax)	5/10 at 100
	DELAWARE - 0.7%	
4,000	Delaware State Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24	7/12 at 100

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DISTRICT OF COLUMBIA - 1.1%

6,000	District of Columbia, Revenue Bonds, Catholic University of America Issue, Series 1999, 5.625%, 10/01/29 - AMBAC Insured	10/09 at 101
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 FLORIDA - 1.7%

2,000	Dade County, Florida, Water and Sewer System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured	10/07 at 102
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	Orange County, Florida, Housing Finance Authority, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G:	
1,105	5.400%, 12/01/32 (Alternative Minimum Tax) - FSA Insured	12/11 at 100
2,195	5.450%, 12/01/41 (Alternative Minimum Tax) - FSA Insured	12/11 at 100

4,175	Pace Property Finance Authority, Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured	9/07 at 102
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 GEORGIA - 2.3%

5,000	City of Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 (Alternative Minimum Tax) - FGIC Insured	1/10 at 101
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2,700	City of Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24	12/11 at 101
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3,600	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health System Inc. Project, Series 2001, 5.500%, 5/15/31	5/11 at 100
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2,000	Henry County Water and Sewerage Authority, Georgia, Water and Sewerage Revenue Bonds, Series 2000, 5.625%, 2/01/30 - FGIC Insured	2/10 at 101
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 HAWAII - 0.9%

5,125	State of Hawaii, Highway Revenue Bonds, Series 2001, 5.375%, 7/01/21 - FSA Insured	7/11 at 100
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 ILLINOIS - 16.6%

3,000	City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2001A, 5.500%, 1/01/31 - FGIC Insured	1/11 at 100
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8,375	City of Chicago, Illinois, Midway Airport Revenue Bonds, Series 2001A, 5.500%, 1/01/19 (Alternative Minimum Tax) - FSA Insured	1/11 at 101
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4,950	City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue	1/11 at 101
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	Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured	
1,750	Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured	7/08 at 102
10,800	City of Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded to 1/01/09) - FGIC Insured	1/09 at 101
	City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A:	
2,220	5.500%, 1/01/16 - MBIA Insured	No Opt. C
8,610	5.500%, 1/01/26 - AMBAC Insured	1/11 at 100
10,000	City of Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 - AMBAC Insured	11/11 at 100
1,100	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30	5/10 at 101
15,000	Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31	7/11 at 100

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	ILLINOIS (continued)	
\$ 9,000	Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31	12/11 at 101
2,000	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A, 5.500%, 6/15/29 - FGIC Insured	No Opt. C
16,900	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.250%, 12/15/28 - FGIC Insured	12/09 at 101
4,000	Robbins, Illinois, Resources Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax)	No Opt. C
-----		
	INDIANA - 4.9%	
	Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001:	
1,255	5.000%, 7/15/21 - AMBAC Insured	1/12 at 100
1,000	5.000%, 1/15/26 - AMBAC Insured	1/12 at 100
	Evansville Vanderburgh Public Library Leasing Corporation, Indiana, First Mortgage Bonds, Series 2001:	

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2,000	5.750%, 7/15/18 - MBIA Insured	7/12 at 100
2,750	5.125%, 1/15/24 - MBIA Insured	1/12 at 100
3,480	Gary, Indiana, GNMA/FHA Mortgage Revenue Bonds, Windsor Square Project, Series 2001A, 5.375%, 10/20/41 (Alternative Minimum Tax)	11/11 at 102
1,250	Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 - AMBAC Insured	1/12 at 100
9,500	Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Butler University Project, Series 2001, 5.500%, 2/01/26 - MBIA Insured	2/11 at 100
3,000	Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, United Air Lines, Inc., Indianapolis Maintenance Center Project, Series 1995A, 6.500%, 11/15/31 (Alternative Minimum Tax)#	11/05 at 102
3,500	University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured	10/11 at 100
	Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001:	
1,150	5.625%, 7/15/18 - AMBAC Insured	1/13 at 101
1,090	5.500%, 7/15/22 - AMBAC Insured	1/13 at 101

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IOWA - 4.6%

2,000	Iowa Finance Authority, Healthcare Facilities Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA Insured	5/11 at 100
	Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B:	
28,000	5.300%, 6/01/25	6/11 at 101
3,950	5.600%, 6/01/35	6/11 at 101

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KENTUCKY - 3.2%

18,500	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 - MBIA Insured	11/11 at 101
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LOUISIANA - 3.7%

19,890	Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101
6,000	Parish of West Feliciana, Louisiana, Remarketed Pollution Control Revenue Bonds, Gulf States Utilities Company Project, Series 1985A, 7.500%, 5/01/15	11/03 at 102

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MAINE - 1.3%

	Maine State Housing Authority, Mortgage Purchase Bonds, Series 2001B:		
4,610	5.400%, 11/15/21 (Alternative Minimum Tax)		11/10 at 100
3,065	5.500%, 11/15/32 (Alternative Minimum Tax)		11/10 at 100

MARYLAND - 2.3%

	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Insured Mortgage Loan, Series 2001B:		
1,175	5.250%, 5/15/21 (Alternative Minimum Tax)		5/11 at 100
1,585	5.250%, 7/01/21 (Alternative Minimum Tax)		7/11 at 100

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	MARYLAND (continued)	
\$ 10,600	Maryland Energy Financing Administration Limited Obligation Cogeneration Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/05 at 102
-----		
	MASSACHUSETTS - 1.0%	
5,000	Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc. Project, Series 2001A, 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured	1/11 at 101
765	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured	6/09 at 100
-----		
	MICHIGAN - 8.1%	
15,000	Detroit School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement General Obligation Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured	No Opt. C
11,000	Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31	7/11 at 101
	Michigan State Hospital Finance Authority, Hospital Revenue	

