

NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

Form N-30D

February 07, 2003

SEMIANNUAL REPORT November 30, 2002

Nuveen  
Municipal Closed-End  
Exchange-Traded  
Funds

GEORGIA  
NPG  
NZX  
NKG

NORTH CAROLINA  
NNC  
NRB  
NNO  
NII

PHOTO OF: 2 WOMAN WITH GRADUATION CAP AND GOWN.

PHOTO OF: MAN AND GIRL WORKING ON A LAPTOP COMPUTER.

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TAX-FREE INCOME  
BECAUSE  
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IT'S WHAT YOU KEEP. (R)

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Photo of: Timothy R. Schwertfeger  
Chairman of the Board

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COVER OF THIS REPORT FOR STEP-BY-STEP INSTRUCTIONS."

Dear  
SHAREHOLDER

Once again, I am pleased to write that during the period covered by this report your Nuveen Fund continued to meet its objective of providing attractive monthly income free from federal income taxes and, where applicable, state income taxes. Detailed information on your Fund's performance can be found in the Portfolio Manager's Comments and on the Performance Overview pages within this report. Please take the time to read them.

In addition to providing regular tax-free income, we believe that a municipal bond investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of municipal bonds may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

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

For more than 100 years, Nuveen has specialized in offering quality investments such as your Nuveen Fund to those seeking to accumulate and preserve wealth. Our commitment to careful research, constant surveillance and judicious trading by our seasoned portfolio management team has never been stronger. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you meet your financial objectives. We thank you for choosing us as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

January 15, 2003

1

Nuveen Georgia and North Carolina Municipal Closed-End Exchange-Traded Funds  
(NPG, NZX, NKG, NNC, NRB, NNO, NII)

Portfolio Manager's  
COMMENTS

Portfolio manager Tom O'Shaughnessy discusses U.S. and state economic conditions, key investment strategies, and the recent performance of the Funds. A 20-year Nuveen veteran, Tom has managed NPG and NNC since 1998 and NZX, NRB, and NNO since 2001, and NKG and NII since their inceptions in September 2002.

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(In January 2003, as part of a general realignment of portfolio management assignments, Rick Huber assumed primary management responsibility for these Georgia and North Carolina Funds. Rick has 17 years' of investment management experience. There were no changes in the investment objectives or general investment strategies of these Funds.)

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

In many ways, economic and market conditions did not significantly change since the last shareholder report dated May 31, 2002. We believe the most influential factors affecting the U.S. economy and the municipal market continued to be the slow pace of economic growth and interest rates that remained at 40-year lows. The ongoing threat of terrorism and continued geopolitical uncertainty also had an economic impact during this reporting period.

In the municipal market, the sluggish economic recovery and lack of inflationary pressures helped many bonds perform well during much of 2002. However, during October and, to a lesser degree, November 2002, the market environment for all fixed income investments was negatively impacted by a rebound in the equity markets, which appeared to prompt some investors to sell fixed income products and purchase common stocks.

During the first eleven months of 2002, new municipal supply nationwide reached a record \$328 billion, a 27% increase over January-November 2001 levels. Demand for municipal bonds also remained strong over most of this period, as many individual investors continued to seek investments offering tax-free income and diversification for their portfolios. Institutional investors, especially traditional municipal bond purchasers such as property/casualty insurance companies, also were active buyers.

WHAT ABOUT ECONOMIC AND MARKET CONDITIONS IN GEORGIA AND NORTH CAROLINA?

Between January and November 2002, Georgia issued \$5.7 billion in new municipal debt, an increase of 43% over the first 11 months of 2001, while North Carolina went against the general trend toward increased issuance, offering \$4.1 billion in new bonds, down 18% from 2001 levels. In both states, investor demand often exceeded available supply. Over the past twelve months, Georgia maintained its credit rating from Moody's and Standard & Poor's at Aaa/AAA, respectively. In North Carolina, however, the state's continued budget issues led Moody's to downgrade the state's general obligation debt to Aa1 from Aaa in August 2002, while Standard & Poor's maintained its AAA rating for the state.

In Georgia, the state economy appeared to be slowly emerging from recession, although its overall performance remained weak. Healthy residential building activity supported construction employment and improving demand for manufactured products, and the state's transportation industry began to show signs of recovery. Unemployment in Georgia remained relatively stable over the past year, standing at 4.6% in November 2002, compared with a state rate of 4.5% a year earlier and the current national average of 6.0%. Georgia continues to maintain strong financial reserves and a tradition of conservative fiscal management. As in other states, tax revenues, particularly those from personal income taxes, have declined recently, requiring the state to reduce funding to state agencies and cut budget requests for fiscal 2003. Despite weaker tax collections, the state continues to have substantial financial flexibility and has not had to draw down reserves to maintain its balanced budget.

Based on early signs of a potential turnaround in the manufacturing sector, North Carolina's economy also seemed to be gradually improving. The state remained a national banking center, and its universities continued to attract

businesses and professional workers to the state. However, downside risks remained.

2

While the services industry has served as a growth driver, the trade and construction sectors remained a drag on job growth, and the textile industry continued to decline. Over the past 12 months, unemployment in North Carolina has fallen from 6.5% to 6.1% as of November 2002, bringing the state more closely in line with the national average of 6.0%, although unemployment remains higher in rural areas. Shortfalls in North Carolina's fiscal 2003 budget were addressed through non-recurring revenues, funds from rainy day reserves, and spending measures that left the state to face another structural budget imbalance in fiscal 2004.

	MARKET YIELD		TOTAL RETURN ON NAV	LEHMAN TOTAL RETURN <sup>1</sup>	LIPPER AVERAGE <sup>2</sup>
	11/30/02	TAXABLE- EQUIVALENT <sup>3</sup>	1 YEAR ENDED 11/30/02	1 YEAR ENDED 11/30/02	1 YEAR ENDED 11/30/02
NPG	5.38%	8.15%	5.99%	6.32%	7.80%
NZX	5.39%	8.17%	9.15%	6.32%	7.80%
NKG	5.58%	8.45%	NA	-	-
NNC	5.55%	8.67%	8.49%	6.32%	7.80%
NRB	5.59%	8.73%	8.97%	6.32%	7.80%
NNO	5.52%	8.63%	8.38%	6.32%	7.80%
NII	5.51%	8.61%	NA	-	-

Past performance is not predictive of future results.

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

For the twelve months ended November 30, 2002, each of the Funds in this report having at least one year of performance history (with the exception of NPG) outperformed the unleveraged, unmanaged Lehman Brothers Municipal Bond Index and the Lipper average. Much of this outperformance can be attributed to the leveraged structure of these Funds, which provides the opportunity for additional income for common shareholders while adding volatility to the Fund's NAV and share price. It also can be attributed to the relatively long leverage-adjusted durations<sup>4</sup> of these Funds, which ranged from 10.95 to 12.55, compared with 8.04 for the Lehman Index. A longer duration generally will help a Fund to perform well during periods of declining interest rates, as has been the case over much of the past year. (Please see the individual Performance Overview pages for each Fund's duration.)

It is difficult to compare the performance of these Funds with the Lipper Average shown in the table because Lipper combines the performance of many different funds from different states into one overall multi-state average. Looking specifically at the Nuveen Funds, we believe that in addition to leverage and duration their relative performances were also influenced by

factors including call exposure, portfolio trading activity, and the price movement of specific sectors. For example, as of November 30, 2002, NPG held 16% of its portfolio in multifamily housing bonds, the largest allocation to this sector among these seven Funds. Over the past twelve months ended November 30, 2002, the performance of the multifamily housing sector lagged that of the general municipal market as well as other revenue bond sectors. This had a direct impact on NPG's performance over this period.

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

As the Federal Reserve continued to keep short-term interest rates relatively low, the dividend-payment capabilities of all of these Funds benefited from their use of leverage, a strategy that can potentially enhance the dividends paid to common shareholders. The amount of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred, shareholders. Low short-term rates, such as those currently in effect, can enable the Funds to reduce the amount of income they pay preferred shareholders, which can leave more earnings to support common share dividends.

During the fiscal year ended November 30, 2002, the relatively low level of short-term interest rates enabled us to implement three dividend increases in NRB, two in NNC, and one in NPG. NZX and NNO, which were introduced in September and November 2001, respectively, continued to pay attractive monthly dividends during this period, while the two Funds introduced in September 2002--NKG and NII--paid their first dividends in November 2002.

Over the course of the twelve months ended November 30, 2002, the share prices of the three oldest Funds - NPG, NNC, and NRB - rose. For NZX, NKG, NNO and NII, the general weakening of bond prices during October and November 2002 resulted in share prices at the end of this period that were lower than at the beginning or at inception. All of the Funds covered in this report were trading at premiums to their common share net asset values as of the end of this reporting period (see charts on individual Performance Overview pages).

- 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 national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The total returns of these Funds are compared with the average annualized return of the 31 funds in the Lipper Other States Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a federal income tax rate of 30% plus the applicable state income tax rate. The combined federal and state tax rates used in this report are as follows: Georgia 34% and North Carolina 36%.
- 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.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED NOVEMBER 30, 2002?

Over the period, our strategic focus continued to be on diversifying Fund holdings while remaining fully invested, enhancing call protection, and positioning the Funds more defensively in anticipation of potential changes in the interest rate environment. Specifically, that included purchasing a number of high-quality and insured bonds, as well as bonds in the 15- to 20-year part of the yield curve. We believed bonds in this maturity range offered yields similar to those of longer bonds, but with less inherent risk. We think the addition of these long-intermediate bonds should help to moderate the Funds' durations over time, making the portfolios less sensitive to interest rate changes while still allowing the Funds to provide competitive yields and returns.

Over the past year, the addition of bonds with 15- to 20-year maturities resulted in shorter durations in the three Funds with 2001 inception dates. In the two older Funds, NPG and NNC, the reinvestment of proceeds from callable bonds into this part of the yield curve actually led to a modest lengthening of their durations.

In addition to an emphasis on yield curve positioning, we also continued to look for individual issues that we believed would perform well regardless of the future direction of interest rates. In Georgia, this included selected purchases in the healthcare sector, which has been one of the top performers in 2002, as well as general obligation and water and sewer bonds. In North Carolina, we saw the most opportunities in education bonds. In both states, we avoided the purchase of industrial development bonds.

In the current geopolitical and economic climate, we believed that maintaining strong credit quality remained a key requirement. As of November 30, 2002, each of these Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 77% to 96%. In general, our weightings in higher quality and insured bonds benefited the performance of these Funds during the past year.

In September 2002, we introduced two new Funds, NKG and NII. As of November 30, 2002, these Funds had completed their initial investment phase and were in the process of investing the proceeds from MuniPreferred shares. Due to the tighter supply of municipal bonds in both Georgia and North Carolina over the past six months, each of these Funds held bonds issued by other states and Puerto Rico. We expect to replace these issues with in-state paper as attractive opportunities present themselves. As mentioned earlier, both NKG and NII paid their first dividends in November 2002.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THESE FUNDS IN PARTICULAR?

In general, our outlook for the fixed income markets remains positive. We believe the U.S. economy is headed for an eventual recovery, but one that may be less robust and slower to arrive than some are predicting. We expect inflation and interest rates to remain relatively low over the near term, while new municipal volume nationally should continue to be strong, though probably below the record levels seen in 2002, as issuers take advantage of the low rate environment for both new issues and refinancings. In Georgia and North Carolina, however, we expect to see little new issue supply during the first few months of 2003, a situation that is typical in these states. Demand for tax-exempt municipal bonds should remain solid, as investors continue to look for ways to

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rebalance their portfolios and reduce overall investment risk.

