NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 Form N-CSR August 05, 2011

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21152

Nuveen Georgia Dividend Advantage Municipal Fund 2 (Exact name of registrant as specified in charter)

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

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

Date of fiscal year end: May 31

Date of reporting period: May 31, 2011

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

INVESTMENT ADVISER NAME CHANGE

Effective January 1, 2011, Nuveen Asset Management, the Funds' investment adviser, changed its name to Nuveen Fund Advisors, Inc. ("Nuveen Fund Advisors"). Concurrently, Nuveen Fund Advisors formed a wholly-owned subsidiary, Nuveen Asset Management, LLC, to house its portfolio management capabilities.

NUVEEN INVESTMENTS COMPLETES STRATEGIC COMBINATION WITH FAF ADVISORS

On December 31, 2010, Nuveen Investments completed the strategic combination between Nuveen Asset Management, the largest investment affiliate of Nuveen Investments, and FAF Advisors. As part of this transaction, U.S. Bancorp – the parent of FAF Advisors – received cash consideration and a 9.5% stake in Nuveen Investments in exchange for the long-term investment business of FAF Advisors, including investment management responsibilities for the non-money market mutual funds of the First American Funds family.

The approximately \$27 billion of mutual fund and institutional assets managed by FAF Advisors, along with the investment professionals managing these assets and other key personnel, have become part of Nuveen Asset Management, LLC. With these additions to Nuveen Asset Management, LLC, this affiliate now manages more than \$100 billion of assets across a broad range of strategies from municipal and taxable fixed income to traditional and specialized equity investments.

This combination does not affect the investment objectives or strategies of the Funds in this report. Over time, Nuveen Investments expects that the combination will provide even more ways to meet the needs of investors who work with financial advisors and consultants by enhancing the multi-boutique model of Nuveen Investments, which also includes highly respected investment teams at HydePark, NWQ Investment Management, Santa Barbara Asset Management, Symphony Asset Management, Tradewinds Global Investors and Winslow Capital. Nuveen Investments managed approximately \$206 billion of assets as of March 31, 2011.

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Chairman's Letter to Shareholders

Dear Shareholders,

In 2010, the global economy recorded another year of recovery from the financial and economic crises of 2008, but many of the factors that caused the downturn still weigh on the prospects for continued improvement. In the U.S., ongoing weakness in housing values has put pressure on homeowners and mortgage lenders. Similarly, the strong earnings recovery for corporations and banks is only slowly being translated into increased hiring or more active lending. Globally, deleveraging by private and public borrowers has inhibited economic growth and that process is far from complete.

Encouragingly, constructive actions are being taken by governments around the world to deal with economic issues. In the U.S., the recent passage of a stimulatory tax bill relieved some of the pressure on the Federal Reserve to promote economic expansion through quantitative easing and offers the promise of sustained economic growth. A number of European governments are undertaking programs that could significantly reduce their budget deficits. Governments across the emerging markets are implementing various steps to deal with global capital flows without undermining international trade and investment.

The success of these government actions could determine whether 2011 brings further economic recovery and financial market progress. One risk associated with the extraordinary efforts to strengthen U.S. economic growth is that the debt of the U.S. government will continue to grow to unprecedented levels. Another risk is that over time there could be inflationary pressures on asset values in the U.S. and abroad, because what happens in the U.S. impacts the rest of the world economy. Also, these various actions are being taken in a setting of heightened global economic uncertainty, primarily about the supplies of energy and other critical commodities. In this challenging environment, your Nuveen investment team continues to seek sustainable investment opportunities and to remain alert to potential risks in a recovery still facing many headwinds. On your behalf, we monitor their activities to assure they maintain their investment disciplines.

As you will note elsewhere in this report, on December 31, 2010, Nuveen Investments completed a strategic combination with FAF Advisors, Inc., the manager of the First American Funds. The combination adds highly respected and distinct investment teams to meet the needs of investors and their advisors and is designed to benefit all fund shareholders by creating a fund organization with the potential for further economies of scale and the ability to draw from even greater talent and expertise to meet those investor needs.

As of the end of June 2011, Nuveen Investments had completed the refinancing of all of the Auction Rate Preferred Securities issued by its taxable closed-end funds and 93% of the MuniPreferred shares issued by its tax-exempt closed-end funds. Please consult the Nuveen Investments web site, www.Nuveen.com, for the current status of this important refinancing program.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner

Chairman of the Board July 21, 2011

Portfolio Manager's Comments

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)

Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII)

Portfolio manager Daniel Close reviews economic and municipal market conditions at the national and state levels, key investment strategies, and the twelve-month performance of the Nuveen Georgia and North Carolina Funds. Dan, who joined Nuveen in 2000, assumed portfolio management responsibility for these seven Funds in 2007.

What factors affected the U.S. economic and municipal market environments during the twelve-month reporting period ended May 31, 2011?

During this period, the U.S. economy demonstrated some signs of modest improvement, supported by the efforts of both the Federal Reserve (Fed) and the federal government. For its part, the Fed continued to hold the benchmark fed funds rate in a target range of zero to 0.25% since cutting it to this record low level in December 2008. At its June 2011 meeting (following the end of this reporting period), the central bank stated that it anticipated keeping the fed funds rate at "exceptionally low levels" for an "extended period." The Fed also completed its second round of quantitative easing with the purchase of \$600 billion in longer-term U.S. Treasury bonds. The goal of this plan was to lower long-term interest rates and thereby stimulate economic activity and create jobs. The federal government continued to focus on implementing the economic stimulus package passed in early 2009 and aimed at providing job creation, tax relief, fiscal assistance to state and local governments, and expansion of unemployment benefits and other federal social welfare programs.

In the first quarter of 2011, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 1.9%, marking the seventh consecutive quarter of positive growth. The employment situation slowly improved, with the national jobless rate registering 9.1% in May 2011, down from 9.6% a year earlier. While the Fed's longer-term inflation expectations remained stable, inflation over this period posted its largest twelve-month gain since October 2008, as the Consumer Price Index (CPI) rose 3.6% year-over-year as of May 2011. The core CPI (which excludes food and energy) increased 1.5%, staying within the Fed's unofficial objective of 2.0% or lower for this measure. The housing market remained a major weak spot in the economy. For the twelve months ended April 2011 (most recent data available at the time this report was prepared), the average home price in the Standard & Poor's (S&P)/Case-Shiller Index of

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

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

20 major metropolitan areas lost 4.0%, with six of the 20 metropolitan areas hitting their lowest levels since housing prices peaked in 2006.

The municipal bond market was affected by a significant decline in new tax exempt issuance during this period. One reason for the decrease in new tax-exempt supply was the heavy issuance of taxable municipal debt in 2010 under the Build America Bond (BAB) program, which was created as part of the American Recovery and Reinvestment Act of February 2009 and expired on December 31, 2010. Between the beginning of this reporting period on June 1, 2010, and the end of the BAB program, taxable Build America Bond issuance totaled \$74.5 billion, accounting for 28% of new bonds issued in the municipal market.