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	Refunding Bonds, Sparrow Obligated Group, Series 2001:	
1,400	5.500%, 11/15/21	11/11 at 101
2,500	5.625%, 11/15/31	11/11 at 101
12,640	Royal Oak, Michigan, Hospital Finance Authority, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured	11/11 at 100
2,395	Ypsilanti Community Utilities Authority, Washtenaw County, Michigan, Sanitary Sewer System No. 3 Bonds, Charter Township of Ypsilanti, 5.100%, 5/01/31 - FGIC Insured	5/11 at 100
-----		
	MINNESOTA - 0.4%	
2,390	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax)	10/11 at 105
-----		
	MISSISSIPPI - 0.4%	
2,155	Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34	5/09 at 103
-----		
	MISSOURI - 2.6%	
2,000	Fenton, Missouri, Tax Increment Bonds, Gravois Bluffs Project, Series 2002 Refunding and Improvement, 6.125%, 10/01/21	10/12 at 100
	Missouri Development Finance Board, Cultural Facilities Revenue Bonds, The Nelson Gallery Foundation, Series 2001A:	
3,335	5.250%, 12/01/19 - MBIA Insured	12/11 at 100
3,510	5.250%, 12/01/20 - MBIA Insured	12/11 at 100
3,695	5.250%, 12/01/21 - MBIA Insured	12/11 at 100
2,040	5.250%, 12/01/22 - MBIA Insured	12/11 at 100
-----		
	MONTANA - 0.8%	
5,000	Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company Project, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax)	7/10 at 101
-----		
	NEBRASKA - 1.4%	
	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D:	
3,570	5.250%, 9/01/21 (Alternative Minimum Tax)	9/11 at 100
4,825	5.375%, 9/01/32 (Alternative Minimum Tax)	9/11 at 100

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NEVADA - 7.9%		
PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
35,000	Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured	7/10 at 100
4,000	State of Nevada, Director of Business and Industry, Las Vegas Monorail Company Project, Second Tier Series 2000, 7.375%, 1/01/40	1/10 at 102
1,165	Nevada Housing Division, Single Family Mortgage Senior Bonds, Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax)	4/08 at 101
56		
PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
NEVADA (continued)		
\$ 4,290	University of Nevada, Universities Revenue Bonds, Community College System Project, Series 2001A, 5.250%, 7/01/26 - FGIC Insured	1/12 at 100
NEW HAMPSHIRE - 0.4%		
2,000	New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital Issue, Series 2001, 5.500%, 10/01/21 - FSA Insured	10/11 at 101
NEW JERSEY - 2.5%		
10,000	New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Project, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured	11/12 at 101
4,125	New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured	No Opt. C
NEW YORK - 5.0%		
1,780	East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing, Inc. Project, Series 2001, 5.300%, 4/20/31	10/11 at 101
5,350	Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A,	11/11 at 100

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	5.000%, 11/15/31 - FGIC Insured	
4,155	Monroe County Airport Authority, New York, Greater Rochester International Airport Revenue Refunding Bonds, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured	No Opt. C
2,500	The City of New York, New York, General Obligation Bonds, Fiscal 2002 Series G, 5.625%, 8/01/20 - MBIA Insured	8/12 at 100
	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 2001A:	
8,610	5.500%, 6/15/33 - MBIA Insured	6/10 at 101
5,710	5.500%, 6/15/33 - FGIC Insured	6/10 at 101
-----		
	OHIO - 3.2%	
7,150	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured	3/08 at 101
7,900	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102
	Portage County, Ohio, General Obligation Bonds, Series 2001:	
1,870	5.000%, 12/01/21 - FGIC Insured	12/11 at 100
1,775	5.000%, 12/01/23 - FGIC Insured	12/11 at 100
-----		
	OKLAHOMA - 0.4%	
	Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A:	
1,000	5.125%, 8/15/10	8/09 at 101
2,500	5.625%, 8/15/29	8/09 at 101
-----		
	OREGON - 2.5%	
4,700	Oregon Health, Housing, Educational, and Cultural Facilities Authority, Revenue Bonds, Peacehealth Issue, Series 2001, 5.250%, 11/15/21 - AMBAC Insured	11/11 at 101
10,000	Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax)	7/10 at 100
-----		
	PENNSYLVANIA - 1.9%	
	Allegheny County, Pennsylvania, Hospital Development Authority, Health System Revenue Bonds, West Penn Allegheny Health System, Series 2000B:	
2,000	9.250%, 11/15/22	11/10 at 102
2,000	9.250%, 11/15/30	11/10 at 102

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3,500	Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Series 1994A, 6.600%, 1/01/19 (Alternative Minimum Tax)	1/04 at 102
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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
PENNSYLVANIA (continued)		
\$ 3,205	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured	8/12 at 100
SOUTH CAROLINA - 1.7%		
2,185	Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 - AMBAC Insured	4/11 at 101
6,850	South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded to 10/01/11) - AMBAC Insured	10/11 at 100
TENNESSEE - 1.7%		
5,210	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured	3/11 at 100
2,395	Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax)	1/09 at 101
2,130	Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax)	7/11 at 100
TEXAS - 18.1%		
1,125	Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax Revenue and Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured	6/09 at 100
3,850	Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35	11/11 at 100

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(Alternative Minimum Tax) - FGIC Insured

	City of Frisco, Texas, Counties of Collins and Denton, General Obligation Bonds, Series 2001:	
1,910	5.000%, 2/15/20 - FGIC Insured	2/11 at 100
2,005	5.000%, 2/15/21 - FGIC Insured	2/11 at 100
4,040	Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27	8/11 at 100
7,000	City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured	7/08 at 101
	City of Houston, Texas, Airport System Subordinate Lien Revenue Refunding Bonds, Series 2001A:	
2,525	5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured	1/12 at 100
2,905	5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured	1/12 at 100
6,000	City of Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - MBIA Insured	No Opt. C
	Jefferson County, Texas, Health Facilities Development Corporation, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001:	
8,500	5.400%, 8/15/31 - AMBAC Insured	8/11 at 100
8,500	5.500%, 8/15/41 - AMBAC Insured	8/11 at 100
10,700	Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25	8/11 at 100
2,500	Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company Project, Series 1997, 5.125%, 11/01/28 (Alternative Minimum Tax) - AMBAC Insured	No Opt. C
1,540	Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26	2/11 at 100
5,430	Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22	2/08 at 100
3,000	North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 - MBIA Insured	2/08 at 102
3,045	Port of Houston Authority of Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 (Alternative Minimum Tax) - FGIC Insured	10/11 at 100
12,960	Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax)	7/11 at 100