Over the next two years, we believe that these Georgia and North Carolina Funds generally will offer good levels of call protection, with call exposure ranging from zero in NZX and NKG to 18% in NNC during 2003 and 2004. During the past twelve months, we worked to mitigate the call risk and improve the positions of all the Funds, particularly NPG and NNC, which mark their 10-year anniversaries in May 2003. While the number of actual calls in each Fund will depend largely on market interest rates over this time, we believe the short-term call exposure of these Funds is manageable.

In the months ahead, specific areas of concentration will include managing duration through additional purchases of high-quality bonds in the 15- to 20-year part of the yield curve. In general, we plan to remain focused on strategies that can add value for our shareholders and provide support for the Funds' long-term dividend-paying capabilities.

4

### Nuveen Georgia Premium Income Municipal Fund

#### Performance

OVERVIEW As of November 30, 2002

NPG

#### Pie Chart:

##### CREDIT QUALITY

AAA/U.S. GUARANTEED	72%
AA	14%
A	10%
BBB	2%
BB OR LOWER	2%

#### PORTFOLIO STATISTICS

Share Price	\$15.95
Common Share Net Asset Value	\$14.43
Market Yield	5.38%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.69%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.15%
Net Assets Applicable to Common Shares (\$000)	\$54,460
Average Effective Maturity (Years)	20.54
Leverage-Adjusted Duration	10.12

AVERAGE ANNUAL TOTAL RETURN (Inception 5/93)



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	ON SHARE PRICE	ON NAV
1-Year	10.83%	5.99%
5-Year	8.10%	6.07%
Since Inception	6.30%	6.12%

TOP FIVE SECTORS (as a % of total investments)

Healthcare	23%
Water and Sewer	16%
Housing/Multifamily	16%
Tax Obligation/Limited	9%
Utilities	9%

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE<sup>2</sup>

12/01	0.07
1/02	0.07
2/02	0.07
3/02	0.0715
4/02	0.0715
5/02	0.0715
6/02	0.0715
7/02	0.0715
8/02	0.0715
9/02	0.0715
10/02	0.0715
11/02	0.0715

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/01	15.27
	15.5
	15.56
	15.54
	15.53
	15.48
	15.53
	15.52
	15.67
	15.82
	15.86
	15.93
	15.86
	15.82
	15.57
	15.4
	15.32
	15.36
	15.25
	15.48

	15.5
	15.47
	15.65
	15.75
	15.8
	15.83
	16
	16.32
	16.4
	16.47
	16.5
	16.72
	16.52
	16.5
	16.7
	16.61
	16.6
	16.47
	16.09
	16.04
	16.2
	16.08
	15.95
	16.55
	16.64
	15.96
	15.9
	15.85
	16
	16.1
	15.7
11/30/02	15.95

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.
- 2 The Fund also paid shareholders a net ordinary income distribution in December 2001 of \$0.0189 per share.

Nuveen Georgia Dividend Advantage Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NZX

Pie Chart:

CREDIT QUALITY

AAA/U.S. GUARANTEED	76%
AA	10%
A	9%
BBB	5%

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PORTFOLIO STATISTICS

Share Price	\$14.80
Common Share Net Asset Value	\$14.49
Market Yield	5.39%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.70%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.17%
Net Assets Applicable to Common Shares (\$000)	\$28,352
Average Effective Maturity (Years)	20.66
Leverage-Adjusted Duration	12.55

AVERAGE ANNUAL TOTAL RETURN (Inception 9/01)

	ON SHARE PRICE	ON NAV
1-Year	3.78%	9.15%
Since Inception	3.90%	6.32%

TOP FIVE SECTORS (as a % of total investments)

Education and Civic Organizations	17%
Healthcare	15%
Utilities	13%
Housing/Single Family	12%
Water and Sewer	9%

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

12/01	0.0665
1/02	0.0665
2/02	0.0665
3/02	0.0665
4/02	0.0665
5/02	0.0665
6/02	0.0665
7/02	0.0665
8/02	0.0665
9/02	0.0665
10/02	0.0665
11/02	0.0665

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Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/01	15.3
	14.92
	14.9
	14.69
	14.7
	14.85
	14.94
	14.99
	15.25
	15.25
	15.15
	15.03
	15
	15
	14.97
	14.65
	14.65
	14.32
	14.35
	14.83
	15.04
	14.75
	14.65
	14.75
	14.6
	14.74
	14.56
	14.55
	14.5
	14.48
	14.63
	14.8
	14.97
	14.75
	15.2
	15.07
	15.3
	15.23
	15.4
	15.25
	15
	14.94
	14.86
	15.22
	15.6
	15.25
	14.63
	15.25
	15.15
	14.9
	14.6
11/30/02	14.8

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of

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owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

6

Nuveen Georgia Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2002

NKG

Pie Chart:

CREDIT QUALITY

AAA/U.S. GUARANTEED	91%
AA	5%
A	3%
BBB	1%

PORTFOLIO STATISTICS

Share Price	\$14.40
Common Share Net Asset Value	\$13.82
Market Yield	5.58%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.97%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.45%
Net Assets Applicable to Common Shares (\$000)	\$62,848
Average Effective Maturity (Years)	21.85
Leverage-Adjusted Duration	17.72

CUMULATIVE TOTAL RETURN (Inception 9/02)

	ON SHARE PRICE	ON NAV
Since Inception	-3.55%	-3.09%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	29%
Education and Civic Organizations	18%
Water and Sewer	16%
Healthcare	16%

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 Tax Obligation/General 7%  
 -----

THE FUND PAID ITS FIRST REGULAR MONTHLY DIVIDEND OF \$.0670 PER SHARE ON DECEMBER 2, 2002.

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/27/02	15
	15.01
	15.01
	15
	15.01
	15.1
	15.02
	15
	14.35
11/30/02	14.4

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

7

Nuveen North Carolina Premium Income Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NNC

Pie Chart:

CREDIT QUALITY

AAA/U.S. GUARANTEED	46%
AA	31%
A	14%
BBB	9%

PORTFOLIO STATISTICS

-----  
 Share Price \$15.25  
 -----

Common Share Net Asset Value \$14.54  
 -----

Market Yield 5.55%  
 -----

Taxable-Equivalent Yield

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(Federal Income Tax Rate) <sup>1</sup>	7.93%
-----	
Taxable-Equivalent Yield	
(Federal and State Income Tax Rate) <sup>1</sup>	8.67%
-----	
Net Assets Applicable to Common Shares (\$000)	\$91,642
-----	
Average Effective Maturity (Years)	19.78
-----	
Leverage-Adjusted Duration	10.95
-----	

AVERAGE ANNUAL TOTAL RETURN (Inception 5/93)

	ON SHARE PRICE	ON NAV
1-Year	6.63%	8.49%
5-Year	6.57%	6.30%
Since Inception	5.63%	6.07%

TOP FIVE SECTORS (as a % of total investments)

Healthcare	24%
Housing/Single Family	11%
Tax Obligation/Limited	10%
Education and Civic Organizations	9%
Tax Obligation/General	9%

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

12/01	0.0675
1/02	0.0675
2/02	0.0675
3/02	0.0695
4/02	0.0695
5/02	0.0695
6/02	0.0705
7/02	0.0705
8/02	0.0705
9/02	0.0705
10/02	0.0705
11/02	0.0705

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/01	15.13
	15.03
	14.76
	14.27

	14.69
	14.76
	15.04
	14.99
	15.22
	15.49
	15.45
	15.55
	15.7
	15.76
	15.8
	15.72
	15.62
	15.6
	15.54
	15.6
	15.56
	15.45
	15.75
	16
	16.07
	16.21
	16.4
	16.4
	16.7
	16.69
	16.43
	16.45
	16.72
	16.35
	16.75
	16.8
	16.56
	16.46
	16.39
	16.39
	16.15
	15.79
	15.86
	15.7
	15.69
	14.61
	14.76
	14.95
	15.39
	15.43
	15.4
11/30/02	15.25

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.



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Nuveen North Carolina Dividend Advantage Municipal Fund

## Performance

OVERVIEW As of November 30, 2002

NRB

## Pie Chart:

### CREDIT QUALITY

AAA/U.S. GUARANTEED	55%
AA	29%
A	9%
BBB	5%
NR	2%

## PORTFOLIO STATISTICS

Share Price	\$15.45
Common Share Net Asset Value	\$14.81
Market Yield	5.59%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.99%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.73%
Net Assets Applicable to Common Shares (\$000)	\$33,128
Average Effective Maturity (Years)	19.55
Leverage-Adjusted Duration	11.32

## AVERAGE ANNUAL TOTAL RETURN (Inception 1/01)

	ON SHARE PRICE	ON NAV
1-Year	8.57%	8.97%
Since Inception	7.09%	7.52%

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

Water and Sewer	20%
Education and Civic Organizations	17%
Healthcare	13%
Utilities	12%
Tax Obligation/Limited	9%

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Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

12/01	0.068
1/02	0.068
2/02	0.068
3/02	0.069
4/02	0.069
5/02	0.069
6/02	0.07
7/02	0.07
8/02	0.07
9/02	0.072
10/02	0.072
11/02	0.072

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/01	15.21
	15.03
	15.09
	15.14
	14.99
	15.12
	15.23
	15.2
	15.25
	15.25
	15.19
	15.3
	15.2
	15.38
	15.19
	14.1
	14.5
	15.03
	15.04
	15.17
	15
	15
	15
	14.95
	15.14
	15.44
	15.2
	15.9
	15.65
	15.5
	15.38
	15.32
	15.37
	14.89
	15
	15.22
	15.11
	15.1
	15.1
	15.1

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	15.18
	15.29
	15.35
	15.48
	15.4
	14.45
	14.5
	15.24
	15.25
	15.35
	15.3
11/30/02	15.45

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

Nuveen North Carolina Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2002

NNO

Pie Chart:

CREDIT QUALITY	
AAA/U.S. GUARANTEED	60%
AA	24%
A	8%
BBB	8%

PORTFOLIO STATISTICS

Share Price	\$14.89
Common Share Net Asset Value	\$14.73
Market Yield	5.52%
Taxable-Equivalent Yield (Federal Income Tax Rate) <sup>1</sup>	7.89%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) <sup>1</sup>	8.63%
Net Assets Applicable to Common Shares (\$000)	\$54,990
Average Effective Maturity (Years)	16.84
Leverage-Adjusted Duration	11.82

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-----  
 AVERAGE ANNUAL TOTAL RETURN (Inception 11/01)  
 -----

	ON SHARE PRICE	ON NAV
1-Year	4.04%	8.38%
Since Inception	4.39%	8.23%

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

Education and Civic Organizations	16%
Utilities	15%
Healthcare	15%
Tax Obligation/Limited	13%
Tax Obligation/General	12%

Bar Chart:

2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

1/02	0.0685
2/02	0.0685
3/02	0.0685
4/02	0.0685
5/02	0.0685
6/02	0.0685
7/02	0.0685
8/02	0.0685
9/02	0.0685
10/02	0.0685
11/02	0.0685

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/01	15.02
	15
	14.8
	14.51
	14.5
	14.73
	14.61
	14.84
	14.88
	14.99
	14.99
	14.75
	15
	15.13
	14.99
	14.85
	14.75
	14.36

	14.5
	14.4
	14.9
	15
	14.75
	14.84
	14.88
	14.9
	15
	14.99
	14.95
	14.9
	15.4
	15.21
	15.2
	14.6
	14.99
	14.99
	14.99
	14.85
	14.75
	14.94
	15.02
	14.9
	15.25
	15.45
	15.35
	14.85
	14.42
	14.95
	14.99
	14.9
	14.55
11/30/02	14.89

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

Nuveen North Carolina Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of November 30, 2002

NII

Pie Chart:

CREDIT QUALITY

AAA/U.S. GUARANTEED	74%
AA	19%
A	2%
BBB	4%

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NR 1%

PORTFOLIO STATISTICS

Share Price	\$14.60
Common Share Net Asset Value	\$13.85
Market Yield	5.51%
Taxable-Equivalent Yield (Federal Income Tax Rate)1	7.87%
Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	8.61%
Net Assets Applicable to Common Shares (\$000)	\$54,284
Average Effective Maturity (Years)	20.56
Leverage-Adjusted Duration	16.01

CUMULATIVE TOTAL RETURN (Inception 9/02)

	ON SHARE PRICE	ON NAV
Since Inception	-2.22%	-2.88%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	22%
Education and Civic Organizations	19%
Tax Obligation/General	15%
Utilities	10%
Healthcare	10%

THE FUND PAID ITS FIRST REGULAR MONTHLY DIVIDEND OF \$.0670 PER SHARE ON DECEMBER 2, 2002.