After rallying strongly during the first part of the period, the municipal market suffered a reversal in mid-November 2010, due largely to investor concerns about inflation, the federal deficit, and the deficit's impact on demand for U.S. Treasury securities. Adding to this market pressure was media coverage of the strained finances of some state and local governments. As a result, money began to flow out of municipal mutual funds as yields rose and valuations declined. As we moved into the second quarter of 2011, we saw the environment in the municipal market improve.

Over the twelve months ended May 31, 2011, municipal bond issuance nationwide—both tax-exempt and taxable—totaled \$335.7 billion, a decrease of 15% compared with the issuance of the twelve-month period ended May 31, 2010. For the first five months of 2011, municipal issuance nationwide was down 50% from the first five months of 2010. This decline reflects the heavy issuance of BABs at the end of 2010, as borrowers took advantage of the program's favorable terms before its expiration at year end.

How were economic and market conditions in Georgia and North Carolina during this period?

Georgia was hard hit by the recent recession, with major job losses in financial services, manufacturing, construction, and the government sector. To date, the state's economic recovery has been weaker than in many other states. In 2010, the Georgia economy expanded at a rate of 1.4%, compared with the national average growth of 2.6%. As of May 2011, unemployment in Georgia was 9.8%, its lowest level since June 2009, down from 10.0% in May 2010 but still higher than the national rate of 9.1%. In the state's housing market, foreclosure activity remained higher than the national average. Although the national inventory of houses in foreclosure has dropped to 2008 levels, Georgia's inventory of foreclosed homes was approximately 20% higher than the national level. According to the S&P/Case-Shiller home price Index, housing prices in Atlanta fell 3.5% between April 2010 and April 2011 (most recent data available at the time this report was prepared), compared with a gain of 0.2% for the twelve-month period ended April 2010. In April 2011, Georgia adopted an \$18.3 billion fiscal 2012 state budget, which cut spending across all state agencies by an average of 7%. Despite these circumstances, Georgia's recovery appeared to remain on track. The state has a diverse economic base supported by service, manufacturing and agricultural industries. As of May 2011, Georgia's general obligation debt continued to be rated Aaa and AAA, with stable outlooks by both Moody's and S&P, respectively. For the twelve months ended May 31, 2011, municipal issuance in Georgia totaled \$6.8 billion, down 39% from the previous twelve months.

In 2010, North Carolina recorded GDP growth of 3.4%, compared with the national measure of 2.6%. In recent months, the state's recovery from recession has stalled somewhat, as job gains in the professional and business services and financial sectors were offset to some degree by continued losses in other sectors, especially construction. As of May 2011, North Carolina's unemployment rate was 9.7%, its lowest level since January 2009, down from 10.8% in May 2010 but still higher than the national rate of 9.1%. In the years preceding the most recent recession, North Carolina worked to transition its economy away from old-line manufacturing into sectors oriented toward research, technology, and services. As a result, the state now serves as an important high-tech base and its major universities attract both technology firms and professionals. Although the pre-recession bubble in housing prices was smaller in North Carolina than nationally, the state's housing market has been slow to reverse the decline. As homes prices nationally lost 4.0% during the twelve months ended April 2011 (most recent data available at the time this report was prepared), according to the S&P/Case-Shiller home price Index, housing prices in Charlotte dropped 6.6%, reaching a new low. According to current projections, North Carolina faces a budget gap equal to \$2.4 billion, or about 12% of the \$19.7 billion fiscal 2012 state budget. As of May 2011, Moody's and S&P rated North Carolina general obligation debt at Aaa and AAA, respectively. During the twelve months ended May 31, 2011, \$6.7 billion of municipal debt was issued in North Carolina, down 28% from that issued during the twelve months ended May 31, 2010.

What key strategies were used to manage these Funds during this reporting period?

As previously mentioned, the new issue supply of tax-exempt bonds declined nationally during this period, due largely to the issuance of taxable bonds under the BAB program. The BAB program also affected the availability of tax-exempt bonds in Georgia and North Carolina. Between the beginning of this reporting period on June 1, 2010, and the end of the BAB program, BABs accounted for approximately 8% of municipal supply in Georgia and 15% in North Carolina. Since interest payments from BABs represent taxable income, we did not view these bonds as appropriate investment opportunities for these Funds. Further compounding the supply situation was the drop-off in new municipal issuance during the first five months of 2011, when issuance in Georgia and North Carolina declined 55% and 30%, respectively, from that of the same period in 2010.

In this environment of constrained tax-exempt municipal bond issuance, we continued to take a bottom-up approach to discovering undervalued sectors and individual credits with the potential to perform well over the long term. During this period, we found value in several areas of the market, including health care and water and sewer bonds, which we added to all seven of these Funds. In general, these purchases focused on water and sewer bonds with higher credit quality ratings, while our health care purchases tended to be in the lower-rated categories. NPG and NKG also purchased tax increment financing (TIF) bonds, while NZX added an airport credit. During this period, the Funds generally focused on purchasing longer maturity bonds in order to take advantage of attractive yields at the longer end of the municipal yield curve.

Cash for new purchases during this period was generated primarily by the proceeds from bond calls and maturing bonds, particularly in North Carolina, where a large call involving bonds issued for the Raleigh Durham Airport affected all of the North Carolina Funds. In addition, most of the Georgia and North Carolina Funds sold small amounts of pre-refunded bonds, and the North Carolina Funds sold some credits with structures that were attractive to retail investors. NPG and NKG also trimmed their out-of-state

holdings, while NZX sold intermediate-term student housing credits. Throughout the period, we worked to redeploy the proceeds from these calls and sales to keep the Funds as fully invested as possible.

As of May 31, 2011, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform?

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

Average Annual Total Returns on Common Share Net Asset Value For periods ended 5/31/11

	1-Year	5-Year	10-Year
Georgia Funds			
NPG	1.81%	4.01%	5.34%
NZX	2.17%	4.57%	N/A
NKG	2.13%	4.22%	N/A
Standard & Poor's (S&P) Georgia Municipal Bond Index1	3.80%	4.56%	4.96%
Standard & Poor's (S&P) National Municipal Bond Index2	3.17%	4.46%	5.02%
Lipper Other States Municipal Debt Funds Average3	2.49%	4.18%	5.60%
North Carolina Funds			
NNC	2.57%	4.86%	5.78%
NRB	1.72%	5.16%	6.44%
NNO	1.92%	4.91%	N/A
NII	1.79%	5.00%	N/A
Standard & Poor's (S&P) North Carolina Municipal Bond Index1	3.66%	4.95%	5.26%
Standard & Poor's (S&P) National Municipal Bond Index2	3.17%	4.46%	5.02%
Lipper Other States Municipal Debt Funds Average3	2.49%	4.18%	5.60%

For the twelve months ended May 31, 2011, the total returns on common share net asset value (NAV) for all of the Georgia and North Carolina Funds underperformed the returns for their respective state's Standard & Poor's (S&P) Municipal Bond Index as well as the Standard & Poor's (S&P) National Municipal Bond Index. For the same period, NNC exceeded the average return for the Lipper Other States Municipal Debt Funds Average, while the remaining Funds lagged this benchmark.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. The use of leverage also had an impact on the Funds' performance. Leverage is discussed in more detail on page nine.