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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TEXAS (continued)	
\$ 15,600	Texas Water Development Board, State Revolving Fund, Senior Lien Revenue Bonds, Series 1996B, 5.125%, 7/15/18	1/07 at 100
-----		
	UTAH - 1.2%	
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:	
2,385	5.200%, 1/01/18 (Alternative Minimum Tax)	7/11 at 100
730	5.500%, 1/01/23 (Alternative Minimum Tax)	7/11 at 100
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:	
2,905	4.950%, 7/01/18 (Alternative Minimum Tax)	7/11 at 100
715	5.300%, 7/01/23 (Alternative Minimum Tax)	7/11 at 100
-----		
	VIRGINIA - 1.2%	
7,145	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001J, Subseries J-1, 5.200%, 7/01/19 - MBIA Insured	7/11 at 100
-----		
	WASHINGTON - 16.5%	
	Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A:	
1,000	5.500%, 12/01/27 - MBIA Insured	12/11 at 100
2,000	5.600%, 12/01/36 - MBIA Insured	12/11 at 100
2,090	Public Utility District No. 1 of Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured	11/11 at 100
1,500	Public Utility District No. 1 of Grays Harbor County, Washington, Electric Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured	1/11 at 100
2,475	Public Utility District No. 1 of Klickitat County, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured	12/11 at 100
12,955	Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured	12/08 at 101
	Port of Seattle, Washington, Revenue Bonds, Series 2001B:	
2,535	5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured	10/11 at 100
16,000	5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured	10/08 at 100
5,680	City of Seattle, Washington, Municipal Light and Power	3/11 at 100

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	Improvements and Revenue Refunding Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured	
4,530	City of Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 - AMBAC Insured	12/11 at 100
2,250	State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured	7/09 at 100
	Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001:	
3,005	5.375%, 12/01/17 - AMBAC Insured	12/11 at 101
2,915	5.375%, 12/01/18 - AMBAC Insured	12/11 at 101
3,720	Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured	10/11 at 100
	Washington State Health Care Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001:	
5,480	5.500%, 10/01/21 - RAAI Insured	10/11 at 101
25,435	5.625%, 10/01/31 - RAAI Insured	10/11 at 101

-----  
WISCONSIN - 5.2%

	City of Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001:	
3,705	5.375%, 1/01/20 - FGIC Insured	1/12 at 100
1,850	5.000%, 1/01/21 - FGIC Insured	1/12 at 100
1,735	Evansville Community School District, Dane, Green, and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 - FGIC Insured	4/11 at 100
12,250	City of La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative Project, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured	12/08 at 102

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)  
Portfolio of INVESTMENTS October 31, 2003

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	WISCONSIN (continued)	
\$ 3,180	State of Wisconsin, Clean Water Revenue Bonds, 1999 Series 1, 5.500%, 6/01/17	6/09 at 100
4,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedert and Community Health Obligated	10/11 at 101

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Group, Series 2001, 5.375%, 10/01/30

	2,500	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25	2/12 at 100
-----			
\$	869,040	Total Long-Term Investments (cost \$871,058,204) - 149.5%	
=====			
		Other Assets Less Liabilities - 3.0%	
-----			
		Preferred Shares, at Liquidation Value - (52.5)%	
-----			
		Net Assets Applicable to Common Shares - 100%	
=====			

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

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

\*\* Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

See accompanying notes to financial statements.

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Statement of  
ASSETS AND LIABILITIES October 31, 2003

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
-----				
ASSETS				
Investments, at market value (cost				
\$1,296,453,235, \$948,430,897,				
\$989,353,141, \$821,044,357,				
\$633,591,578 and \$871,058,204,				
respectively)	\$1,379,062,830	\$1,008,756,335	\$1,048,169,730	\$873,537,804
Cash	--	1,024,201	--	--

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Receivables:				
Interest	22,300,811	18,849,236	18,162,689	15,069,666
Investments sold	8,514,439	1,273,831	9,669,706	3,143,978
Other assets	49,277	41,688	47,219	46,678
-----				
Total assets	1,409,927,357	1,029,945,291	1,076,049,344	891,798,126
-----				
LIABILITIES				
Cash overdraft	4,335,428	--	7,242,723	933,950
Payable for investments purchased	--	--	--	--
Accrued expenses:				
Management fees	732,858	541,657	561,198	244,628
Other	306,507	230,456	259,908	337,533
Preferred share dividends payable	27,717	25,904	30,363	15,785
-----				
Total liabilities	5,402,510	798,017	8,094,192	1,531,896
-----				
Preferred shares, at liquidation value	479,000,000	358,000,000	380,000,000	295,000,000
-----				
Net assets applicable to Common shares	\$ 925,524,847	\$ 671,147,274	\$ 687,955,152	\$595,266,230
=====				
Common shares outstanding	59,914,073	42,980,333	45,540,872	39,237,705
=====				
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 15.45	\$ 15.62	\$ 15.11	\$ 15.17
=====				
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:				
-----				
Common shares, \$.01 par value per share	\$ 599,141	\$ 429,803	\$ 455,409	\$ 392,377
Paid-in surplus	836,307,520	600,296,194	635,397,085	557,556,239
Undistributed net investment income	11,883,367	9,507,298	6,566,696	6,991,496
Accumulated net realized gain (loss) from investment transactions	(5,874,776)	588,541	(13,280,627)	(22,167,329)
Net unrealized appreciation of investments	82,609,595	60,325,438	58,816,589	52,493,447
-----				
Net assets applicable to Common shares	\$ 925,524,847	\$ 671,147,274	\$ 687,955,152	\$595,266,230
=====				
Authorized shares:				
Common	200,000,000	200,000,000	200,000,000	Unlimited
Preferred	1,000,000	1,000,000	1,000,000	Unlimited
=====				

See accompanying notes to financial statements.