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/27/02	15.01
	15.03
	15.2
	15.05
	15.01
	15
	15.06
	15

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11/30/02 14.6  
14.6

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

11

Shareholder  
MEETING REPORT

The Shareholder Meeting was held October 23, 2002 in Chicago at Nuveen's headquarters.

	NPG		NZX	
	Common Shares	Preferred Shares Series-TH	Common Shares	Preferred Shares Series
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
Robert P. Bremner				
For	3,629,996	1,028	1,932,515	5
Withhold	14,700	1	1,000	
Total	3,644,696	1,029	1,933,515	5
Lawrence H. Brown				
For	3,626,196	1,028	1,932,515	5
Withhold	18,500	1	1,000	
Total	3,644,696	1,029	1,933,515	5
Anne E. Impellizzeri				
For	3,624,089	1,028	1,932,515	5
Withhold	20,607	1	1,000	
Total	3,644,696	1,029	1,933,515	5
Peter R. Sawers				
For	3,629,996	1,028	1,932,515	5
Withhold	14,700	1	1,000	
Total	3,644,696	1,029	1,933,515	5
Judith M. Stockdale				
For	3,626,196	1,028	1,932,515	5
Withhold	18,500	1	1,000	
Total	3,644,696	1,029	1,933,515	5

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William J. Schneider				
For	--	1,028	--	5
Withhold	--	1	--	
-----				
Total	--	1,029	--	5
=====				
Timothy R. Schwertfeger				
For	--	1,028	--	5
Withhold	--	1	--	
-----				
Total	--	1,029	--	5
=====				

12

NRB

APPROVAL OF THE BOARD MEMBERS  
WAS REACHED AS FOLLOWS:

		Common Shares	Preferen Shar Series
-----			
Robert P. Bremner			
For		2,186,644	6
Withhold		18,168	
-----			
Total		2,204,812	6
=====			
Lawrence H. Brown			
For		2,186,396	6
Withhold		18,416	
-----			
Total		2,204,812	6
=====			
Anne E. Impellizzeri			
For		2,184,896	6
Withhold		19,916	
-----			
Total		2,204,812	6
=====			
Peter R. Sawers			
For		2,186,396	6
Withhold		18,416	
-----			
Total		2,204,812	6
=====			
Judith M. Stockdale			
For		2,186,644	6
Withhold		18,168	
-----			
Total		2,204,812	6
=====			
William J. Schneider			
For		--	6
Withhold		--	
-----			
Total		--	6
=====			



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Timothy R. Schwertfeger		
For	--	6
Withhold	--	
Total	--	6

13

Nuveen Georgia Premium Income Municipal Fund (NPG)  
 Portfolio of  
 INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	BASIC MATERIALS - 6.3%	
\$ 2,500	Effingham County Industrial Development Authority, Georgia, Pollution Control Revenue Refunding Bonds, Georgia-Pacific Project, Series 2001, 6.500%, 6/01/31	6/11 at 101
1,500	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax)	2/11 at 101
	CONSUMER STAPLES - 3.8%	
2,000	Development Authority of Cartersville, Georgia, Sewage Facilities Refunding Revenue Bonds (Anheuser-Busch Project), Series 1997, 6.125%, 5/01/27 (Alternative Minimum Tax)	5/07 at 101
	EDUCATION AND CIVIC ORGANIZATIONS - 11.1%	
	Urban Residential Finance Authority of the City of Atlanta, Georgia, Dormitory Facility Refunding Revenue Bonds (Morehouse College Project), Series 1995:	
1,210	5.750%, 12/01/20	12/05 at 102
1,375	5.750%, 12/01/25	12/05 at 102
1,555	Development Authority of DeKalb County, Georgia, Revenue Bonds (Emory University Project), Series 1994-A, 6.000%, 10/01/14	10/04 at 102
1,550	Private Colleges and Universities, Georgia, Authority Revenue Bonds (Agnes Scott College Project), Series 1993, 5.625%, 6/01/23	6/03 at 102
	HEALTHCARE - 33.0%	
3,000	Hospital Authority of Albany-Dougherty County, Georgia, Revenue Bonds (Phoebe Putney Memorial Hospital), Series 1993, 5.700%, 9/01/13	9/03 at 102

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2,300	Hospital Authority of Chatham County, Savannah, Georgia, Hospital Revenue Improvement Bonds, Memorial Health University Medical Center, Inc., Series 2001A, 6.125%, 1/01/24	7/11 at 101
2,000	Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32	1/12 at 101
3,000	Hospital Authority of Floyd County, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32	7/12 at 101
1,765	Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Healthcare Project), Series 1995, 6.000%, 10/01/25	10/05 at 102
1,750	Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Health System, Inc. Project), Series 2001, 5.500%, 5/15/31	5/11 at 100
3,750	Hospital Authority of Gwinnett County, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System Inc., Series 1997B, 5.300%, 9/01/27	2/12 at 102

-----  
HOUSING/MULTIFAMILY - 22.7%

1,145	Housing Authority of Clayton County, Georgia, Multifamily Housing Revenue Bonds (The Advantages Project), Series 1995, 5.800%, 12/01/20	12/05 at 102
3,400	Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds (The Lakes at Indian Creek Apartments Project), Series 1994, 7.150%, 1/01/25 (Alternative Minimum Tax)	1/05 at 102
945	Housing Authority of the City of Decatur, Georgia, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan - Park Trace Apartments - Section 8 Assisted Project), Series 1992A, 6.450%, 7/01/25	1/03 at 102
2,000	Housing Authority of the City of Lawrenceville, Georgia, Multifamily Housing Senior Revenue Bonds, Brisben Greens of Hillcrest II Project, Series 2000A-1, 5.800%, 12/01/33 (Alternative Minimum Tax)	12/10 at 100
3,000	Macon-Bibb County Urban Development Authority, Georgia, Multifamily Housing Refunding Revenue Bonds, Series 1997A, 5.550%, 1/01/24	1/04 at 103
1,500	Housing Authority of the City of Marietta, Georgia, Multifamily Housing Revenue Bonds (GNMA Collateralized - Country Oaks Apartments), Series 1996, 6.150%, 10/20/26 (Alternative Minimum Tax)	10/06 at 102

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		HOUSING/SINGLE FAMILY - 7.8%	
\$	255	Housing Authority of Fulton County, Georgia, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Series 1995A, 6.550%, 3/01/18 (Alternative Minimum Tax)	3/05 at 102
	2,995	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2001 Series A (Subseries A-2), 5.700%, 12/01/31 (Alternative Minimum Tax)	12/10 at 100
	900	Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100

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		INDUSTRIAL/OTHER - 0.9%	
	500	Savannah Economic Development Authority, Georgia, Revenue Bonds, GTREP Project, Series 2002, 5.000%, 7/01/22	7/12 at 100

---

		TAX OBLIGATION/GENERAL - 7.9%	
	2,500	Forsyth County School District, Georgia, General Obligation Bonds, Series 1999, 5.750%, 2/01/19	2/10 at 102
	1,500	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/15 (WI, settling 12/05/02)	2/13 at 100

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		TAX OBLIGATION/LIMITED - 13.3%	
	3,000	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993, 5.625%, 10/01/26	10/19 at 100
	2,600	Macon-Bibb County Urban Development Authority, Georgia, County of Bibb Public Facilities Projects, Series 2002A, Revenue Refunding Bonds, 5.375%, 8/01/17	8/12 at 101
	1,000	Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding Series P, 6.250%, 7/01/20	No Opt. C

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		TRANSPORTATION - 2.1%	
	1,000	City of Atlanta, Georgia, Airport Facilities Revenue Refunding Bonds, Series 1994A, 6.500%, 1/01/09	No Opt. C

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		U.S. GUARANTEED - 0.2%	
	85	Municipal Electric Authority of Georgia, Project One Special Obligation Bonds, Fifth Crossover Series, 6.400%, 1/01/09	No Opt. C

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UTILITIES - 12.7%		
885	Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water, Sewer and Light Commission Project, Series 2002, 5.250%, 1/01/18	1/13 at 100
1,900	Municipal Electric Authority of Georgia, General Power Revenue Bonds, 1992B Series, 5.500%, 1/01/18 (Pre-refunded to 1/01/03)	1/03 at 100
1,000	Municipal Electric Authority of Georgia, Power Revenue Bonds, Series Z, 5.500%, 1/01/20	No Opt. C
1,665	Municipal Electric Authority of Georgia, Project One Special Obligation Bonds, Fifth Crossover Series, 6.400%, 1/01/09	No Opt. C
1,000	Development Authority of Monroe County, Georgia, Pollution Control Revenue Bonds, Georgia Power Company Scherer Plant Project, Series 2001, 4.200%, 1/01/12 (Mandatory put 12/01/08)	No Opt. C

15

Nuveen Georgia Premium Income Municipal Fund (NPG) (continued)  
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
<hr/>		
WATER AND SEWER - 22.8%		
\$ 500	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002: 5.000%, 10/01/16	10/12 at 100
1,990	5.000%, 10/01/17	10/12 at 100
3,500	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2001, 5.250%, 6/01/26	6/11 at 102
2,500	DeKalb County, Georgia, Water and Sewerage Bonds, Series 2000, 5.125%, 10/01/31	10/10 at 101
2,685	Harris County, Georgia, Water System Revenue Bonds, Series 2002, 4.750%, 12/01/27 (WI, settling 12/05/02)	12/12 at 100
1,000	City of Milledgeville, Georgia, Water and Sewerage Revenue and Refunding Bonds, Series 1996, 6.000%, 12/01/21	No Opt. C
<hr/>		
\$ 76,205	Total Long-Term Investments (cost \$75,927,723) - 144.6%	
<hr/>		
Other Assets Less Liabilities - 6.4%		
<hr/>		
Preferred Shares, at Liquidation Value - (51.0)%		
<hr/>		
Net Assets Applicable to Common Shares - 100%		
<hr/>		

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

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\* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

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

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

See accompanying notes to financial statements.