During this period, municipal bonds with intermediate maturities generally outperformed other maturity categories, with credits at both the shorter and longer ends of the yield curve posting weaker returns. Overall, duration and yield curve positioning was a positive contributor to the performance of NPG, NZX, NKG, NNC, NNO, and NII. All of these Funds had good exposure to the intermediate parts of the yield curve that performed best, with NNC being the

most advantageously positioned for the market environment of the past

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

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

- The Standard & Poor's (S&P) Municipal Bond Indexes for Georgia and North Carolina are unleveraged, market value-weighted indexes designed to measure the performance of the tax-exempt, investment-grade Georgia and North Carolina municipal bond markets, respectively. These indexes do not reflect any initial or ongoing expenses and are not available for direct investment.
- The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.
- The Lipper Other States Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1-year, 46 funds; 5-year, 46 funds; and 10-year, 27 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment. Shareholders should note that the performance of the Lipper Other States category represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions, which may make direct comparisons less meaningful.

8	Nuveen	Investments

twelve months. On the other hand, NRB was modestly underweighted in the intermediate part of the curve, which detracted from the Fund's performance during this period.

Credit exposure also played a role in performance. During the market reversal of late 2010, as redemption activity in high-yield funds increased and risk aversion mounted, lower-rated credits were negatively impacted. For the period as a whole, bonds rated BBB typically underperformed those rated AAA. In this environment, the Funds' performance generally benefited from their allocations to higher quality credits. Overall, the North Carolina Funds tended to have smaller weightings of bonds rated BBB than the Georgia Funds, due to the fact that North Carolina generally issues fewer BBB bonds. As of May 31, 2011, NPG had the heaviest exposure to bonds rated BBB among all of these Funds and a correspondingly lower weighting in AAA bonds, which restrained the Fund's performance during this period.

Holdings that generally made positive contributions to the Funds' returns during this period included general obligation (GO) and other tax-supported bonds, housing credits and resource recovery bonds. The electric utilities, water and sewer, and leasing sectors also outperformed the municipal market as a whole. All of these Funds were underweighted in the tax-supported sector, specifically in state GOs, which hurt their performance. In general, these Funds tended to be underweighted in transportation, which helped their performance.

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of all these Funds relative to the comparative indexes was the Funds' use of leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. This is what happened in these Funds during the period, as the use of leverage hurt their overall performance.

APPROVED FUND MERGERS

After the close of this reporting period, the Funds' Board of Trustees approved a series of mergers for all the Georgia and North Carolina funds included in this report. The mergers are subject to shareholder approval at the Funds' regular shareholder meeting later this year. The mergers in each respective state are intended to create a single, larger state fund with enhanced trading appeal and lower operating expenses of traded common shares of the fund.

More information on the proposed mergers will be contained in the proxy materials expected to be filed with the Securities and Exchange Commission in the coming weeks. The proposed fund mergers are as follows:

Acquired Fund	Acquiring Fund
Georgia Funds	
Nuveen Georgia Premium Income Municipal Fund	Nuveen Georgia Dividend Advantage Municipal
(NPG)	Fund 2 (NKG)
Nuveen Georgia Dividend Advantage Municipal	
Fund (NZX)	

Acquired Fund Acquiring Fund

North Carolina Funds

Nuveen North Carolina Dividend Advantage Municipal Nuveen North Carolina Premium Income Fund (NRB)

Municipal Fund (NNC)

Nuveen North Carolina Dividend Advantage Municipal

Fund 2 (NNO)

Nuveen North Carolina Dividend Advantage Municipal

Fund 3 (NII)

RECENT DEVELOPMENTS REGARDING THE FUNDS' REDEMPTION OF AUCTION RATE PREFERRED SHARES

Shortly after their respective inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create structural leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely nonexistent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short term rates at multi-generational lows, those maximum rates also have been low. One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

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

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

During 2010 and 2011, certain Nuveen leveraged closed-end funds (excluding all the Funds included in this report) received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds' officers and Board of Directors/Trustees breached their fiduciary duties related to the redemption at par of the funds' ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its

shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee's recommendation.

Subsequently, the funds that received demand letters were named in a consolidated complaint as nominal defendants in a putative shareholder derivative action captioned Martin Safier, et al. v. Nuveen Asset Management, et al. that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on February 18, 2011 (the "Complaint"). The Complaint, filed on behalf of purported holders of each fund's common shares, also name Nuveen Fund Advisors, Inc. as a defendant, together with current and former Officers and interested Directors/Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaint contains the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs' costs and disbursements in pursuing the action. Nuveen Fund Advisors, Inc. believes that the Complaint is without merit, and is defending vigorously against these charges.

As of May 31, 2011, each of the Funds has redeemed all of their outstanding ARPS at par.

MTP Shares

As of May 31, 2011, the following Funds have issued and outstanding MTP Shares, at liquidation value, as shown in the accompanying table.

	MTP Shares
	at Liquidation
Fund	Value
NPG	\$28,340,000
NZX	14,340,000
NKG	32,265,000
NNC	49,835,000
NRB	16,600,000
NNO	29,700,000
NII	28,725,000

The net proceeds from each Fund's issuance of MTP Shares was used to refinance all, or a portion of, the Fund's remaining outstanding ARPS at par. Each Fund's MTP Shares trade on the New York Stock Exchange (NYSE). At May 31, 2011, the details on each Fund's series of MTP Shares are as shown in the following table.

		Shares Issued	Annual	NYSE
Fund	Series At	Liquidation Value	Interest Rate	Ticker
NPG	2015 \$	28,340,000	2.65%	NPG Pr C
NZX	2015	14,340,000	2.65%	NZX Pr C
NKG	2015	32,265,000	2.65%	NKG Pr C
NNC	2015	24,300,000	2.65%	NNC Pr C
NNC	2016	25,535,000	2.60%	NNC Pr D
NRB	2015	16,600,000	2.60%	NRB Pr C
NNO	2015	29,700,000	2.60%	NNO Pr C
NII	2015	28,725,000	2.65%	NII Pr C

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

At the time this report was prepared, all 84 of the Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' ARPS redemptions to approximately \$10.3 billion of the approximately \$11.0 billion originally outstanding. For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: http://www.nuveen.com/arps.

Regulatory Matters

During May 2011, Nuveen Securities, LLC known as Nuveen Investments LLC prior to April 30, 2011. entered into a settlement with the Financial Industry Regulatory Authority (FINRA) with respect to certain allegations regarding Nuveen-sponsored closed-end fund ARPS marketing brochures. As part of this settlement, Nuveen Securities, LLC neither admitted to nor denied FINRA's allegations. Nuveen Securities, LLC is the broker-dealer subsidiary of Nuveen Investments.

The settlement with FINRA concludes an investigation that followed the widespread failure of auctions for ARPS and other auction rate securities, which generally began in mid-February 2008. In the settlement, FINRA alleged that certain marketing materials provided by Nuveen Securities, LLC were false and misleading. Nuveen Securities, LLC agreed to a censure and the payment of a \$3 million fine.

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results.