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OPERATIONS Year Ended October 31, 2003

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
INVESTMENT INCOME	\$74,947,407	\$56,742,924	\$ 55,594,814	\$48,296,15
EXPENSES				
Management fees	8,676,542	6,397,562	6,586,891	5,553,18
Preferred shares - auction fees	1,218,276	901,466	955,263	752,72
Preferred shares - dividend disbursing agent fees	50,000	50,000	40,000	30,00
Shareholders' servicing agent fees and expenses	258,874	153,740	173,785	28,36
Custodian's fees and expenses	304,155	225,793	242,125	209,04
Directors'/Trustees' fees and expenses	24,305	14,057	19,095	15,98
Professional fees	36,381	36,576	131,553	1,134,65
Shareholders' reports - printing and mailing expenses	152,991	88,126	135,189	111,00
Stock exchange listing fees	23,105	16,784	17,739	15,92
Investor relations expense	149,319	132,004	139,930	111,70
Other expenses	63,655	60,322	64,701	42,67
Total expenses before custodian fee credit and expense reimbursement	10,957,603	8,076,430	8,506,271	8,005,26
Custodian fee credit	(27,822)	(23,445)	(35,349)	(31,11
Expense reimbursement	--	--	--	(2,666,35
Net expenses	10,929,781	8,052,985	8,470,922	5,307,79
Net investment income	64,017,626	48,689,939	47,123,892	42,988,35
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS				
Net realized gain (loss) from investments	(5,880,620)	634,285	(11,663,137)	(4,617,43
Change in net unrealized appreciation (depreciation) of investments	8,871,335	9,982,884	34,046,066	12,311,76
Net gain from investments	2,990,715	10,617,169	22,382,929	7,694,33
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS				
From net investment income	(4,280,974)	(3,175,596)	(3,474,652)	(2,660,19
From accumulated net realized gains from investments	(139,879)	(242,543)	--	-
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(4,420,853)	(3,418,139)	(3,474,652)	(2,660,19
Net increase in net assets applicable to Common shares from operations	\$62,587,488	\$55,888,969	\$ 66,032,169	\$48,022,49

See accompanying notes to financial statements.

Statement of  
CHANGES IN NET ASSETS

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NMA)	
	YEAR ENDED 10/31/03	YEAR ENDED 10/31/02	YEAR ENDED 10/31/03	YEAR ENDED 10/31/02
<b>OPERATIONS</b>				
Net investment income	\$ 64,017,626	\$ 65,273,913	\$ 48,689,939	\$ 49,642,500
Net realized gain (loss)				
from investments	(5,880,620)	1,658,527	634,285	3,175,700
Change in net unrealized appreciation (depreciation) of investments	8,871,335	(15,059,549)	9,982,884	(13,241,200)
Distributions to Preferred shareholders:				
From net investment income	(4,280,974)	(5,916,338)	(3,175,596)	(4,136,400)
From accumulated net realized gains from investments	(139,879)	(720,966)	(242,543)	(1,143,000)
Net increase in net assets applicable to Common shares from operations	62,587,488	45,235,587	55,888,969	34,297,500
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>				
From net investment income	(56,921,521)	(53,683,146)	(44,027,554)	(40,570,100)
From accumulated net realized gains from investments	(1,515,794)	(2,612,288)	(2,984,339)	(4,129,800)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(58,437,315)	(56,295,434)	(47,011,893)	(44,700,000)
<b>CAPITAL SHARE TRANSACTIONS</b>				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	--	--
Preferred shares offering costs	(1,000)	(501,535)	--	--
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	(1,000)	(501,535)	--	--
Net increase (decrease) in net assets applicable to Common shares	4,149,173	(11,561,382)	8,877,076	(10,402,400)
Net assets applicable to Common shares at the beginning of year	921,375,674	932,937,056	662,270,198	672,672,600
Net assets applicable to Common shares at the end of year	\$925,524,847	\$921,375,674	\$671,147,274	\$662,270,198
Undistributed net investment				

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income at the end of year      \$ 11,883,367      \$ 9,074,385      \$ 9,507,298      \$ 8,026,3

See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS (continued)

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NXZ)	
	YEAR ENDED 10/31/03	YEAR ENDED 10/31/02	YEAR ENDED 10/31/03	YEAR ENDED 10/31/02
<b>OPERATIONS</b>				
Net investment income	\$ 42,988,353	\$ 44,433,341	\$ 33,824,202	\$ 33,702,6
Net realized gain (loss) from investments	(4,617,432)	140,122	890,827	301,7
Change in net unrealized appreciation (depreciation) of investments	12,311,762	(107,226)	4,294,735	(9,579,3
Distributions to Preferred shareholders:				
From net investment income	(2,660,192)	(3,979,694)	(2,029,376)	(3,000,5
From accumulated net realized gains from investments	--	--	(28,710)	(64,9
Net increase in net assets applicable to Common shares from operations	48,022,491	40,486,543	36,951,678	21,359,4
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>				
From net investment income	(38,956,575)	(36,722,714)	(29,486,976)	(26,749,0
From accumulated net realized gains from investments	--	--	(272,342)	(298,6
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(38,956,575)	(36,722,714)	(29,759,318)	(27,047,7
<b>CAPITAL SHARE TRANSACTIONS</b>				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	155,266	1,192,197	--	
Preferred shares offering costs	--	--	2,137	286,6
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	155,266	1,192,197	2,137	286,6
Net increase (decrease) in net assets applicable to Common shares	9,221,182	4,956,026	7,194,497	(5,401,6
Net assets applicable to Common shares at the beginning of year	586,045,048	581,089,022	435,906,761	441,308,4

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Net assets applicable to Common shares at the end of year	\$595,266,230	\$586,045,048	\$443,101,258	\$435,906,7
=====				
Undistributed net investment income at the end of year	\$ 6,991,496	\$ 5,680,795	\$ 5,895,336	\$ 3,600,0
=====				

See accompanying notes to financial statements.

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### Notes to FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities.

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

#### Securities Valuation

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

#### Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and



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losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2003, there were no such outstanding purchase commitments in any of the Funds.

### Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

### Professional Fees

Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of the Fund's shareholders.

### Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2003, have been designated Exempt Interest Dividends.

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### Notes to FINANCIAL STATEMENTS (continued)

#### Dividends and Distributions to Common Shareholders

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

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

#### Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch

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auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

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

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### Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the fiscal year ended October 31, 2003.

### Custodian Fee Credit

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

### Offering Costs

Costs incurred by Performance Plus (NPP) and Dividend Advantage 3 (NZF) in connection with their offerings of Preferred shares (\$502,535 and \$3,493,773, respectively) were recorded as a reduction to paid-in surplus.

### Use of Estimates

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

## 2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

MUNICIPAL

MARKET

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	PERFORMANCE PLUS (NPP)		ADVANTAGE (NMA)		OPPORTUNIT
	YEAR	YEAR	YEAR	YEAR	YEAR
	ENDED	ENDED	ENDED	ENDED	ENDED
	10/31/03	10/31/02	10/31/03	10/31/02	10/31/03
Common shares issued to shareholders due to reinvestment of distributions	--	--	--	--	--
Preferred shares sold	--	1,400	--	--	--

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NXZ)		DIVIDEND ADVANTA
	YEAR	YEAR	YEAR	YEAR	YEAR
	ENDED	ENDED	ENDED	ENDED	ENDED
	10/31/03	10/31/02	10/31/03	10/31/02	10/31/03
Common shares issued to shareholders due to reinvestment of distributions	9,858	80,089	--	--	--
Preferred shares sold	--	--	--	--	--

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Notes to  
FINANCIAL STATEMENTS (continued)

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended October 31, 2003, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADV
Purchases	\$142,495,719	\$74,556,548	\$ 95,269,111	\$30,224,317	\$72,469,463	\$30
Sales and maturities	136,068,025	91,537,583	108,089,800	47,917,593	92,271,573	26

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences

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between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At October 31, 2003, the cost of investments were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)
Cost of investments	\$1,295,588,954	\$947,768,522	\$988,885,955	\$820,431,397	\$633,345,726

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2003, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADVANTAGE 1 (NXZ)
Gross unrealized: Appreciation	\$96,389,691	\$77,539,144	\$81,144,469	\$67,183,324	\$30,778,706	\$28,144,469
Depreciation	(12,915,815)	(16,551,331)	(21,860,694)	(14,076,917)	(10,623,883)	(11,111,111)
Net unrealized appreciation of investments	\$83,473,876	\$60,987,813	\$59,283,775	\$53,106,407	\$20,154,823	\$17,033,358

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The tax components of undistributed net investment income and net realized gains at October 31, 2003, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADVANTAGE 1 (NXZ)
Undistributed net tax-exempt income	\$15,733,229	\$12,505,878	\$9,582,171	\$9,592,110	\$8,183,960	\$8,183,960
Undistributed net ordinary income *	166,616	11,261	145,432	27,034	11	11
Undistributed net long-term capital gains	--	638,541	--	--	902,940	902,940

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

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The tax character of distributions paid during the fiscal years ended October 31, 2003 and October 31, 2002, was designated for purposes of the dividends paid deduction as follows:

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

2002	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADV
Distributions from net tax-exempt income	\$59,286,613	\$44,278,184	\$46,362,835	\$40,491,284	\$29,610,711	\$37
Distributions from net ordinary income *	256,881	1,271,708	--	--	363,652	
Distributions from net long-term capital gains	3,076,373	4,070,716	1,281,935	--	--	

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

At October 31, 2003, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

Expiration year:	PERFORMANCE PLUS (NPP)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADV
2007	\$ --	\$ --	\$ 2,980,482	\$
2008	--	--	14,462,547	
2009	--	--	--	
2010	--	1,622,794	--	1
2011	5,874,776	11,657,833	4,594,300	
Total	\$5,874,776	\$13,280,627	\$22,037,329	\$1

Notes to  
FINANCIAL STATEMENTS (continued)

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Performance Plus' (NPP), Municipal Advantage's (NMA) and Market Opportunity's (NMO) investment management agreements with Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

Under Dividend Advantage's (NAD), Dividend Advantage 2's (NXZ) and Dividend Advantage 3's (NZF) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates.

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

YEAR ENDING	YEAR ENDING
JULY 31,	JULY 31,

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

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

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

\* From the commencement of operations.

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

6. INVESTMENT COMPOSITION

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At October 31, 2003, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADVANTAGE 3 (NZF)
Consumer Staples	5%	5%	5%	4%	3%	
Education and Civic Organizations	4	--	4	5	3	
Healthcare	9	17	10	16	24	
Housing/Multifamily	6	2	1	1	1	
Housing/Single Family	6	11	1	4	6	
Long-Term Care	1	2	--	4	1	
Tax Obligation/General	15	7	23	14	9	
Tax Obligation/Limited	14	9	13	12	19	
Transportation	8	10	16	14	14	
U.S. Guaranteed	16	14	13	12	3	
Utilities	10	17	8	10	7	
Water and Sewer	6	5	5	3	9	
Other	--	1	1	1	1	
	100%	100%	100%	100%	100%	

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (62% for Performance Plus (NPP), 55% for Municipal Advantage (NMA), 56% for Market Opportunity (NMO), 62% for Dividend Advantage (NAD), 53% for Dividend Advantage 2 (NXZ) and 66% for Dividend Advantage 3 (NZF)). Such insurance or escrow, however, does not guarantee the market value of the municipal securities or the value of the Funds' shares.