16

Nuveen Georgia Dividend Advantage Municipal Fund (NZX)  
Portfolio of  
INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	BASIC MATERIALS - 3.5%	
\$ 1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project Refunding, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax)	2/12 at 101
-----		
	CONSUMER STAPLES - 3.6%	
1,000	Cartersville Development Authority, Georgia, Waste and Wastewater Facilities Revenue Bonds, Anheuser Busch Cos. Inc. Project, Series 2002 Refunding, 5.950%, 2/01/32 (Alternative Minimum Tax)	2/12 at 100
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 24.2%	
1,200	Atlanta Development Authority, Georgia, Revenue Bonds, Yamacraw Design Center Project, Series 2001A, 5.125%, 1/01/27	1/12 at 100
1,620	Bulloch County Development Authority, Georgia, Student Housing Lease Revenue Bonds, Georgia Southern University Project, Series 2002, 5.000%, 8/01/20	8/12 at 100
1,485	Fulton County Development Authority, Georgia, Georgia Tech Athletic Association Revenue Bonds, Series 2001, 5.000%, 10/01/20	4/12 at 100

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1,225	Private Colleges and University Authority, Georgia, Emory University Revenue Bonds, Series 2001A, 5.000%, 9/01/31	9/11 at 100
1,250	Private Colleges and Universities Authority, Georgia, Mercer University Project, Revenue Bonds, Series 2001, 5.750%, 10/01/31	10/11 at 102

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HEALTHCARE - 22.0%

1,000	Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.375%, 1/01/19	1/12 at 101
1,250	Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Health System, Inc. Project), Series 2001, 5.500%, 5/15/31	5/11 at 100
1,900	Hospital Authority of Gwinnett County, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System, Inc., Series 1997B, 5.300%, 9/01/27	2/12 at 102
2,000	Hospital Authority of Valdosta and Lowndes County, Georgia, South Georgia Medical Center Project Revenue Certificates, Series 2002, 5.250%, 10/01/27	10/12 at 101

---

HOUSING/MULTIFAMILY - 12.3%

1,000	Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds, GNMA Collateralized, Castaways Apartments Project, Series 2001A, 5.400%, 2/20/29	8/11 at 103
1,000	Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds, GNMA Collateralized, Snapwoods Apartments Project, Series 2001A, 5.500%, 12/20/32	12/11 at 103
1,400	Housing Authority of Savannah, Georgia, Multifamily Housing Revenue Refunding Bonds, Chatham Gardens Project, Series 2001, 5.625%, 8/01/31 (Alternative Minimum Tax) (Mandatory put 2/01/19)	8/16 at 100

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HOUSING/SINGLE FAMILY - 16.6%

2,000	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series A (Subseries A-2), 5.450%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100
650	Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100
2,025	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series C-2, 5.300%, 6/01/33 (Alternative Minimum Tax) (WI, settling 1/09/03)	12/12 at 100

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Nuveen Georgia Dividend Advantage Municipal Fund (NZX) (continued)  
 Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
	INDUSTRIAL/OTHER - 2.7%	
\$ 750	Savannah Economic Development Authority, Georgia, GTREP Project, Revenue Bonds, Series 2002, 5.000%, 7/01/19	7/12 at 100
	TAX OBLIGATION/GENERAL - 11.0%	
2,000	State of Georgia, General Obligation Bonds, Series 2002D, 5.000%, 8/01/18	8/12 at 100
1,000	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/15 (WI, settling 12/05/02)	2/13 at 100
	TAX OBLIGATION/LIMITED - 9.4%	
1,525	Macon-Bibb County Urban Development Authority, Georgia, County of Bibb Public Facilities Projects, Revenue Refunding Bonds, Series 2002A, 5.000%, 8/01/14	8/12 at 101
1,000	Rockdale County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 1999A, 5.375%, 7/01/29	1/10 at 101
	TRANSPORTATION - 3.8%	
1,000	City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.400%, 1/01/15	1/10 at 101
	UTILITIES - 18.0%	
1,500	Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer and Light Commission Project, Series 2002, 5.250%, 1/01/18	1/13 at 100
1,000	City of Elberton, Georgia, Combined Utility System Refunding and Improvement Revenue Bonds, Series 2001, 5.000%, 1/01/22	1/12 at 100
1,250	Municipal Electric Authority of Georgia, Combustion Turbine Revenue Project Bonds, Series 2002A, 5.250%, 11/01/20	11/12 at 100
1,200	Summerville, Georgia, Combined Public Utility Revenue Refunding and Improvement Bonds, Series 2002, 5.750%, 1/01/26	1/12 at 101

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WATER AND SEWER - 12.5%		
2,065	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/16	10/12 at 100
1,395	Macon Water Authority, Georgia, Water and Sewer Revenue Bonds, Series 2001B, 5.000%, 10/01/21	10/11 at 101
<hr/>		
\$ 38,690	Total Long-Term Investments (cost \$39,306,844) - 139.6%	
<hr/>		
SHORT-TERM INVESTMENTS - 3.5%		
1,000	Residential Care Facility for the Elderly Authority of Fulton County, Georgia, Refunding Revenue Bonds, Lenbrook Square Foundation Inc., Variable Rate Demand Bonds, Series 1996, 1.250%, 1/01/18+	
<hr/>		
\$ 1,000	Total Short-Term Investments (cost \$1,000,000)	
<hr/>		
Other Assets Less Liabilities - 9.8%		
<hr/>		
Preferred Shares, at Liquidation Value - (52.9)%		
<hr/>		
Net Assets Applicable to Common Shares - 100%		
<hr/>		

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- \* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings: Using the higher of Standard & Poor's or Moody's rating.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG)  
Portfolio of  
INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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BASIC MATERIALS - 1.6%

\$	1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax)	2/11 at 101
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 EDUCATION AND CIVIC ORGANIZATIONS - 9.8%

		Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002:	
	1,225	5.000%, 12/15/18	12/12 at 100
	1,240	5.000%, 12/15/19	12/12 at 100
	1,050	Fulton County Development Authority, Georgia, TUFF Morehouse Project, Series 2002A, 5.000%, 2/01/34	2/12 at 100
	1,315	Private Colleges and Universities Authority, Georgia, Emory University Revenue Bonds, Series 2001A, 5.125%, 9/01/33	9/11 at 100
	1,250	Private Colleges and Universities Authority, Georgia, Mercer University Project, Revenue Bonds, Series 2001, 5.750%, 10/01/31	10/11 at 102

-----  
 HEALTHCARE - 17.4%

	2,000	Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32	1/12 at 101
		Hospital Authority of Floyd County, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002:	
	1,480	5.000%, 7/01/22	7/12 at 101
	1,000	5.200%, 7/01/32	7/12 at 101
	1,250	Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health System, Inc. Project, Series 2001, 5.500%, 5/15/31	5/11 at 100
	3,000	Glynn-Brunswick Memorial Hospital Authority, Revenue Anticipation Certificates, Southeast Georgia Health Systems Project, Series 1996, 5.250%, 8/01/13	8/06 at 102
	1,945	Tift County Hospital Authority, Georgia, Revenue Anticipation Bonds, Tift Regional Medical Center, Series 2002, 5.250%, 12/01/19 (WI, settling 12/11/02)	12/12 at 101

-----  
 HOUSING/SINGLE FAMILY - 6.6%

	2,455	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2001 Series B (Subseries B-2), 5.400%, 12/01/31 (Alternative Minimum Tax)	6/11 at 100
	1,700	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series C-2, 5.100%, 12/01/22 (Alternative Minimum Tax) (WI, settling 12/05/02)	12/12 at 100

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TAX OBLIGATION/GENERAL - 1.3%		
750	State of Georgia, General Obligation Bonds, Series 1998D, 5.250%, 10/01/15	No Opt. C

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TAX OBLIGATION/LIMITED - 37.7%		
6,085	Chicago Park District, Illinois, General Obligation and Parking Revenue Bonds, Series 2002A Refunding, 5.000%, 1/01/21 (WI, settling 12/10/02)	1/13 at 100
1,620	Georgia Local Government, Certificates of Participation, Grantor Trust, Series A, 4.750%, 6/01/28	No Opt. C
750	Georgia Municipal Association, Inc., Certificates of Participation, City of Atlanta Court Project, Series 2002, 5.125%, 12/01/21	1/12 at 101
3,600	State of Illinois, Sales Tax Revenue Bonds, FIRST Series 2002, 5.000%, 6/15/22	6/13 at 100
2,500	Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding Series P, 6.250%, 7/01/20	No Opt. C
5,000	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Bonds, Series 2002F Refunding, 5.250%, 7/01/21	No Opt. C

19

Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG) (continued)  
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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TAX OBLIGATION/LIMITED (continued)		
	Puerto Rico Municipal Finance Agency, General Obligations Bonds, 2002 Series A:	
\$ 800	5.250%, 8/01/21 (WI, settling 12/05/02)	8/12 at 100
2,500	5.000%, 8/01/27 (WI, settling 12/05/02)	8/12 at 100

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TRANSPORTATION - 2.9%		
1,900	City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2002E, 5.000%, 11/15/21 (Alternative Minimum Tax)	11/12 at 100

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U.S. GUARANTEED - 0.9%

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525	City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.000%, 11/01/38 (Pre-refunded to 5/01/09)	5/09 at 101
-----		
	UTILITIES - 3.3%	
2,000	Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 2002A, 5.000%, 1/01/17	1/13 at 100
-----		
	WATER AND SEWER - 20.9%	
3,000	City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2001A, 5.000%, 11/01/39	5/12 at 100
3,500	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/27	10/12 at 100
2,500	DeKalb County, Georgia, Water and Sewerage Bonds, Series 2000, 5.375%, 10/01/35	10/10 at 101
950	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 1998, 5.000%, 1/01/16	7/08 at 101
3,100	Harris County, Georgia, Water System Revenue Bonds, Series 2002, 5.000%, 12/01/22 (WI, settling 12/05/02)	12/12 at 100
-----		
\$ 62,990	Total Long-Term Investments (cost \$65,638,491) - 102.4%	
=====		
	SHORT-TERM INVESTMENTS - 26.1%	
8,000	Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Revenue Bonds, Series 2001, Variable Rate Demand Bonds, 1.200%, 7/01/31+	
2,000	Idaho Health Facilities Authority, Revenue Bonds, St. Luke's Regional Medical Center, Variable Rate Demand Bonds, Series 1995, 1.250%, 5/01/22+	
1,200	Monroe County Development Authority, Georgia, Pollution Control Revenue Bonds, Georgia Power Company, Scherer Plant, Series 1997, Variable Rate Demand Obligations, 1.300%, 9/01/29+	
5,200	Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Series 1985, Variable Rate Demand Bonds, 1.020%, 12/01/15+	
-----		
\$ 16,400	Total Short-Term Investments (cost \$16,400,000)	
=====		
	Other Assets Less Liabilities - 24.0%	
-----		
	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: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

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

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

See accompanying notes to financial statements.