Price Risk; Common shares of closed-end investment companies like the Funds frequently trade at a discount to their net asset value. The Funds cannot predict whether the common shares will trade at, above or below net asset value. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk; Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, and distributions. Leverage risk can be introduced through structural leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in the Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. There is no assurance that a Fund's leveraging strategy will be successful.

Credit and Interest Rate Risk; Debt or fixed income securities are subject to credit risk and interest rate risk. The value of, and income generated by debt securities will decrease or increase based on changes in market interest rates. As interest rates rise, bond prices fall. Credit risk refers to an issuer's ability to make interest and principal payments when due.

Common Share Dividend and Share Price Information

The monthly dividends of all seven Funds in this report remained stable throughout the twelve-month reporting period ended May 31, 2011.

All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of May 31, 2011, all seven of the Funds in this report had positive UNII balances for both tax and financial reporting purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

As of May 31, 2011, the Funds' common share prices were trading at (+) premiums or (-) discounts to their common share NAVs as shown in the accompanying table.

	5/31/11	12-Month Average
Fund	(+)Premium/(-)Discount	(+)Premium/(-)Discount
NPG	(-)5.21%	(-)3.11%
NZX	(-)3.55%	(-)0.63%
NKG	(+)1.02%	(-)2.83%
NNC	(+)0.49%	(+)1.10%
NRB	(+)1.84%	(+)4.83%
NNO	(-)2.34%	(+)2.77%
NII	(+)0.07%	(+)2.68%

NPG Nuveen Georgia
Performance Premium Income
OVERVIEW Municipal Fund

as of May 31, 2011

Fund Snapshot			
Common Share Price	\$	13.27	
Common Share Net Asset Value (NAV)	\$	14.00	
Premium/(Discount) to NAV		-5.21%	
Market Yield		5.34%)
Taxable-Equivalent Yield1		7.89%	
Net Assets Applicable to Common Shares (\$000)	\$	53,294	
Leverage			
(as a % of managed assets)			
Structural Leverage		33.85%	
Effective Leverage		37.25%	
Average Annual Total Return			
(Inception 5/20/93)			
•	On Share Pri		On NAV
1-Year	0.18%		1.81%
1-Year 5-Year	0.18% 2.37%		1.81% 4.01%
1-Year	0.18%		1.81%
1-Year 5-Year 10-Year	0.18% 2.37%		1.81% 4.01%
1-Year 5-Year 10-Year Portfolio Composition3	0.18% 2.37%		1.81% 4.01%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments)	0.18% 2.37%		1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General	0.18% 2.37%	24.0%	1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General Education and Civic Organizations	0.18% 2.37%	24.0% 16.2%	1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General Education and Civic Organizations Water and Sewer	0.18% 2.37%	24.0% 16.2% 15.7%	1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General Education and Civic Organizations Water and Sewer Tax Obligation/Limited	0.18% 2.37%	24.0% 16.2% 15.7% 14.6%	1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General Education and Civic Organizations Water and Sewer Tax Obligation/Limited Health Care	0.18% 2.37%	24.0% 16.2% 15.7% 14.6% 9.9%	1.81% 4.01% 5.34%
1-Year 5-Year 10-Year Portfolio Composition3 (as a % of total investments) Tax Obligation/General Education and Civic Organizations Water and Sewer Tax Obligation/Limited	0.18% 2.37%	24.0% 16.2% 15.7% 14.6%	1.81% 4.01% 5.34%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

Other

7.7%

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NZX Nuveen Georgia
Performance Dividend Advantage
OVERVIEW Municipal Fund

as of May 31, 2011

Fund Snapshot			
Common Share Price	\$	13.84	
Common Share Net Asset Value (NAV)	\$	14.35	
Premium/(Discount) to NAV		-3.55%	
Market Yield		5.55%	
Taxable-Equivalent Yield1		8.20%	
Net Assets Applicable to Common Shares (\$000)	\$	28,296	
Leverage			
(as a % of managed assets)			
Structural Leverage		32.79%	
Effective Leverage		36.29%	
Average Annual Total Return			
(Inception 9/25/01)			
	On Share Pr	ice	On NAV
1-Year	-3.77%	2	2.17%
5-Year	2.88%	5 4	1.57%
Since Inception	4.64%	5	5.53%
Portfolio Composition3			
(as a % of total investments)			
Tax Obligation/General		19.8%	
Health Care		15.9%	
Water and Sewer		13.9%	
U.S. Guaranteed		12.3%	
Education and Civic Organizations		9.5%	
Housing/Single Family		8.8%	
Tax Obligation/Limited		7.1%	

- Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.
- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

Other

12.7%

NKG Nuveen Georgia Dividend Advantage Performance **OVERVIEW** Municipal Fund 2 as of May 31, 2011

Fund Snapshot	
Common Share Price	\$ 13.92
Common Share Net Asset Value (NAV)	\$ 13.78
Premium/(Discount) to NAV	1.02%
Market Yield	5.17%
Taxable-Equivalent Yield1	7.64%
Net Assets Applicable to Common Shares (\$000)	\$ 62,777
Leverage	
(as a % of managed assets)	
Structural Leverage	33.11%
	33.11/0

Average Annual Total Return (Inception 9/25/02)

	On Share Price	On NAV
1-Year	4.84%	2.13%
5-Year	6.23%	4.22%
Since Incention	4.44%	4 64%

Portfolio Composition3

(as a % of total investments)

(as a 70 of total investments)	
Tax Obligation/General	20.0%
Water and Sewer	19.6%
Education and Civic Organizations	11.7%
Tax Obligation/Limited	11.6%
Health Care	11.5%
U.S. Guaranteed	9.7%
Transportation	3.4%
Other	12.5%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal 1 the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- Holdings are subject to change. 3

NNC Nuveen North Carolina
Performance Premium Income
OVERVIEW Municipal Fund

as of May 31, 2011

Fund Snapshot		
Common Share Price	\$	14.41
Common Share Net Asset Value (NAV)	\$	14.34
Premium/(Discount) to NAV		0.49%
Market Yield		5.16%
Taxable-Equivalent Yield1		7.77%
Net Assets Applicable to Common Shares (\$000)	\$	91,256
Leverage		
(as a % of managed assets)		
Structural Leverage		34.91%
Effective Leverage		37.62%
Average Annual Total Return		
(Inception 5/20/93)		
	On Share Price	
1-Year	-1.27%	2.57%
5-Year	4.04%	4.86%
10-Year	5.03%	5.78%
Portfolio Composition3		
(as a % of total investments)		
Tax Obligation/Limited		22.2%
Health Care		17.7%
Education and Civic Organizations		
		12.8%
U.S. Guaranteed		11.8%
U.S. Guaranteed Water and Sewer		11.8% 11.3%
U.S. Guaranteed		11.8%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

Other

11.0%

NRB Nuveen North Carolina
Performance Dividend Advantage
OVERVIEW Municipal Fund
as of May 31, 2011

Net Assets Applicable to Common Shares (\$000)

Fund Snapshot	
Common Share Price	\$ 14.94
Common Share Net Asset Value (NAV)	\$ 14.67
Premium/(Discount) to NAV	1.84%
Market Yield	5.62%
Taxable-Equivalent Yield1	8.46%