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

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### Notes to FINANCIAL STATEMENTS (continued)

#### 7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2003, to shareholders of record on November 15, 2003, as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	ADVANTAGE 3 (NZF)
--	------------------------------	---------------------------------	--------------------------------	--------------------------------	----------------------------------	----------------------



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Dividend per share	\$.0810	\$.0860	\$.0790	\$.0855	\$.0860
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## Financial HIGHLIGHTS

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## Financial HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Tot
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Investment Gain (Loss)	Distributions from Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+		
<b>PERFORMANCE PLUS (NPP)</b>							
<hr style="border-top: 1px dashed black;"/>							
Year Ended 10/31:							
2003	\$15.38	\$1.07	\$ .05	\$ (.07)	\$ --		\$ 1.
2002	15.57	1.09	(.22)	(.10)	(.01)		.
2001	14.36	1.10	1.17	(.23)	--		2.
2000	13.69	1.12	.69	(.29)	--		1.
1999	15.43	1.12	(1.73)	(.21)	--		(.)
<b>MUNICIPAL ADVANTAGE (NMA)</b>							
<hr style="border-top: 1px dashed black;"/>							
Year Ended 10/31:							
2003	15.41	1.13	.25	(.07)	(.01)		1.
2002	15.65	1.15	(.22)	(.10)	(.03)		.
2001	14.61	1.16	1.10	(.24)	(.03)		1.
2000	13.98	1.24	.63	(.33)	--		1.
1999	15.85	1.24	(1.85)	(.24)	--		(.)
<b>MARKET OPPORTUNITY (NMO)</b>							
<hr style="border-top: 1px dashed black;"/>							
Year Ended 10/31:							
2003	14.60	1.03	.50	(.08)	--		1.
2002	15.24	1.11	(.70)	(.11)	(.01)		.

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2001	14.45	1.16	.80	(.26)	(.01)	1.
2000	14.11	1.24	.38	(.34)	--	1.
1999	15.96	1.26	(1.83)	(.24)	--	(.

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2003	14.94	1.10	.19	(.07)	--	1.
2002	14.84	1.13	.01	(.10)	--	1.
2001	13.59	1.16	1.21	(.24)	--	2.
2000	12.78	1.15	.84	(.31)	--	1.
1999 (a)	14.33	.39	(1.47)	(.07)	--	(1.

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2003	14.89	1.16	.17	(.07)	--	1.
2002	15.07	1.15	(.32)	(.10)	--	.
2001 (b)	14.33	.52	.88	(.09)	--	1.

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2003	14.56	1.07	.10	(.07)	--	1.
2002	14.47	1.03	.16	(.10)	--	1.
2001 (c)	14.33	.03	.14	--	--	.

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

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

2003	\$ --	\$15.45	\$14.6400	9.58%	6.97%
2002	(.01)	15.38	14.2800	4.51	5.03
2001	--	15.57	14.5800	26.96	14.51
2000	(.01)	14.36	12.1875	.90	11.47
1999	--	13.69	12.9375	(10.76)	(5.63)

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

2003	--	15.62	15.4400	13.17	8.71
2002	--	15.41	14.6600	5.89	5.39
2001	--	15.65	14.8500	23.35	13.97
2000	--	14.61	12.8750	1.46	11.48
1999	(.02)	13.98	13.6250	(8.16)	(5.83)

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

2003	--	15.11	14.2900	10.62	10.24
2002	--	14.60	13.8000	.49	2.03

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2001	--	15.24	14.6500	20.03	11.93
2000	--	14.45	13.0000	2.97	9.41
1999	(.02)	14.11	13.5625	(9.18)	(5.49)

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2003	--	15.17	15.1200	11.41	8.41
2002	--	14.94	14.5000	2.01	7.26
2001	--	14.84	15.1400	27.35	16.03
2000	(.01)	13.59	12.6250	(.79)	13.61
1999 (a)	(.10)	12.78	13.6250	(7.29)	(8.83)

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2003	--	15.13	14.8500	14.39	8.67
2002	.01	14.89	13.9100	(.81)	5.16
2001 (b)	(.12)	15.07	14.9600	2.75	8.39

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2003	.01	14.74	13.8000	9.04	7.82
2002	(.09)	14.56	13.5300	(4.26)	7.20
2001 (c)	(.03)	14.47	15.0700	.47	.98

Ratios/Supplemental Data

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

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

2003	\$925,525	1.18%	6.89%	1.18%
2002	921,376	1.18	7.11	1.17
2001	932,937	1.15	7.29	1.14
2000	860,556	1.17	8.09	1.16
1999	820,432	1.15	7.48	1.12

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

2003	671,147	1.21	7.27	1.20
2002	662,270	1.22	7.55	1.22
2001	672,673	1.23	7.60	1.22
2000	628,099	1.23	8.77	1.23
1999	600,923	1.16	8.12	1.16

MARKET OPPORTUNITY (NMO)

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Year Ended 10/31:				
2003	687,955	1.25	6.94	1.25
2002	664,914	1.24	7.50	1.24
2001	694,025	1.23	7.73	1.23
2000	658,070	1.25	8.76	1.23
1999	642,643	1.15	8.18	1.14

DIVIDEND ADVANTAGE (NAD)

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Year Ended 10/31:				
2003	595,266	1.35	6.78	.89
2002	586,045	1.25	7.24	.80
2001	581,089	1.26	7.56	.78
2000	531,571	1.22	8.34	.73
1999(a)	499,783	1.06*	6.10*	.58*

DIVIDEND ADVANTAGE 2 (NXZ)

---

Year Ended 10/31:				
2003	443,101	1.17	7.20	.71
2002	435,907	1.17	7.32	.70
2001(b)	441,308	1.13*	5.56*	.63*

DIVIDEND ADVANTAGE 3 (NZF)

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Year Ended 10/31:				
2003	594,154	1.17	6.80	.71
2002	586,799	1.17	6.78	.70
2001(c)	583,100	.72*	2.05*	.42*

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Preferred Shares at End of Period

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

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PERFORMANCE PLUS (NPP)

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Year Ended 10/31:			
2003	\$479,000	\$25,000	\$73,305
2002	479,000	25,000	73,089
2001	444,000	25,000	77,530
2000	444,000	25,000	73,455
1999	400,000	25,000	76,277

MUNICIPAL ADVANTAGE (NMA)

---

Year Ended 10/31:			
2003	358,000	25,000	71,868
2002	358,000	25,000	71,248
2001	358,000	25,000	71,974
2000	358,000	25,000	68,862
1999	358,000	25,000	66,964

MARKET OPPORTUNITY (NMO)

---

Year Ended 10/31:

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2003	380,000	25,000	70,260
2002	380,000	25,000	68,744
2001	380,000	25,000	70,660
2000	380,000	25,000	68,294
1999	380,000	25,000	67,279

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2003	295,000	25,000	75,446
2002	295,000	25,000	74,665
2001	295,000	25,000	74,245
2000	295,000	25,000	70,048
1999(a)	295,000	25,000	67,354

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2003	222,000	25,000	74,899
2002	222,000	25,000	74,089
2001(b)	222,000	25,000	74,697

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2003	312,000	25,000	72,608
2002	312,000	25,000	72,019
2001(c)	--	--	--

\* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

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

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

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

See accompanying notes to financial statements.