20

Nuveen North Carolina Premium Income Municipal Fund (NNC)  
 Portfolio of  
 INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	BASIC MATERIALS - 4.4%	
\$ 2,100	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax)	12/05 at 102
2,000	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Pollution Control Revenue Refunding Bonds, Champion International Corporation Project, Series 1995, 6.000%, 3/01/20	3/06 at 102
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 13.6%	
	State of North Carolina, State Education Assistance Authority, Guaranteed Student Loan Revenue Bonds, 1995 Series A (Subordinate Lien):	
1,000	6.050%, 7/01/10 (Alternative Minimum Tax)	7/05 at 102
2,400	6.300%, 7/01/15 (Alternative Minimum Tax)	7/05 at 102
5,875	State of North Carolina, State Education Assistance Authority (a political subdivision of the state of North Carolina), Guaranteed Student Loan Revenue Bonds, 1996 Series C (Subordinate Lien), 6.350%, 7/01/16 (Alternative Minimum Tax)	7/06 at 102
1,000	University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.375%, 4/01/22	10/12 at 100

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1,675	University of North Carolina at Wilmington, General Revenue Bonds, Series 2002A, 5.000%, 1/01/23	1/12 at 101
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HEALTHCARE - 35.9%

5,630	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/11 at 101
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North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A:

1,000	5.500%, 1/01/19	1/12 at 100
550	5.500%, 1/01/20	1/12 at 100
1,750	5.375%, 1/01/32	1/12 at 100

2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanley Memorial Hospital Project, Series 1999, 6.375%, 10/01/29	10/09 at 101
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4,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32	10/11 at 101
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3,000	North Carolina Medical Care Commission, Hospital Revenue Refunding Bonds, Carolina Medicorp Project, Series 1992, 5.500%, 5/01/15	5/03 at 101
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3,615	North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26	10/08 at 101
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3,000	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.375%, 6/01/32	6/12 at 101
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5,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31	10/11 at 101
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3,340	Board of Governors of The University of North Carolina, University of North Carolina Hospitals at Chapel Hill, Revenue Bonds, Series 1996, 5.250%, 2/15/26	2/06 at 102
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Nuveen North Carolina Premium Income Municipal Fund (NNC) (continued)  
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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HOUSING/MULTIFAMILY - 7.4%

\$ 1,000	Housing Authority of the City of Asheville, North Carolina, Multifamily Housing Revenue Bonds (GNMA-Collateralized - Woodridge Apartments), Series 1997, 5.800%, 11/20/39	11/07 at 102
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(Alternative Minimum Tax)

1,000	City of Charlotte, North Carolina, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan-Tryon Hills Apartments Project), Series 1993A, 5.875%, 1/01/25	1/03 at 105
3,000	County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax)	1/12 at 102
	North Carolina Housing Finance Agency, Multifamily Revenue Bonds (FHA-Insured Mortgage Loan Resolution), Series 1993:	
650	5.800%, 7/01/14	1/03 at 102
1,000	5.900%, 7/01/26	1/03 at 102

-----  
HOUSING/SINGLE FAMILY - 17.0%

3,395	North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series X (1985 Resolution), 6.700%, 9/01/26 (Alternative Minimum Tax)	3/04 at 102
6,455	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 6A (1998 Trust Agreement), 6.200%, 1/01/29 (Alternative Minimum Tax)	7/09 at 100
3,575	North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series HH (1985 Resolution), 6.300%, 3/01/26 (Alternative Minimum Tax)	3/06 at 102
1,640	North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax)	7/10 at 100

-----  
TAX OBLIGATION/GENERAL - 12.3%

1,890	County of Craven, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 5/01/21	5/12 at 101
4,285	County of Durham, North Carolina, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 4/01/16	4/12 at 100
4,500	State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16	9/10 at 102

v-----  
TAX OBLIGATION/LIMITED - 14.9%

1,330	County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/17	2/13 at 100
6,000	City of Charlotte, North Carolina, Refunding Certificates of Participation (Convention Facility Project), Series 1993C, 5.250%, 12/01/20	12/03 at 102
	City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002:	
1,050	5.250%, 6/01/20	6/12 at 101

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1,750	5.000%, 6/01/25	6/12 at 101
2,180	City of Concord, North Carolina, Certificates of Participation, Series 1996A, 6.125%, 6/01/21	6/06 at 102
750	Johnston County Finance Corporation, North Carolina, Installment Payment Revenue Bonds, School and Museum Projects, Series 1999, 5.250%, 8/01/21	8/09 at 101
-----		
TRANSPORTATION - 4.8		
4,450	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.000%, 11/01/31	5/11 at 101
-----		
U.S. GUARANTEED - 13.2%		
4,000	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2000, 5.250%, 6/01/25 (Pre-refunded to 6/01/10)	6/10 at 101
2,000	City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2000, 6.000%, 6/01/25 (Pre-refunded to 6/01/10)	6/10 at 101
2,475	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1980, 10.500%, 1/01/10	No Opt. C
2,000	Orange County, North Carolina, General Obligation School Bonds, Series 1994, 5.500%, 2/01/11 (Pre-refunded to 2/01/04)	2/04 at 102

22

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
UTILITIES - 12.9%		
\$ 2,900	City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24	3/07 at 101
2,600	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993-D, \ 5.600%, 1/01/16	1/03 at 102
1,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1985-G, 5.750%, 12/01/16	9/03 at 102
4,000	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20	1/10 at 101
1,000	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17	2/12 at 101
-----		

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WATER AND SEWER - 9.6%

2,350	Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue and Revenue Refunding Bonds, Series 1993, 5.200%, 7/01/16	7/03 at 102
	Thomasville, North Carolina, Combined Enterprise System Revenue Bonds, Series 2002:	
370	5.000%, 5/01/20	5/12 at 101
390	5.000%, 5/01/21	5/12 at 101
1,250	5.125%, 5/01/27	5/12 at 101
2,180	County of Union, North Carolina, Enterprise Systems Revenue Bonds, Series 1996, 5.500%, 6/01/21	6/06 at 102
2,000	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/18 (WI, settling 12/04/02)	6/12 at 100
-----		
\$ 129,850	Total Long-Term Investments (cost \$127,821,546) - 146.0%	
=====		

SHORT-TERM INVESTMENTS - 4.8%

1,000	Guilford County, North Carolina, General Obligation Bonds, Series 2002C, Variable Rate Demand Obligations, 1.200%, 10/01/21+	
3,400	North Carolina Capital Facilities Financing Agency, Exempt Facilities Revenue Bonds, Republic Services, Inc. Project, Series 2001, Variable Rate Demand Obligations, 1.350%, 12/01/21+	
-----		
\$ 4,400	Total Short-Term Investments (cost \$4,400,000)	
=====		

Other Assets Less Liabilities - 0.3%

Preferred Shares, at Liquidation Value - (51.1)%

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: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings: Using the higher of Standard & Poor's or Moody's rating.
- \*\*\* Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that



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currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

23

Nuveen North Carolina Dividend Advantage Municipal Fund (NRB)  
Portfolio of  
INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	BASIC MATERIALS - 4.6%	
\$ 750	Columbus County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Environmental Improvement Revenue Bonds, 1997 Series A, International Paper Company Project, 6.150%, 4/01/21 (Alternative Minimum Tax)	4/07 at 102
750	Columbus County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, International Paper Company Project, Series 1996A Refunding, 5.800%, 12/01/16 (Alternative Minimum Tax)	12/07 at 102
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 27.6%	
500	North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue Bonds, High Point University Project, Series 2001, 5.125%, 9/01/18	9/11 at 101
2,250	North Carolina Capital Facilities Finance Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26	10/11 at 100
1,750	University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2001A, 5.000%, 12/01/25	6/11 at 100
1,845	University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11	No Opt. C
2,450	University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.375%, 4/01/17	10/12 at 100
-----		
	HEALTHCARE - 21.4%	
1,110	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A, 5.250%, 1/01/15	1/12 at 100
2,500	North Carolina Medical Care Commission, Healthcare Revenue Bonds, Carolina Medicorp Project, Series 1996, 5.250%, 5/01/26	5/07 at 100

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1,500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.250%, 6/01/22	6/12 at 101
2,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31	10/11 at 101
-----		
HOUSING/MULTIFAMILY - 14.5%		
2,250	Housing Authority of the City of Durham, North Carolina, Multifamily Housing Revenue Bonds, Naples Terrace Apartments Project, FNMA Guaranteed, Series 2001, 5.700%, 6/01/33 (Alternative Minimum Tax)	6/11 at 100
2,500	County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax)	1/12 at 102
-----		
HOUSING/SINGLE FAMILY - 11.2%		
2,975	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 5A (1998 Trust Agreement), 5.625%, 7/01/30 (Alternative Minimum Tax)	7/09 at 100
655	North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax)	7/10 at 100
-----		
LONG-TERM CARE - 2.8%		
900	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, First Mortgage, Salemtowne Project, Series 2001, 6.625%, 4/01/31	4/11 at 101
-----		
TAX OBLIGATION/GENERAL - 9.3%		
2,500	County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13	4/10 at 101
400	Raleigh, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 6/01/21	6/12 at 100

24

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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TAX OBLIGATION/LIMITED - 14.8%

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\$	1,330	County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/15	2/13 at 100
	1,870	County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/15 (WI, settling 12/04/02)	12/12 at 100
	1,360	County of Duplin, North Carolina, Certificates of Participation, Series 2002 Refunding, 5.000%, 9/01/12	No Opt. C
-----			
		TRANSPORTATION - 4.8%	
	1,530	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.250%, 11/01/18	5/11 at 101
-----			
		UTILITIES - 20.0%	
		City of Greenville Utilities Commission, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001:	
	1,000	5.250%, 9/01/20	9/11 at 101
	500	5.250%, 9/01/21	9/11 at 101
	2,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17	1/03 at 100
	1,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1999B Refunding, 5.650%, 1/01/16	1/09 at 102
	1,500	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17	2/12 at 101
-----			
		WATER AND SEWER - 33.4%	
	2,290	Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26	6/10 at 101
	2,250	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.125%, 6/01/26	6/11 at 101
		City of Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001A:	
	500	5.125%, 6/01/20	6/11 at 101
	500	5.125%, 6/01/21	6/11 at 101
	2,500	City of Kannapolis, North Carolina, Water and Sewer Revenue Bonds, Series 2001B, 5.250%, 2/01/26 (Alternative Minimum Tax)	2/12 at 101
	2,775	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/17 (WI, settling 12/04/02)	6/12 at 100
-----			
\$	52,990	Total Long-Term Investments (cost \$53,736,339) - 164.4%	
=====			
		Other Assets Less Liabilities - (13.1)%	
-----			
		Preferred Shares, at Liquidation Value - (51.3)%	

-----  
 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: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- \*\* Ratings: Using the higher of Standard & Poor's or Moody's rating.
- N/R Investment is not rated.
- (WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

25

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO)  
 Portfolio of  
 INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
BASIC MATERIALS - 4.5%		
\$ 1,400	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Champion International Corporation Project, Series 1993, 5.500%, 10/01/18 (Alternative Minimum Tax)	10/03 at 102
1,100	Northampton County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.200%, 2/01/25 (Alternative Minimum Tax)	2/11 at 101
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 24.9%		
Appalachian State University, North Carolina, Housing and Student Center System Revenue Bonds, Series 2001 Refunding:		
600	5.125%, 7/15/24	1/11 at 101
200	5.125%, 7/15/27	1/11 at 101
Appalachian State University, North Carolina, Housing and Student Center System Revenue Bonds, Series 2002 Refunding:		
1,000	5.000%, 7/15/13	7/12 at 100
1,040	5.000%, 7/15/14	7/12 at 100
1,000	5.000%, 7/15/15	7/12 at 100

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4,750	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26	10/11 at 100
1,840	University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11	No Opt. C
400	Board of Governors of the University of North Carolina at Greensboro, General Revenue and Revenue Refunding Bonds, Series 2002B, 5.375%, 4/01/17	4/11 at 101
	University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding:	
1,155	5.375%, 4/01/16	10/12 at 100
1,100	5.375%, 4/01/19	10/12 at 100

---

HEALTHCARE - 21.9%

4,000	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/11 at 101
2,225	New Hanover County, North Carolina Hospital Revenue Bonds, New Hanover Regional Medical Center Project, Series 1993, 4.750%, 10/01/23	10/03 at 102
1,005	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A, 5.250%, 1/01/13	1/12 at 100
1,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32	10/11 at 101
	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002:	
1,000	5.500%, 6/01/15	6/12 at 101
2,000	5.250%, 6/01/22	6/12 at 101
1,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31	10/11 at 101

---

HOUSING/MULTIFAMILY - 6.4%

3,500	County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax)	1/12 at 102
-------	---	-------------

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
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HOUSING/SINGLE FAMILY - 4.7%

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\$	555	North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax)	7/10 at 100
		North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 13-A:	
	1,000	4.700%, 7/01/12 (Alternative Minimum Tax)	7/11 at 100
	1,000	4.850%, 7/01/13 (Alternative Minimum Tax)	7/11 at 100