Leverage

(as a % of managed assets)

Structural Leverage	3	2.64%
Effective Leverage	4	1.62%

Average Annual Total Return

(Inception 1/25/01)

	On Share Price	On NA v
1-Year	-2.16%	1.72%
5-Year	1.85%	5.16%
10-Year	5.47%	6.44%

Portfolio Composition3

(as a % of total investments)

Water and Sewer	30.7%
Health Care	16.5%
Tax Obligation/Limited	15.9%
U.S. Guaranteed	8.2%
Tax Obligation/General	7.0%
Education and Civic Organizations	5.8%
Transportation	5.7%
Utilities	5.2%
Other	5.0%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

33,337

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NNO Nuveen North Carolina
Performance Dividend Advantage
OVERVIEW Municipal Fund 2

as of May 31, 2011

Fund Snapshot	
Common Share Price	\$ 14.21
Common Share Net Asset Value (NAV)	\$ 14.55
Premium/(Discount) to NAV	-2.34%
Market Yield	5.74%
Taxable-Equivalent Yield1	8.64%
Net Assets Applicable to Common Shares (\$000)	\$ 54,593
Leverage (as a % of managed assets)	
Structural Leverage	35.23%
Effective Leverage	38.78%

Average Annual Total Return (Inception 11/15/01)

Portfolio Composition3

	On Share Price	On NAV
1-Year	-4.55%	1.92%
5-Year	3.78%	4.91%
Since Inception	4.99%	5.78%

1 ortiono Compositiono	
(as a % of total investments)	
Health Care	22.7%
Tax Obligation/Limited	22.0%
Water and Sewer	19.4%
Transportation	8.3%
Education and Civic Organizations	7.1%
Tax Obligation/General	6.1%
U.S. Guaranteed	5.1%
Other	9.3%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

NII Nuveen North Carolina
Performance Dividend Advantage
OVERVIEW Municipal Fund 3

as of May 31, 2011

12.0%

9.1%

14.6%

Fund Snapshot			
Common Share Price	\$	14.22	
Common Share Net Asset Value (NAV)	\$	14.21	
Premium/(Discount) to NAV		0.07%	
Market Yield		5.57%	
Taxable-Equivalent Yield1		8.39%	
Net Assets Applicable to Common Shares (\$000)	\$	55,959	
Leverage			
(as a % of managed assets)			
Structural Leverage		33.92%	
Effective Leverage	39.29%		
Average Annual Total Return			
(Inception 9/25/02)			
(Inception 9/25/02)	On Share Price	ce O	n NAV
	On Share Pric		n NAV 19%
(Inception 9/25/02)		1.7	
(Inception 9/25/02) 1-Year	-5.28%	1.7 5.0	19%
(Inception 9/25/02) 1-Year 5-Year	-5.28% 4.85%	1.7 5.0	9% 00%
(Inception 9/25/02) 1-Year 5-Year Since Inception Portfolio Composition3	-5.28% 4.85%	1.7 5.0	9% 00%
(Inception 9/25/02) 1-Year 5-Year Since Inception	-5.28% 4.85%	1.7 5.0	9% 00%
(Inception 9/25/02) 1-Year 5-Year Since Inception Portfolio Composition3 (as a % of total investments) Water and Sewer	-5.28% 4.85%	1.7 5.0 5.1 27.6%	9% 00%
(Inception 9/25/02) 1-Year 5-Year Since Inception Portfolio Composition3 (as a % of total investments)	-5.28% 4.85%	1.7 5.0 5.1	9% 00%

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

- Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 Holdings are subject to change.

20 Nuveen Investments

U.S. Guaranteed

Utilities

Other

NPG Shareholder Meeting Report (Unaudited) **NZX**

NKG

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 16, 2010; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting for NRB and NNO was subsequently adjourned to January 6, 2011 and additionally adjourned to March 14, 2011.

	NPG Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	NZX	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	NKG	Preferred shares voting together as a class
To approve the elimination of the Fund's fundamental policy relating to investments in municipal securities and below investment grade securities.	as a class	as a class	as a class		as a Class	as a class		as a Class
For	_	_		_		_		_
Against	<u>—</u>	<u> </u>		_	<u> </u>	-	_	
Abstain	_	_		_		_	_	
Broker Non-Votes	<u>—</u>	<u> </u>		_	<u> </u>	-	_	
Total	_	_		_		_	_	
To approve the new fundamental policy relating to investments in municipal securities for the Fund.								
For	_	_		_	_	_	_	_
Against	_	_		_	_	-	_	_
Abstain	_	_		_	_	_	_	
Broker Non-Votes	_	_		_	<u> </u>	-	_	_
Approval of the Board Members was reached as follows:	_	_		_	_	_		
William C. Hunter		0.645.500			1 210 211			2 022 024
For	-	2,647,539	_		1,310,311	_	_	2,922,834
Withhold	_	25,334	_	_	2,000	_	_	133,564
Total	-	2,672,873	_		1,312,311	_		3,056,398
William J. Schneider								
For	_	2,647,539	_		1,310,311	_		2,922,834
Withhold	_	25,334	_	_	2,000	_	_	133,564
Total	_	2,672,873	_		1,312,311	_	_	3,056,398

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6,227,438	-3,175,540	7,179,606	
103,606	— 55,867	— 266,202	
6,331,044	-3,231,407	7,445,808	
6,227,438	-3,175,540	 7,180,195	
103,606	— 55,867	— 265,613	
6,331,044	-3,231,407	7,445,808	
	103,606 6,331,044 6,227,438 103,606	103,606 — 55,867 6,331,044 —3,231,407 6,227,438 —3,175,540 103,606 — 55,867	103,606 — 55,867 — 266,202 6,331,044 —3,231,407 —7,445,808 6,227,438 —3,175,540 —7,180,195 103,606 — 55,867 — 265,613

NNC Shareholder Meeting Report (Unaudited) (continued)
NRB
NNO

To approve the	NNC Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	NRB	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	NNO	Preferred shares voting together as a class
elimination of the Fund's fundamental policy relating to investments in municipal securities and below investment grade securities.								
For	_	_	- 2,044,858		_	- 3,446,564		_
Against	_	<u> </u>	- 114,537		_	- 168,063		_
Abstain	_	_	- 63,655		_	- 94,998		_
Broker Non-Votes	_	_	474,457		_	- 820,613		
Total	<u></u>		- 2,697,507			-4,530,238		_
To approve the new fundamental policy relating to investments in municipal securities for the Fund.								
For		_	- 2,069,018		_	- 3,455,125		_
Against	_	_	- 94,635		_	- 164,069		_
Abstain	_	_	- 59,397		_	- 90,431		
Broker Non-Votes	_	_	474,457		_	- 820,613		
Total	_		- 2,697,507		_	- 4,530,238		_
Approval of the Board Members was reached as follows: William C. Hunter			2,001,001			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
For		2,277,588	_	_	866,679	_		1,647,111
Withhold		2,000			7,500	_		18,000
Total		2,279,588	_		874,179	-		1,665,111
William J. Schneider		4,419,300	_		0/4,1/7	-	_	1,005,111
		2 277 500			966 670			1 6 47 111
For	<u> </u>	2,277,588	-	_	866,679	-		1,647,111
Withhold		2,000	-	_	7,500	-	_	18,000
Total	-	2,279,588	-	_	874,179	-		1,665,111
Judith M. Stockdale								
For	8,134,652	<u> </u>	- 2,570,744		_	- 4,348,615		_
Withhold	131,136		- 105,162		_	- 147,242		_