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Directors/Trustees  
AND OFFICERS

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

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (2)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
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DIRECTOR/TRUSTEE WHO IS AN INTERESTED PERSON OF THE FUNDS:

Timothy R. Schwertfeger (1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Director/Trustee	1994	Chairman and Director (since 1996) of Nuveen Investments, Inc. and Nuveen Investment Director (since 1992) and Chairman (since 1992) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (since 1992) of Nuveen Asset Management, Inc.; Director of Institutional Capital Corporation; Chairman (since 1999) of Rittenhouse Asset Management; Chairman of Nuveen Investments Advisers
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DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

William E. Bennett 10/16/46 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	2001	Private Investor; previously, President and Officer, Draper & Kramer, Inc., a private equity firm that handles mortgage banking, real estate development advisory and real estate management (1992-1998) thereto, Executive Vice President and Chairman of First Chicago Corporation and its principal subsidiary, First National Bank of Chicago.
--	------------------	------	--

Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Private Investor and Management Consultant
--	------------------	------	--

Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1993	Retired (since 1989) as Senior Vice President of Northern Trust Company; Director of the Board of Highland Park-Highwood (since 2002).
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Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1999	President, The Hall-Perrine Foundation, corporation (since 1996); Director, All Vice Chairman, United Fire & Casualty C Federal Reserve Bank of Chicago; former Operating Officer, SCI Financial Group, services firm.
<hr style="border-top: 1px dashed black;"/>			
Anne E. Impellizzeri 1/26/33 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1994	Retired, formerly, Executive Director ( The Russel Wright Design Center; prior Chief Executive Officer of Blanton-Peal prior thereto, Vice President, Metropol
<hr style="border-top: 1px dashed black;"/>			
William L. Kissick 7/29/32 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1992	Professor Emeritus, School of Medicine School of Management and former Chairma Institute of Health Economics, Universi Adjunct Professor, Health Policy and Ma
<hr style="border-top: 1px dashed black;"/>			
Thomas E. Leafstrand 11/11/31 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1992	Retired; previously, Vice President in Underwriting and Dealer Sales at The No Company.

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

DIRECTORS/TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

Peter R. Sawers 4/3/33 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1991	Adjunct Professor of Business and Econo Dubuque, Iowa; formerly (1991-2000) Adj Forest Graduate School of Management, L prior thereto, Executive Director, Towe management consulting firm; Chartered F Certified Management Consultant; Direct Service Corps of Chicago, a not-for-pro
<hr style="border-top: 1px dashed black;"/>			
William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Senior Partner and Chief Operating Offi Group, Vice President, Miller-Valentine company; Chair, MiamiValley Hospital; C Development Coalition; formerly, Member Advisory Board, National City Bank, Day Business Advisory Council, Cleveland Fe
<hr style="border-top: 1px dashed black;"/>			
Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1997	Executive Director, Gaylord and Dorothy (since 1994); prior thereto, Executive Protection Fund (from 1990 to 1994).

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Sheila W. Wellington 2/24/32 333 W. Wacker Drive Chicago, IL 60606	Director/Trustee	1994	President (since 1993) of Catalyst (a n focusing on women's leadership developm and the professions).
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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS:

Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 2002), Assista and Associate General Counsel, formerly and Assistant General Counsel of Nuveen Managing Director (since 2002), General Assistant Secretary, formerly, Vice Pre Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assista Associate General Counsel, formerly, Vi 2000), of Nuveen Asset Management, Inc. Secretary of Nuveen Investments, Inc. ( Assistant Secretary of NWQ Investment M Company, LLC (since 2002); Vice Preside Assistant Secretary of Nuveen Investmen (since 2002); Managing Director, Associ Counsel and Assistant Secretary of Ritt Management, Inc. (since May 2003); Char Financial Analyst.
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Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	Vice President (since 2002), formerly, Vice President (since 2000), previously Nuveen Investments, LLC.
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Directors/Trustees  
AND OFFICERS (CONTINUED)

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

Paul L. Brennan 11/10/66 333 W. Wacker Drive Chicago, IL 60606	Vice President	1999	Vice President (since 2002), formerly, Vice President (since 1997), of Nuveen prior thereto, portfolio manager of Fla Chartered Financial Analyst and Certifi
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<p>Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President and Treasurer</p>	<p>1999</p>	<p>Vice President of Nuveen Investments, L prior thereto, Assistant Vice President President and Treasurer of Nuveen Inves 1999); Vice President and Treasurer of and Nuveen Institutional Advisory Corp. President and Treasurer of Nuveen Asset Inc. (since 2002) and of Nuveen Investm Inc. (since 2002); Assistant Treasurer Management Company, LLC (since 2002); C Financial Analyst.</p>
<p>Susan M. DeSanto 9/8/54 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>2001</p>	<p>Vice President of Nuveen Advisory Corp. previously, Vice President of Van Kamp Advisory Corp. (since 1998); Vice Presi Institutional Advisory Corp. (since 200 Assistant Vice President of Van Kamp Advisory Corp. (since 1994).</p>
<p>Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President and Secretary</p>	<p>2000</p>	<p>Vice President (since 2002) and Assista (since 1998); formerly, Assistant Vice of Nuveen Investments, LLC; Vice Presid and Assistant Secretary (since 1998), f Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.</p>
<p>Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>1998</p>	<p>Vice President of Nuveen Investments, L President (since 1998) of Nuveen Adviso Nuveen Institutional Advisory Corp.</p>
<p>William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>1995</p>	<p>Managing Director (since 2002) of Nuvee LLC; Managing Director (since 2001), fo President of Nuveen Advisory Corp. and Institutional Advisory Corp. (since 199 Director of Nuveen Asset Management, In Vice President of Nuveen Investment Adv (since 2002); Chartered Financial Analy</p>
<p>Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President and Controller</p>	<p>1998</p>	<p>Vice President (since 1993) and Funds C 1998) of Nuveen Investments, LLC and Vi Funds Controller (since 1998) of Nuveen Certified Public Accountant.</p>
<p>J. Thomas Futrell 7/5/55 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>1988</p>	<p>Vice President of Nuveen Advisory Corp. Chartered Financial Analyst.</p>
<p>Steven J. Krupa 8/21/57 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>1990</p>	<p>Vice President of Nuveen Advisory Corp.</p>