-----  
TAX OBLIGATION/GENERAL - 18.6%

	250	County of Durham, North Carolina, General Obligation Bonds, Series 2000, 5.600%, 5/01/15	5/10 at 102
	3,000	County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13	4/10 at 101
	3,000	State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16	9/10 at 102
	3,200	County of Wake, North Carolina, General Obligation School Bonds, Series 2000, 5.400%, 2/01/13	2/10 at 101

-----  
TAX OBLIGATION/LIMITED - 19.9%

	1,330	County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/16	2/13 at 100
		City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002:	
	1,850	5.250%, 6/01/18	6/12 at 101
	400	5.250%, 6/01/19	6/12 at 101
	1,325	County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/17 (WI, settling 12/04/02)	12/12 at 100
		County of Hartnett, North Carolina, Certificates of Participation, Series 2002:	
	1,000	5.250%, 12/01/15	12/12 at 101
	2,025	5.375%, 12/01/16	12/12 at 101
	825	5.000%, 12/01/18	12/12 at 101
	1,595	Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/18	9/12 at 101

-----  
TRANSPORTATION - 12.8%

		Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A:	
	1,000	5.250%, 11/01/15	5/11 at 101
	2,320	5.250%, 11/01/16	5/11 at 101
	2,230	5.250%, 11/01/17	5/11 at 101
		University of North Carolina at Charlotte, Parking System Revenue Bonds, Series 2002:	

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360	5.000%, 1/01/17	1/12 at 101
270	5.000%, 1/01/20	1/12 at 101
500	5.125%, 1/01/27	1/12 at 101

-----  
UTILITIES - 22.3%

3,000	City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24	3/07 at 101
2,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17	1/03 at 100
2,400	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993-D, 5.600%, 1/01/16	1/03 at 102
1,500	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20	1/10 at 101
2,600	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17	2/12 at 101

27

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) (co  
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
WATER AND SEWER - 15.1%		
\$ 4,520	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2002, 5.250%, 7/01/13	No Opt. C
	Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue Bonds, Series 2001:	
1,465	5.000%, 7/01/20	7/11 at 101
1,000	5.000%, 7/01/26	7/11 at 101
850	City of Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 1999, 4.750%, 3/01/24	3/09 at 101
-----		
\$ 80,185	Total Long-Term Investments (cost \$81,654,511) - 151.1%	
=====		
Other Assets Less Liabilities - (0.2)%		
-----		
Preferred Shares, at Liquidation Value - (50.9)%		
-----		
Net Assets Applicable to Common Shares - 100%		
=====		

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

\* Optional Call Provisions: Dates (month and year) and

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prices of the earliest optional call or redemption.  
There may be other call provisions at varying prices at later dates.

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

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

See accompanying notes to financial statements.

28

Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII)  
Portfolio of  
INVESTMENTS November 30, 2002 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	BASIC MATERIALS - 5.3%	
\$ 1,400	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax)	12/05 at 102
1,500	Martin County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Weyerhaeuser Company Project, Series 1991, 7.250%, 9/01/14 (Alternative Minimum Tax)	3/03 at 102
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 14.1%	
	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A:	
750	5.125%, 10/01/26	10/11 at 100
2,000	5.125%, 10/01/41	10/11 at 100
3,000	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2002A, 5.125%, 7/01/42	10/12 at 100
1,900	University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.000%, 4/01/27	10/12 at 100
-----		
	HEALTHCARE - 14.4%	
2,000	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Series 1997A, DBA Carolinas Healthcare System, 5.125%, 1/15/22	1/07 at 102
1,750	Charlotte-Mecklenburg Hospital Authority, North Carolina,	1/11 at 101



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	Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31		
2,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Duke University Health System, Series 1998A, 4.750%, 6/01/28		6/08 at 101
2,000	North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26		10/08 at 101
-----			
	LONG-TERM CARE - 1.7%		
900	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, First Mortgage, Salemtowne Project, Series 2001, 6.625%, 4/01/31		4/11 at 101
-----			
	TAX OBLIGATION/GENERAL - 4.0%		
1,000	County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13		4/10 at 101
1,000	State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16		9/10 at 102
-----			
	TAX OBLIGATION/LIMITED - 31.1%		
3,900	Cary, North Carolina, General Obligation Water Bonds, Series 2001, 5.000%, 3/01/20		3/11 at 102
1,550	Cary, North Carolina, Certificates of Participation, Series 2002A, Public Improvement Projects, 5.000%, 12/01/17		12/12 at 100
1,500	Centennial Authority, North Carolina, Hotel Tax Revenue Bonds, Arena Project, Series 1997, 5.125%, 9/01/19		9/07 at 102
3,000	County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.000%, 6/01/23 (WI, settling 12/04/02)		12/12 at 100
	Duplin County, North Carolina, Certificates of Participation, Series 2002 Refunding:		
1,230	5.000%, 9/01/13		No Opt. C
1,290	5.000%, 9/01/14		No Opt. C
2,000	Puerto Rico Municipal Finance Agency, General Obligation Bonds, 2002 Series A, 5.000%, 8/01/27 (WI, settling 12/05/02)		8/12 at 100
2,000	Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21		9/12 at 101

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	OPTIONAL C PROVISIO
-----		
	TRANSPORTATION - 9.3%	
	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A:	
\$ 1,780	5.250%, 11/01/15	5/11 at 101
3,100	5.000%, 11/01/20	5/11 at 101
-----		
	UTILITIES - 14.5%	
4,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17	1/03 at 100
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1985-G, 5.750%, 12/01/16	9/03 at 102
1,775	Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.375%, 7/01/19	7/12 at 101
1,400	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17	2/12 at 101
-----		
	WATER AND SEWER - 12.2%	
750	Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26	6/10 at 101
	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001:	
750	5.125%, 6/01/26	6/11 at 101
1,780	5.125%, 6/01/26	6/11 at 101
3,215	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/19 (WI, settling 12/04/02)	6/12 at 100
-----		
\$ 57,220	Total Long-Term Investments (cost \$58,901,083) - 106.6%	
=====		
	SHORT-TERM INVESTMENTS - 37.4%	
7,000	Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Revenue Bonds, Series 2001, Variable Rate Demand Bonds, 1.200%, 7/01/31+	
6,000	Guilford County, North Carolina, General Obligation Bonds, Series 2002C, Variable Rate Demand Obligations, 1.200%, 10/01/21+	
3,500	North Carolina Capital Facilities Financing Agency, Exempt Facilities Revenue Bonds, Republic Services, Inc. Project, Series 2001, Variable Rate Demand Obligations, 1.350%, 12/01/21+	

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3,800 Puerto Rico Government Development Bank, Adjustable Refunding  
Bonds, Series 1985, Variable Rate Demand Bonds,  
1.020%, 12/01/15+

-----  
\$ 20,300 Total Short-Term Investments (cost \$20,300,000)  
-----

Other Assets Less Liabilities - 7.6%

-----  
Preferred Shares, at Liquidation Value - (51.6)%  
-----

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: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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

N/R Investment is not rated.

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

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

See accompanying notes to financial statements.

30

Statement of  
ASSETS AND LIABILITIES November 30, 2002 (Unaudited)

	GEORGIA PREMIUM INCOME (NPG)
-----	
ASSETS	
Investments in municipal securities, at market value	\$78,747,287
Temporary investments in short-term securities, at amortized cost, which approximates market value	--
Cash	6,377,912
Interest receivable	1,470,526
Other assets	7,751

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Total assets	86,603,476
-----	
LIABILITIES	
Cash overdraft	--
Payable for investments purchased	4,275,528
Accrued expenses:	
Management fees	44,233
Organization and offering costs	--
Other	21,490
Preferred share dividends payable	1,903
-----	
Total liabilities	4,343,154
-----	
Preferred shares, at liquidation value	27,800,000
-----	
Net assets applicable to Common shares	\$54,460,322
=====	
Common shares outstanding	3,773,306
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.43
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	
-----	
Common shares, \$.01 par value per share	\$ 37,733
Paid-in surplus	52,185,877
Undistributed (Over-distribution of) net investment income	541,534
Accumulated net realized gain (loss) from investments	(1,124,386)
Net unrealized appreciation (depreciation) of investments	2,819,564
-----	
Net assets applicable to Common shares	\$54,460,322
=====	
Authorized shares:	
Common	Unlimited
Preferred	Unlimited
=====	

See accompanying notes to financial statements.

Statement of  
ASSETS AND LIABILITIES (Unaudited) (continued)

	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)
-----		
ASSETS		
Investments in municipal securities, at market value	\$133,763,197	\$54,468,193
Temporary investments in short-term securities, at amortized cost, which approximates market value	4,400,000	--
Cash	72,841	--
Interest receivable	2,397,440	841,446

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Other assets	3,336	5,108
-----		
Total assets	140,636,814	55,314,747
-----		
LIABILITIES		
Cash overdraft	--	154,880
Payable for investments purchased	2,081,240	4,949,043
Accrued expenses:		
Management fees	74,200	14,531
Organization and offering costs	--	7,713
Other	36,310	60,136
Preferred share dividends payable	3,204	--
-----		
Total liabilities	2,194,954	5,186,303
-----		
Preferred shares, at liquidation value	46,800,000	17,000,000
-----		
Net assets applicable to Common shares	\$ 91,641,860	\$33,128,444
=====		
Common shares outstanding	6,302,088	2,237,086
=====		
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.54	\$ 14.81
=====		
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:		
-----		
Common shares, \$.01 par value per share	\$ 63,021	\$ 22,371
Paid-in surplus	87,285,911	31,644,106
Undistributed (Over-distribution of) net investment income	892,455	325,551
Accumulated net realized gain (loss) from investments	(2,541,178)	404,562
Net unrealized appreciation (depreciation) of investments	5,941,651	731,854
-----		
Net assets applicable to Common shares	\$ 91,641,860	\$33,128,444
=====		
Authorized shares:		
Common	Unlimited	Unlimited
Preferred	Unlimited	Unlimited
=====		

See accompanying notes to financial statements.

32

Statement of  
OPERATIONS Six Months Ended November 30, 2002 (Unaudited)

	GEORGIA PREMIUM INCOME (NPG)
-----	
INVESTMENT INCOME	\$2,167,586
-----	
EXPENSES	

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Management fees	270,517
Preferred shares - auction fees	34,845
Preferred shares - dividend disbursing agent fees	5,014
Shareholders' servicing agent fees and expenses	5,728
Custodian's fees and expenses	18,462
Trustees' fees and expenses	752
Professional fees	4,520
Shareholders' reports - printing and mailing expenses	10,263
Stock exchange listing fees	276
Investor relations expense	5,078
Other expenses	5,582
-----	
Total expenses before custodian fee credit and expense reimbursement	361,037
Custodian fee credit	(5,579)
Expense reimbursement	--
-----	
Net expenses	355,458
-----	
Net investment income	1,812,128
-----	
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS	
Net realized gain from investments	612,919
Change in net unrealized appreciation (depreciation) of investments	(185,197)
-----	
Net gain (loss) from investments	427,722
-----	
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS	
From and in excess of net investment income	(150,316)
From accumulated net realized gains from investments	--
-----	
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(150,316)
-----	
Net increase (decrease) in net assets applicable to Common shares from operations	\$2,089,534
=====	

\* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

See accompanying notes to financial statements.