Total	8,265,788	2,675,906	<i>—</i> 4,495,857	
Carole E. Stone				
For	8,143,601	2,570,744	4,360,486	
Withhold	122,187	— 105,162	— 135,371	_
Total	8,265,788	2,675,906	<i>—</i> 4,495,857	

NII

To approve the elimination of the Fund's fundamental policy relating to	NII Common and Preferred shares voting together as a class	Preferred shares voting together as a class
investments in municipal securities and below investment grade securities.		
For	_	
Against	_	_
Abstain	_	
Broker Non-Votes	_	_
Total	_	_
To approve the new fundamental policy relating to investments in municipal securities for the Fund.		
For	_	_
Against	_	_
Abstain	_	
Broker Non-Votes	_	_
Total	_	_
Approval of the Board Members was reached as follows:		
William C. Hunter		
For	_	2,512,732
Withhold	_	22,736
Total	_	2,535,468
William J. Schneider		
For	_	2,512,732
Withhold		22,736
Total	_	2,535,468
Judith M. Stockdale		
For	6,215,772	_
Withhold	139,418	_
Total	6,355,190	_
Carole E. Stone		
For	6,228,212	
Withhold	126,978	
Total	6,355,190	

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders
Nuveen Georgia Premium Income Municipal Fund
Nuveen Georgia Dividend Advantage Municipal Fund
Nuveen Georgia Dividend Advantage Municipal Fund 2
Nuveen North Carolina Premium Income Municipal Fund
Nuveen North Carolina Dividend Advantage Municipal Fund
Nuveen North Carolina Dividend Advantage Municipal Fund 2
Nuveen North Carolina Dividend Advantage Municipal Fund 3

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Georgia Premium Income Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund 2, Nuveen North Carolina Premium Income Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund 2, and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (the "Funds") as of May 31, 2011, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of May 31, 2011, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Georgia Premium Income Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund 2, Nuveen North Carolina Premium Income Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund 3 at May 31, 2011, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois July 28, 2011

Nuveen Georgia Premium Income Municipal Fund

NPG Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 1.5% (1.0% of Total			
\$ 1,000	Investments) Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39	5/12 at 100.00	BBB \$	815,940
	Education and Civic Organizations – 24.0% (16.2% of Total Investments)			
750	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2	762,765
1,000	Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002, 5.000%, 12/15/16 – AMBAC Insured	12/12 at 100.00	N/R	1,034,310
2,800	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	2,783,144
1,550	Bulloch County Development Authority, Georgia, Student Housing and Athletic Facility Lease Revenue Bonds, Georgia Southern University, Series 2004, 5.250%, 8/01/21 – SYNCORA GTY Insured	8/14 at 100.00	A1	1,609,675
700	Carrollton Payroll Development Authority, Georgia, Student Housing Revenue Bonds, University of West Georgia, Series 2004A, 5.000%, 9/01/21 – SYNCORA GTY Insured	9/14 at 100.00	A1	726,670
1,535	Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech Molecular Science Building, Series 2004, 5.250%, 5/01/15 – NPFG Insured	5/14 at 100.00	Aa3	1,699,675
150	Georgia Higher Education Facilities Authority, Revenue Bonds, USG Real Estate Foundation I LLC Project, Series 2008, 6.000%, 6/15/28	6/18 at 100.00	A2	163,773
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:			
270	17.087%, 3/01/17 (IF)	No Opt. Call	AA	320,825
430	17.115%, 3/01/17 (IF)	No Opt. Call	AA	485,608
1,180	Savannah Economic Development Authority, Georgia, Revenue Bonds, Armstrong Atlantic State University, Compass Point LLC Project, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY	7/15 at 100.00	A2	1,201,523

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	Insured			
1,490	Savannah Economic Development Authority,	12/15 at 100.00	A3	1,492,086
	Georgia, Revenue Bonds, Armstrong Center			
	LLC, Series 2005A, 5.000%, 12/01/34 – SYNCORA GTY Insured			
500	Savannah Economic Development Authority,	7/12 at 100.00	Aa3	507,250
300	Georgia, Revenue Bonds, GTREP Project, Series	7712 at 100.00	1143	307,230
	2002, 5.000%, 7/01/22 – NPFG Insured			
12,355	Total Education and Civic Organizations			12,787,304
·	Health Care – 14.7% (9.9% of Total Investments)			
	Coffee County Hospital Authority, Georgia,			
	Revenue Bonds, Coffee County Regional			
	Medical Center, Series 2004:			
100	5.000%, 12/01/19	12/14 at 100.00	BBB–	101,451
900	5.250%, 12/01/22	12/14 at 100.00	BBB–	904,131
185	5.000%, 12/01/26	12/14 at 100.00	BBB-	171,249
100	Coweta County Development Authority,	6/20 at 100.00	AA–	93,198
	Georgia, Revenue Bonds, Piedmont Healthcare,			
1 000	Inc. Project, Series 2010, 5.000%, 6/15/40	12/20 -+ 100 00	NI/D	006 620
1,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional	12/20 at 100.00	N/R	996,630
	Medical Center Project, Series 2010, 8.000%,			
	12/01/40			
	Gainesville and Hall County Hospital Authority,			
	Georgia, Revenue Anticipation Certificates,			
	Northeast Georgia Health Services Inc., Series			
	2010B:			
300	5.125%, 2/15/40	No Opt. Call	A+	285,072
1,700	5.250%, 2/15/45	2/41 at 100.00	A+	1,632,476
900	Houston County Hospital Authority, Georgia,	10/17 at 100.00	A2	882,963
	Revenue Bonds, Houston Healthcare Project,			
225	Series 2007, 5.250%, 10/01/35	0/10 + 100 00		215 255
225	Macon-Bibb County Hospital Authority,	8/19 at 100.00	AA	215,255
	Georgia, Revenue Anticipation Certificates,			
	Medical Center of Central Georgia Inc., Series 2009, 5.000%, 8/01/35			
770	Royston Hospital Authority, Georgia, Revenue	7/11 at 100.00	N/R	769,908
,,,	Anticipation Certificates, Ty Cobb Healthcare	//11 u t 100.00	1771	705,500
	System Inc., Series 1999, 6.700%, 7/01/16			
1,000	Savannah Hospital Authority, Georgia, Revenue	1/14 at 100.00	Baa1	1,001,750
	Bonds, St. Joseph's/Candler Health System,			
	Series 2003, 5.250%, 7/01/23 – RAAI Insured			

Nuveen Georgia Premium Income Municipal Fund (continued)