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS (CONTINUED):			
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David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	Vice President (since 2000) of Nuveen I previously Assistant Vice President (si thereto, Associate of Nuveen Investment Public Accountant.
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Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since 1999), previously President (since 1993) of Nuveen Invest
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Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.; Assistant Investments, Inc. and (since 1997) Nuve Inc.; Vice President (since 2000), Assi Assistant General Counsel (since 1998) Management, Inc.; Vice President and As Nuveen Investments Advisers Inc. (since Secretary of NWQ Investment Management (since 2002).
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John V. Miller 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	2003	Vice President (since 2003), previously Vice President (since 1999), prior ther analyst (since 1996) of Nuveen Advisory Chartered Financial Analyst.
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Edward F. Neild, IV 7/7/65 333 W. Wacker Drive Chicago, IL 60606	Vice President	1996	Managing Director (since 2002) of Nuvee LLC; Managing Director (since 1997), fo President (since 1996) of Nuveen Adviso Nuveen Institutional Advisory Corp.; Ma of Nuveen Asset Management, Inc. (since Chartered Financial Analyst.
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Thomas J. O'Shaughnessy 9/4/60 333 W. Wacker Drive Chicago, IL 60606	Vice President	1999	Vice President (since 2002), formerly, Vice President (since 1998), of Nuveen prior thereto, portfolio manager.
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Daniel S. Solender 10/27/65 333 W. Wacker Drive Chicago, IL 60606	Vice President	2003	Vice President of Nuveen Advisory Corp. previously, Principal and portfolio man Group (1999-2003); prior thereto, Assis of the Nuveen Advisory Corp.; Chartered

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Thomas C. Spalding 7/31/51 333 W. Wacker Drive Chicago, IL 60606	Vice President	1982	Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.; Chartered
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- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and trustee of the Adviser.
- (2) Directors/Trustees serve a one-year term until his/her successor is elected. The year first elected or appointed represents the year in which the Director/Trustee was first elected or appointed to any fund in the Nuveen Complex.
- (3) Officers serve a one-year term through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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Build Your Wealth  
AUTOMATICALLY

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

### NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

### EASY AND CONVENIENT

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

### HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally

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be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

### FLEXIBILITY

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

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

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

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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### Fund INFORMATION

#### BOARD OF DIRECTORS/TRUSTEES

William E. Bennett  
Robert P. Bremner  
Lawrence H. Brown  
Jack B. Evans  
Anne E. Impellizzeri  
William L. Kissick  
Thomas E. Leafstrand  
Peter R. Sawers  
William J. Schneider  
Timothy R. Schwertfeger  
Judith M. Stockdale  
Sheila W. Wellington

#### FUND MANAGER

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

#### CUSTODIAN

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State Street Bank & Trust  
Boston, MA

TRANSFER AGENT AND  
SHAREHOLDER SERVICES  
State Street Bank & Trust  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

LEGAL COUNSEL  
Chapman and Cutler LLP  
Chicago, IL

INDEPENDENT AUDITORS  
Ernst & Young LLP  
Chicago, IL

### PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling Nuveen Investments at (800) 257-8787; and (ii) on the Commission's website at <http://www.sec.gov>.

### POLICY CHANGE

On November 14, 2002, the Board adopted a policy that allows each Fund, in addition to investments in municipal bonds, to invest up to 5% of its net assets (including assets attributable to preferred shares, if any) in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided Nuveen Advisory determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer. This policy is a non-fundamental policy of each Fund which means that it can be changed at any time by the Board of Trustees without vote of the shareholders.

### GLOSSARY OF TERMS USED IN THIS REPORT

**Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

**Average Duration:** Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change.

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

**Leverage-Adjusted Duration:** Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for

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a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

**Market Yield (also known as Dividend Yield or Current Yield):** An investment's current annualized dividend divided by its current market price.

**Net Asset Value (NAV):** A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

**Taxable-Equivalent Yield:** The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

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Each Fund intends to repurchase shares of its own common or preferred stock, where applicable, in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the fiscal year ended October 31, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors  
FOR GENERATIONS

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

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

Managing \$90 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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

Distributed by

NUVEEN INVESTMENTS, LLC | 333 West Wacker Drive | Chicago, Illinois 60606  
| [www.nuveen.com](http://www.nuveen.com)

EAN-B-1003D

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### ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The registrant has posted such code of ethics on its website at [www.nuveen.com/etf](http://www.nuveen.com/etf).

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's board of directors has determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its audit committee. The registrant's audit committee financial expert is William E. Bennett, who is "independent" for purposes of Item 3 of Form N-CSR.

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

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

### ITEM 6. [RESERVED]

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

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

### ITEM 8. [RESERVED]

### ITEM 9. CONTROLS AND PROCEDURES.

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- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 10. EXHIBITS.

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

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because posted on registrant's website at [www.nuveen.com/etf](http://www.nuveen.com/etf).

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

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

SIGNATURES

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

(Registrant) Nuveen Dividend Advantage Municipal Fund 3

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

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Jessica R. Droeger



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Vice President and Secretary

Date: January 8, 2004  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman  
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Gifford R. Zimmerman  
Chief Administrative Officer  
(Principal Executive Officer)

Date: January 8, 2004  
-----

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

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

Date: January 8, 2004  
-----

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