Statement of  
OPERATIONS (Unaudited) (continued)

	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)
-----		
INVESTMENT INCOME	\$3,655,013	\$1,283,016
-----		
EXPENSES		
Management fees	451,752	164,230

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Preferred shares - auction fees	58,660	23,091
Preferred shares - dividend disbursing agent fees	5,014	5,014
Shareholders' servicing agent fees and expenses	9,911	1,182
Custodian's fees and expenses	25,703	22,006
Trustees' fees and expenses	853	501
Professional fees	5,007	4,531
Shareholders' reports - printing and mailing expenses	13,516	2,875
Stock exchange listing fees	11,298	163
Investor relations expense	8,334	1,786
Other expenses	6,776	3,987
-----		
Total expenses before custodian fee credit and expense reimbursement	596,824	229,366
Custodian fee credit	(12,222)	(1,849)
Expense reimbursement	--	(75,798)
-----		
Net expenses	584,602	151,719
-----		
Net investment income	3,070,411	1,131,297
-----		
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS		
Net realized gain from investments	749,232	469,381
Change in net unrealized appreciation (depreciation) of investments	1,349,777	389,026
-----		
Net gain (loss) from investments	2,099,009	858,407
-----		
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From and in excess of net investment income	(247,691)	(82,743)
From accumulated net realized gains from investments	--	(5,052)
-----		
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(247,691)	(87,795)
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	\$4,921,729	\$1,901,909
=====		

\* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

See accompanying notes to financial statements.

34

Statement of  
CHANGES IN NET ASSETS (Unaudited)

	GEORGIA PREMIUM INCOME (NPG)	GEOR DIVIDEND ADV
	-----	-----
	SIX MONTHS ENDED 11/30/02	YEAR ENDED 5/31/02
	SIX MONTHS ENDED 11/30/02	SIX MONTHS ENDED 11/30/02
-----		

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OPERATIONS			
Net investment income	\$ 1,812,128	\$ 3,856,072	\$ 906,209
Net realized gain (loss) from investments	612,919	570,501	631,458
Change in net unrealized appreciation (depreciation) of investments	(185,197)	(195,055)	288,883
Distributions to Preferred Shareholders:			
From and in excess of net investment income	(150,316)	(460,881)	(84,538)
From accumulated net realized gains from investments	--	--	(4,890)
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	2,089,534	3,770,637	1,737,122
-----			
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From and in excess of net investment income	(1,617,865)	(3,187,446)	(780,847)
-----			
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from sale of shares	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	79,294	158,444	14,240
Preferred shares offering costs	--	--	--
-----			
Net increase in net assets applicable to Common shares from capital share transactions	79,294	158,444	14,240
-----			
Net increase in net assets applicable to Common shares	550,963	741,635	970,515
Net assets applicable to Common shares at the beginning of period	53,909,359	53,167,724	27,381,386
-----			
Net assets applicable to Common shares at the end of period	\$54,460,322	\$53,909,359	\$28,351,901
=====			
Undistributed (Over-distribution of) net investment income at the end of period	\$ 541,534	\$ 520,560	\$ 143,937
=====			

See accompanying notes to financial statements.

35

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

	NORTH CAROLINA PREMIUM INCOME (NNC)	
	SIX MONTHS ENDED 11/30/02	YEAR ENDED 5/31/02
-----		
OPERATIONS		
Net investment income	\$ 3,070,411	\$ 6,403,807
Net realized gain (loss) from investments	749,232	1,171,228



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Change in net unrealized appreciation (depreciation) of investments	1,349,777	(237,275)
Distributions to Preferred Shareholders:		
From and in excess of net investment income	(247,691)	(795,822)
From accumulated net realized gains from investments	--	--
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	4,921,729	6,541,938
-----		
DISTRIBUTIONS TO COMMON SHAREHOLDERS		
From and in excess of net investment income	(2,664,693)	(5,047,923)
-----		
CAPITAL SHARE TRANSACTIONS		
Common shares:		
Net proceeds from sale of shares	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	99,076	177,785
Preferred shares offering costs	--	--
-----		
Net increase in net assets applicable to Common shares from capital share transactions	99,076	177,785
-----		
Net increase in net assets applicable to Common shares	2,356,112	1,671,800
Net assets applicable to Common shares at the beginning of period	89,285,748	87,613,948
-----		
Net assets applicable to Common shares at the end of period	\$91,641,860	\$89,285,748
=====		
Undistributed (Over-distribution of) net investment income at the end of period	\$ 892,455	\$ 685,795
=====		

See accompanying notes to financial statements.

-----		
OPERATIONS		
Net investment income		\$ 1,767,723
Net realized gain (loss) from investments		645,163

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Change in net unrealized appreciation (depreciation) of investments	922,359
Distributions to Preferred Shareholders:	
From and in excess of net investment income	(195,130)
From accumulated net realized gains from investments	--
-----	
Net increase (decrease) in net assets applicable to Common shares from operations	3,140,115
-----	
DISTRIBUTIONS TO COMMON SHAREHOLDERS	
From and in excess of net investment income	(1,533,857)
-----	
CAPITAL SHARE TRANSACTIONS	
Common shares:	
Net proceeds from sale of shares	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	252
Preferred shares offering costs	--
-----	
Net increase in net assets applicable to Common shares from capital share transactions	252
-----	
Net increase in net assets applicable to Common shares	1,606,510
Net assets applicable to Common shares at the beginning of period	53,383,321
-----	
Net assets applicable to Common shares at the end of period	\$54,989,831
=====	
Undistributed (Over-distribution of) net investment income at the end of period	\$ 40,592
=====	

See accompanying notes to financial statements.

37

Notes to  
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The state Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Georgia Premium Income Municipal Fund (NPG), Nuveen Georgia Dividend Advantage Municipal Fund (NZX), Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG), Nuveen North Carolina Premium Income Municipal Fund (NNC), Nuveen North Carolina Dividend Advantage Municipal Fund (NRB), Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII). Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) are traded on the American Stock Exchange while North Carolina Premium Income (NNC) is traded on the New York Stock Exchange.

Prior to the commencement of operations of Georgia Dividend Advantage (NZX),

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Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 per Fund by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company, and the recording of the organization expenses (\$11,500 per Fund) and their reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

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

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

### Securities Valuation

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

### Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At November 30, 2002, Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Premium Income (NNC), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) had outstanding when-issued purchase commitments of \$4,275,528, \$3,109,470, \$16,469,944, \$2,081,240, \$4,949,043, \$1,418,930 and \$8,353,774, respectively.

### Investment Income

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

### Income Taxes

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

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared and paid 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. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding for each Fund is as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	GEORGIA DIVIDEND ADVANTAGE 2 (NKG)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	ADVANTAGE 3 (NII)
-----							
Number of shares:							
Series M	--	600	--	--	--	--	--
Series T	--	--	--	--	680	--	--
Series W	--	--	--	--	--	--	--
Series TH	1,112	--	--	1,872	--	--	--
Series F	--	--	1,320	--	--	1,120	--
=====							

Effective November 15, 2002, Georgia Dividend Advantage 2 (NKG) issued 1,320 Series F \$25,000 stated value Preferred shares. Effective November 15, 2002, North Carolina Dividend Advantage 3 (NII) issued 1,120 Series W \$25,000 stated value Preferred shares.

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 period ended November 30, 2002.

Custodian Fee Credit

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

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Offering Costs

Nuveen Investments has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII). Georgia Dividend Advantage's (NZX), Georgia Dividend Advantage 2's (NKG), North Carolina Dividend Advantage 2's (NNO) and North Carolina Dividend Advantage 3's (NII) share of offering costs (\$58,470, \$136,200, \$111,750 and \$117,375, respectively) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) in connection with their offering of Preferred shares (\$315,750, \$782,000, \$421,392 and \$678,500, 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.

39

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

	GEORGIA PREMIUM INCOME (NPG)		GEORGIA DIVIDEND ADVANTAGE (NZX)	
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	FOR THE PERIOD 9/25/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/02
	11/30/02	5/31/02	11/30/02	
Common shares:				
Shares sold	--	--	--	1,949,000
Shares issued to shareholders due to reinvestment of distributions	4,920	10,384	956	336
	4,920	10,384	956	1,949,336
Preferred shares sold	--	--	--	600

NORTH CAROLINA

NORTH CAROLINA

NORTH CAROLINA

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	PREMIUM INCOME (NNC)		DIVIDEND ADVANTAGE (NRB)		DIVIDEND ADVANTAGE 2 (NNO)	
	SIX MONTHS ENDED 11/30/02	YEAR ENDED 5/31/02	SIX MONTHS ENDED 11/30/02	YEAR ENDED 5/31/02	SIX MONTHS ENDED 11/30/02	FOR THE PERIOD 11/16/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/02
Common shares:						
Shares sold	--	--	--	--	--	3,725,000
Shares issued to shareholders due to reinvestment of distributions	6,172	11,774	2,281	3,402	17	--
	6,172	11,774	2,281	3,402	17	3,725,000
Preferred shares sold	--	--	--	--	--	1,120

40

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities and short-term securities for the six months ended November 30, 2002, were as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	ADV
Purchases:			
Long-term municipal securities	\$12,018,512	\$15,553,653	\$65
Short-term securities	--	1,000,000	16
Sales and maturities:			
Long-term municipal securities	14,360,875	18,865,989	
Short-term securities	--	--	

\* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	AD
Purchases:				
Long-term municipal securities	\$12,448,490	\$20,222,877	\$18,238,782	\$5
Short-term securities	8,800,000	2,000,000	1,000,000	2
Sales and maturities:				
Long-term municipal securities	14,312,205	15,577,606	19,115,411	

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Short-term securities	5,400,000	2,000,000	1,000,000
-----------------------	-----------	-----------	-----------

\* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

4. INCOME TAX INFORMATION

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

At November 30, 2002, the cost of investments were as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	AD
Cost of investments	\$75,844,734	\$40,306,844	\$8

	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	AD
Cost of investments	\$132,127,395	\$53,735,942	\$81,652,130	\$7

Notes to FINANCIAL STATEMENTS (Unaudited) (continued)

Gross unrealized appreciation and gross unrealized depreciation on investments on November 30, 2002, were as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	AD
Gross unrealized:			
Appreciation	\$3,672,367	\$ 453,425	\$
Depreciation	(769,814)	(191,057)	(1)

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Net unrealized appreciation (depreciation) on investments	\$2,902,553	\$ 262,368	\$ (1
---	-------------	------------	-------

	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	AD
--	---	---	---	----

Gross unrealized:				
Appreciation	\$6,087,319	\$ 879,601	\$1,549,795	\$
Depreciation	(51,517)	(147,350)	(124,480)	(1

Net unrealized appreciation (depreciation) on investments	\$6,035,802	\$ 732,251	\$1,425,315	\$ (1
--	-------------	------------	-------------	-------

The tax components of undistributed net investment income and net realized gains at May 31, 2002, the Funds' last fiscal year end, were as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	ADV
Undistributed tax-exempt income	\$686,277	\$235,839	\$1,057,462	\$385,206	
Undistributed ordinary income *	1,522	--	22,036	--	
Undistributed net long-term capital gains	--	--	--	--	

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

42

The tax character of distributions paid during the period ended May 31, 2002, the Funds' last fiscal year end, were designated for purposes of the dividends paid deduction as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	ADV
Distributions from tax-exempt income	\$3,537,237	\$892,422	\$5,824,960	\$2,119,636	\$1
Distributions from ordinary income *	94,734	--	--	--	
Distributions from net long-term					





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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 Georgia Dividend Advantage's (NZX), Georgia Dividend Advantage 2's (NKG), North Carolina Dividend Advantage's (NRB), North Carolina Dividend Advantage 2's (NNO) and North Carolina Dividend Advantage 3's (NII) 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

For the first ten years of Georgia Dividend Advantage's (NZX) 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 Georgia Dividend Advantage (NZX) for any

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portion of its fees and expenses beyond September 30, 2011.