NPG Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
rimount (ooo)	Health Care (continued)	110 (1510115 (2)	rudings (3)	, arac
\$ 800	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+ \$	755,736
7,980	Total Health Care			7,809,819
	Housing/Multifamily – 1.6% (1.1% of Total Investments)			
1,000	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2	856,770
	Housing/Single Family – 1.7% (1.1% of Total Investments)			
900	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100.00	AAA	903,078
1 000	Materials – 1.9% (1.3% of Total Investments)	044 404 00	222	4 000 700
1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax)	8/11 at 101.00	BBB	1,009,560
	Tax Obligation/General – 35.6% (24.0% of Total Investments)			
540	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	515,387
500	Clarke County Hospital Authority, Georgia, Hospital Revenue Bonds, Athens Regional Medical Center, Series 2007, 5.000%, 1/01/27 – NPFG Insured	1/17 at 100.00	Aa1	511,460
2,000	Clarke County Hospital Authority, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32 – NPFG Insured	1/12 at 101.00	Aa1	2,003,380
2,215	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00	AA+	2,333,281
3,000	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 – NPFG Insured	7/12 at 101.00	Aa2	3,015,960

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1,090	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center, Series 2003, 5.000%, 7/01/19 – NPFG Insured	7/13 at 101.00	Aa2	1,140,543
1,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	1,027,320
905	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.375%, 5/01/32 – AGC Insured	5/19 at 100.00	AA+	934,385
1,000	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	1,158,120
100	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA	110,362
210	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	232,659
1,800	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	1,854,882
1,060	Henry County Hospital Authority, Georgia, Revenue Certificates, Henry Medical Center, Series 2004, 5.000%, 7/01/20 – NPFG Insured	7/14 at 101.00	Aa1	1,117,176
2,500	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	2,547,350
500	Wayne County Hospital Authority, Georgia, Hospital Revenue Bonds, Series 2006, 5.000%, 3/01/23 – SYNCORA GTY Insured	3/16 at 100.00	N/R	489,185
18,420	Total Tax Obligation/General			18,991,450
	Tax Obligation/Limited – 21.7% (14.6% of Total Investments)			
	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007:			
70	5.250%, 12/01/19 – AGC Insured	No Opt. Call	AA+	74,837
420 750	5.000%, 12/01/23 – AGC Insured Atlanta, Georgia, Tax Allocation Bonds, Eastside	12/17 at 100.00 No Opt. Call	AA+ A–	425,393 783,683
730	Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	No Opt. Can	A-	763,063
50	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B, 5.400%, 1/01/20	7/15 at 100.00	A–	50,802
2,000	Cobb-Marietta Coliseum and Exhibit Hall Authority, Cobb County, Georgia, Revenue Bonds, Performing Arts Center, Series 2004, 5.000%, 1/01/22	1/14 at 100.00	AAA	2,159,760

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
\$	25	Tax Obligation/Limited (continued) Cobb-Marietta Coliseum and Exhibit Hall	No Opt. Call	A+ \$	20.245
Ф	23	Authority, Georgia, Revenue Bonds, Refunding	No Opt. Can	A+ \$	29,345
		Series 2005, 5.500%, 10/01/26 – NPFG Insured			
	3,890	Cobb-Marietta Coliseum and Exhibit Hall	10/19 at 100.00	Baa1	4,108,112
		Authority, Georgia, Revenue Refunding Bonds,			
		Series 1993, 5.625%, 10/01/26 – NPFG Insured			
	2,600	Macon-Bibb County Urban Development	8/12 at 101.00	AA	2,758,522
		Authority, Georgia, Revenue Refunding Bonds,			
		Public Facilities Projects, Series 2002A, 5.375%, 8/01/17			
	1,000	Metropolitan Atlanta Rapid Transit Authority,	No Opt. Call	Aa2	1,188,370
	1,000	Georgia, Sales Tax Revenue Refunding Bonds,	rio opt. cum	1142	1,100,570
		Series 1992P, 6.250%, 7/01/20 – AMBAC Insured			
	10,805	Total Tax Obligation/Limited			11,578,824
		Transportation – 4.8% (3.2% of Total			
	215	Investments) Atlanta, Georgia, Airport General Revenue	7/11 of 100 50	Λ.	215 597
	215	Bonds, Series 2000B, 5.625%, 1/01/30 – FGIC	7/11 at 100.50	A+	215,587
		Insured (Alternative Minimum Tax)			
	2,290	Atlanta, Georgia, Airport General Revenue	1/15 at 100.00	AA+	2,341,479
		Bonds, Series 2004G, 5.000%, 1/01/26 – AGM			
		Insured			
	2,505	Total Transportation			2,557,066
		U.S. Guaranteed – 7.6% (5.1% of Total			
	735	Investments) (4) Coweta County Development Authority,	1/13 at 100.00	N/R (4)	791,147
	755	Georgia, Revenue Bonds, Newnan Water and	1/15 at 100.00	1771 (1)	771,117
		Sewer, and Light Commission Project, Series			
		2002, 5.250%, 1/01/18 (Pre-refunded 1/01/13) –			
	2.7	FGIC Insured	4.45		20.205
	25	Georgia Municipal Electric Authority, Senior	1/17 at 100.00	A+ (4)	28,207
		Lien General Power Revenue Bonds, Series 1993Z, 5.500%, 1/01/20 (Pre-refunded 1/01/17) –			
		FGIC Insured			
	500	Georgia, General Obligation Bonds, Series	8/12 at 100.00	AAA	527,680
		2002D, 5.000%, 8/01/16 (Pre-refunded 8/01/12)			
	2,550	Gwinnett County Hospital Authority, Georgia,	2/12 at 102.00	Aaa	2,685,992
		Revenue Anticipation Certificates, Gwinnett			
		Hospital System Inc. Project, Series 1997B, 5.300%, 9/01/27 (Pre-refunded 2/14/12) – NPFG			
		Insured			
	3,810	Total U.S. Guaranteed			4,033,026
	- ,	Utilities – 10.0% (6.8% of Total Investments)			,,,,_
	1,000	Georgia Municipal Electric Authority, General	1/17 at 100.00	A	1,030,630
		Power Revenue Bonds, Project 1, Series 2007A,			
	075	5.000%, 1/01/25 – NPFG Insured	No Oat C 11	A .	1 000 570
	975		No Opt. Call	A+	1,082,572

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	Georgia Municipal Electric Authority, Senior Lien General Power Revenue Bonds, Series 1993Z, 5.500%, 1/01/20 – FGIC Insured			
1,000	Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A, 5.000%, 11/01/20 – NPFG Insured	11/13 at 100.00	A1	1,072,570
1,000	Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 – NPFG Insured	1/13 at 100.00	A2	1,040,300
1,200	Virgin Islands Water and Power Authority, Electric System Revenue Bonds, Series 2007B, 5.000%, 7/01/31	7/17 at 100.00	BBB-	1,115,148
5,175	Total Utilities			5,341,220
	Water and Sewer – 23.3% (15.7% of Total Investments)			
190	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.000%, 11/01/38 – FGIC Insured	8/11 at 100.00	A1	182,729
1,225	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/24 – AGM Insured	11/14 at 100.00	AA+	1,263,208
2,490	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA+	2,550,831
335	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2001, 5.250%, 6/01/26 – AMBAC Insured	6/13 at 100.00	Aa2	342,605
	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007:			
500	5.000%, 6/01/32	6/18 at 100.00	Aa2	513,210
150	5.000%, 6/01/37	6/18 at 100.00	Aa2	152,166
890	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPFG Insured	6/17 at 100.00	Aa2	905,913