For the first ten years of North Carolina Dividend Advantage's (NRB) 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 JANUARY 31,		YEAR ENDING JANUARY 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 North Carolina Dividend Advantage (NRB) for any portion of its fees and expenses beyond January 31, 2011.

For the first ten years of North Carolina Dividend Advantage 2's (NNO) 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 NOVEMBER 30,		YEAR ENDING NOVEMBER 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 North Carolina Dividend Advantage 2 (NNO) for any portion of its fees and expenses beyond November 30, 2011.

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

For the first eight years of Georgia Dividend Advantage 2's (NKG) and North Carolina Dividend Advantage 3's (NII) operations, the Adviser has agreed to reimburse the Funds, 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:

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

\* From the commencement of operations.

The Adviser has not agreed to reimburse Georgia Dividend Advantage 2 (NKG) and North Carolina Dividend Advantage 3 (NII) for any portion of its fees and expenses beyond September 30, 2010.

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 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.

6. DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 30, 2002, to shareholders of record on December 15, 2002, as follows:

	GEORGIA PREMIUM INCOME (NPG)	GEORGIA DIVIDEND ADVANTAGE (NZX)	GEORGIA DIVIDEND ADVANTAGE 2 (NKG)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	ADVANTAGE 3 (NII)
Dividend per share	\$.0715	\$.0665	\$.0670	\$.0715	\$.0720	\$.0685	

At the same time, the following Funds declared capital gains and ordinary income distributions as follows:

	GEORGIA DIVIDEND ADVANTAGE (NZX)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	ADVANTAGE 3 (NII)
Capital gains distributions per share	\$.0330	\$ --	\$.1311	
Ordinary income distributions per share *	\$.0948	\$.0031	\$ --	

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

Financial  
HIGHLIGHTS (Unaudited)

47

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Investment Operations					
	Beginning Common Share Net Asset Value	Net Investment Income	Net Unrealized Investment Gain (Loss)	Distributions from and in Excess of Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+	Total
=====						
GEORGIA PREMIUM INCOME (NPG)						
-----						
Year Ended 5/31:						
2003 (c)	\$14.31	\$ .48	\$ .11	\$ (.04)	\$ --	\$ .55
2002	14.15	1.02	.11	(.12)	--	1.01
2001	12.80	1.06	1.35	(.26)	--	2.15
2000	14.45	1.03	(1.65)	(.23)	--	(.85)
1999	14.58	1.01	(.13)	(.21)	--	.67
1998	13.70	1.01	.90	(.24)	--	1.67
=====						
GEORGIA DIVIDEND ADVANTAGE (NZX)						
-----						
Year Ended 5/31:						
2003 (c)	14.00	.46	.47	(.04)	--	.89
2002 (a)	14.33	.58	(.19)	(.06)	--	.33
=====						
GEORGIA DIVIDEND ADVANTAGE 2 (NKG)						
-----						
Year Ended 5/31:						
2003 (b)	14.33	.05	(.28)	--	--	(.23)
=====						

Total Returns

Offering Costs and Preferred Share	Ending Common Share	Ending	Based on	Based on Common Share Net
---	---------------------------	--------	-------------	---------------------------------------

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	Underwriting Discounts	Net Asset Value	Market Value	Market Value**	Asset Value**
=====					
GEORGIA PREMIUM INCOME (NPG)					
-----					
Year Ended 5/31:					
2003 (c)	\$--	\$14.43	\$15.9500	3.47%	3.83%
2002	--	14.31	15.8300	8.98	7.32
2001	--	14.15	15.3500	30.41	16.98
2000	--	12.80	12.4375	(18.84)	(5.87)
1999	--	14.45	16.2500	13.42	4.64
1998	--	14.58	15.0625	14.56	12.43
-----					
GEORGIA DIVIDEND ADVANTAGE (NZX)					
-----					
Year Ended 5/31:					
2003 (c)	--	14.49	14.8000	3.12	6.36
2002 (a)	(.19)	14.00	14.7400	1.42	1.02
-----					
GEORGIA DIVIDEND ADVANTAGE 2 (NKG)					
-----					
Year Ended 5/31:					
2003 (b)	(.21)	13.82	14.4000	(3.55)	(3.09)
=====					

Ratios/Supplemental Data

	Before Credit/Reimbursement			After Credit/Reimbursement***		
	Ending Net Assets Applicable to Common Shares (000)	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	
=====						
GEORGIA PREMIUM INCOME (NPG)						
-----						
Year Ended 5/31:						
2003 (c)	\$54,460	1.30%*	6.52%*	1.28%*	6.54%*	
2002	53,909	1.37	7.12	1.35	7.13	
2001	53,168	1.41	7.67	1.40	7.68	
2000	47,991	1.43	7.73	1.40	7.76	
1999	54,022	1.34	6.87	1.33	6.88	
1998	54,352	1.33	7.10	1.33	7.10	
-----						
GEORGIA DIVIDEND ADVANTAGE (NZX)						
-----						
Year Ended 5/31:						
2003 (c)	28,352	1.40*	5.82*	.90*	6.33*	
2002 (a)	27,381	1.37*	5.70*	.92*	6.16*	
-----						
Year Ended 5/31:						
2003 (b)	62,848	.89*	1.58*	.52*	1.95*	
=====						

Preferred Shares at End of Period			
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
GEORGIA PREMIUM INCOME (NPG)			
Year Ended 5/31:			
2003 (c)	\$27,800	\$25,000	\$73,975
2002	27,800	25,000	73,480
2001	27,800	25,000	72,813
2000	27,800	25,000	68,157
1999	27,800	25,000	73,581
1998	27,800	25,000	73,878
GEORGIA DIVIDEND ADVANTAGE (NZX)			
Year Ended 5/31:			
2003 (c)	15,000	25,000	72,253
2002 (a)	15,000	25,000	70,636
GEORGIA DIVIDEND ADVANTAGE 2 (NKG)			
Year Ended 5/31:			
2003 (b)	33,000	25,000	72,612

\* 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, reinvested capital gains distributions, 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.

(a) For the period September 25, 2001 (commencement of operations) through May 31, 2002.

(b) For the period September 25, 2002 (commencement of operations) through November 30, 2002.

(c) For the six months ended November 30, 2002.

See accompanying notes to financial statements.

48-49 SPREAD

Financial HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

		Investment Operations					
					Distributions from and in Excess of Net Investment Income to Preferred Shareholders+	Distributions from Capital Gains to Preferred Shareholders+	Total
Beginning Common Share Value	Net Investment Income	Realized/Unrealized Investment Gain (Loss)	Net Investment Income	Shareholders+	Shareholders+	Total	
=====							
NORTH CAROLINA PREMIUM INCOME (NNC)							
-----							
Year Ended 5/31:							
2003 (d)	\$14.18	\$ .49	\$ .33	\$ (.04)	\$ --	\$ .78	
2002	13.94	1.02	.15	(.13)	--	1.04	
2001	12.62	1.03	1.31	(.27)	--	2.07	
2000	14.28	1.02	(1.61)	(.26)	--	(.85)	
1999	14.48	1.02	(.22)	(.21)	--	.59	
1998	13.50	1.02	1.00	(.25)	--	1.77	
NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)							
-----							
Year Ended 5/31:							
2003 (d)	14.39	.51	.38	(.04)	--	.85	
2002	13.90	1.06	.38	(.13)	--	1.31	
2001 (a)	14.33	.25	(.26)	(.05)	--	(.06)	
NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)							
-----							
Year Ended 5/31:							
2003 (d)	14.30	.47	.42	(.05)	--	.84	
2002 (b)	14.33	.38	.11	(.04)	--	.45	
NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)							
-----							
Year Ended 5/31:							
2003 (c)	14.33	.06	(.26)	--	--	(.20)	
=====							

		Total Returns			
		Based on Common Share Net Asset Value**		Based on Market Value**	
Offering Costs and Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**	Based on Market Value**
=====					
NORTH CAROLINA PREMIUM INCOME (NNC)					
-----					



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Year Ended 5/31:					
2003 (d)	\$ --	\$14.54	\$15.2500	(3.39)%	5.54%
2002	--	14.18	16.2100	15.44	7.62
2001	--	13.94	14.8000	14.03	16.65
2000	--	12.62	13.6875	(7.76)	(5.98)
1999	--	14.28	15.6875	9.87	4.11
1998	--	14.48	15.0000	8.17	13.38

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

Year Ended 5/31:					
2003 (d)	--	14.81	15.4500	2.89	5.88
2002	--	14.39	15.4400	7.54	9.58
2001 (a)	(.17)	13.90	15.1500	2.42	(1.57)

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

Year Ended 5/31:					
2003 (d)	--	14.73	14.8900	2.71	5.87
2002 (b)	(.14)	14.30	14.9000	1.64	2.22

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

Year Ended 5/31:					
2003 (c)	(.21)	13.85	14.6000	(2.22)	(2.88)

Ratios/Supplemental Data

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

NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:					
2003 (d)	\$91,642	1.29%*	6.62%*	1.27%*	6.65%*
2002	89,286	1.33	7.17	1.32	7.18
2001	87,614	1.34	7.47	1.30	7.51
2000	79,167	1.37	7.81	1.35	7.83
1999	89,377	1.30	6.97	1.30	6.97
1998	90,470	1.30	7.17	1.30	7.17

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

Year Ended 5/31:					
2003 (d)	33,128	1.37*	6.29*	.91*	6.75*
2002	32,148	1.44	6.86	.90	7.40
2001 (a)	31,015	1.31*	5.02*	.85*	5.48*

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

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Year Ended 5/31:					
2003 (d)	54,990	1.28*	5.84*	.78*	6.33*
2002 (b)	53,383	1.19*	4.70*	.74*	5.15*

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

Year Ended 5/31:					
2003 (c)	54,284	.90*	2.27*	.53*	2.65*

Preferred Shares at End of Period

Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
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NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:			
2003 (d)	\$46,800	\$25,000	\$73,954
2002	46,800	25,000	72,695
2001	46,800	25,000	71,802
2000	46,800	25,000	67,290
1999	46,800	25,000	72,744
1998	46,800	25,000	73,328

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

Year Ended 5/31:			
2003 (d)	17,000	25,000	73,718
2002	17,000	25,000	72,277
2001 (a)	17,000	25,000	70,610

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

Year Ended 5/31:			
2003 (d)	28,000	25,000	74,098
2002 (b)	28,000	25,000	72,664

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

Year Ended 5/31:			
2003 (c)	28,000	25,000	73,468

\* 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, reinvested capital gains distributions, 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.

- (a) For the period January 31, 2001 (commencement of operations) through May 31, 2001.
- (b) For the period November 16, 2001 (commencement of operations) through May 31, 2002.
- (c) For the period September 25, 2002 (commencement of operations) through November 30, 2002.
- (d) For the six months ended November 30, 2002.

See accompanying notes to financial statements.

50-51 SPREAD

Build Your Wealth  
AUTOMATICALLY

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

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

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

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

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

#### EASY AND CONVENIENT

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

#### HOW SHARES ARE PURCHASED

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

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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.

52

### Fund INFORMATION

#### BOARD OF TRUSTEES

Robert P. Bremner  
Lawrence H. Brown  
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Peter R. Sawers  
William J. Schneider  
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#### FUND MANAGER

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#### CUSTODIAN

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#### TRANSFER AGENT AND SHAREHOLDER SERVICES

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Nuveen Funds  
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INDEPENDENT AUDITORS  
Ernst & Young LLP  
Chicago, IL

### 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 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 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 in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended November 30, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

Serving Investors  
FOR GENERATIONS

Photo of: John Nuveen, Sr.

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

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entrusted the assets of more than 1.3 million investors to Nuveen.

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

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

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