Nuveen Georgia Premium Income Municipal Fund (continued)

NPG Portfolio of Investments

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
		Water and Sewer (continued)			
\$	750	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa \$	766,500
	1,950	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/22 – FGIC Insured	1/14 at 100.00	AA–	2,088,392
	500	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Cobb County-Marietta Water Authority Loans, Series 2011, 5.250%, 2/15/36	2/21 at 100.00	Aaa	516,275
	1,000	Midgeville, Georgia, Water and Sewerage Revenue Refunding Bonds, Series 1996, 6.000%, 12/01/21 – AGM Insured	No Opt. Call	AA+	1,164,140
	1,000	Unified Government of Athens-Clarke County, Georgia, Water and Sewerage Revenue Bonds, Series 2008, 5.500%, 1/01/38	1/19 at 100.00	Aa2	1,054,740
	890	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	901,762
	11,870	Total Water and Sewer			12,402,471
\$	76,820	Total Investments (cost \$77,314,411) – 148.4%			79,086,528
		Floating Rate Obligations – (2.2)%			(1,190,000)
		MuniFund Term Preferred Shares, at Liquidation Value – (53.2)% (5)			(28,340,000)
		Other Assets Less Liabilities – 7.0%			3,737,247
		Net Assets Applicable to Common Shares – 100%		•	53,293,775
		The Assets Applicable to Collinion Shares – 100%		φ	55,475,115

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 35.8%.

- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Georgia Dividend Advantage Municipal Fund

NZX Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Patings (2)	Value
Amount (000)	Education and Civic Organizations – 13.8% (9.5%	FIOVISIONS (2)	Ratings (3)	v arue
	of Total Investments)			
\$ 500	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2 \$	508,510
1,200	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	1,192,776
1,000	Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech Athletic Association, Series 2001, 5.000%, 10/01/20 – AMBAC Insured	4/12 at 100.00	N/R	1,007,380
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:			
145	17.087%, 3/01/17 (IF)	No Opt. Call	AA	172,295
230	17.115%, 3/01/17 (IF)	No Opt. Call	AA	259,744
750	Savannah Economic Development Authority, Georgia, Revenue Bonds, GTREP Project, Series 2002, 5.000%, 7/01/19 – NPFG Insured	7/12 at 100.00	Aa3	765,608
3,825	Total Education and Civic Organizations			3,906,313
	Energy – 1.9% (1.3% of Total Investments)			
650	Virgin Islands Public Finance Authority, Revenue Bonds, Refinery Project Hovensa LLC, Series 2007, 4.700%, 7/01/22 (Alternative Minimum Tax)	1/15 at 100.00	Baa3	541,275
	Health Care – 23.2% (15.9% of Total Investments)			
105	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1997, 5.250%, 12/01/12	8/11 at 100.00	BB+	103,812
190	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1998, 5.375%, 12/01/28	12/11 at 100.00	BB+	155,922
500	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004, 5.250%, 12/01/22	12/14 at 100.00	BBB–	502,295
115	Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc. Project, Series 2010, 5.000%, 6/15/40	6/20 at 100.00	AA–	107,178
500	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.000%,	12/20 at 100.00	N/R	498,315

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	12/01/40			
600	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B, 5.250%, 2/15/45	2/41 at 100.00	A+	576,168
500	Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series 2007, 5.250%, 10/01/35	10/17 at 100.00	A2	490,535
	Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical Center of Central Georgia Inc., Series 2009:			
200	5.000%, 8/01/32	8/19 at 100.00	AA	196,146
300	5.000%, 8/01/35	8/19 at 100.00	AA	287,007
	Royston Hospital Authority, Georgia, Revenue Anticipation Certificates, Ty Cobb Healthcare System Inc., Series 1999:			
200	6.700%, 7/01/16	7/11 at 100.00	N/R	199,976
250	6.500%, 7/01/27	7/11 at 100.00	N/R	225,768
500	Savannah Hospital Authority, Georgia, Revenue Bonds, St. Joseph's/Candler Health System, Series 2003, 5.250%, 7/01/23 – RAAI Insured	1/14 at 100.00	Baa1	500,875
2,000	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2002, 5.250%, 10/01/27 – AMBAC Insured	10/12 at 101.00	A+	2,003,760
750	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+	708,503
6,710	Total Health Care			6,556,260

Nuveen Georgia Dividend Advantage Municipal Fund (continued)

NZX Portfolio of Investments

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Housing/Multifamily – 1.1% (0.7% of Total			
\$ 350	Investments) Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2 \$	299,870
	Housing/Single Family – 12.9% (8.8% of Total Investments)			
650	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100.00	AAA	652,223
1,000	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2006C-2, 4.500%, 12/01/27 (Alternative Minimum Tax)	12/15 at 100.00	AAA	931,490
2,000	Georgia Housing and Finance Authority, Single Family Mortgage Resolution 1 Bonds, Series 2002A-2, 5.450%, 12/01/22 (Alternative Minimum Tax)	12/11 at 100.00	AAA	2,061,000
3,650	Total Housing/Single Family			3,644,713
	Industrials – 3.5% (2.4% of Total Investments)			
1,000	Cartersville Development Authority, Georgia, Waste and Wastewater Facilities Revenue Refunding Bonds, Anheuser Busch Cos. Inc. Project, Series 2002, 5.950%, 2/01/32	2/12 at 100.00	A-	1,005,450
	(Alternative Minimum Tax) Long-Term Care – 0.9% (0.6% of Total			
	Investments)			
250	Medical Center Hospital Authority, Georgia, Revenue Bonds, Spring Harbor at Green Island, Series 2007, 5.000%, 7/01/11	No Opt. Call	N/R	249,895
	Materials – 2.2% (1.5% of Total Investments)			
20	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company, Series 2003A, 5.750%, 11/01/27 (Alternative Minimum Tax)	11/13 at 100.00	BBB	20,028
600	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Refunding Bonds, International Paper Company, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax)	2/12 at 101.00	BBB	602,004
620	Total Materials			622,032
	Tax Obligation/General – 28.9% (19.8% of Total Investments)			

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360	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	343,591
500	Clarke County Hospital Authority, Georgia, Hospital Revenue Bonds, Athens Regional Medical Center, Series 2007, 5.000%, 1/01/27 – NPFG Insured	1/17 at 100.00	Aa1	511,460
1,000	Clarke County Hospital Authority, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.375%, 1/01/19 – NPFG Insured	1/12 at 101.00	Aa1	1,022,430
200	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00	AA+	210,680
2,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	2,054,640
250	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.500%, 5/01/38 – AGC Insured	5/19 at 100.00	AA+	257,008
500	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	579,060
700	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA	772,534
100	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	110,790
1,000	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	1,030,490
500	Henry County Hospital Authority, Georgia, Revenue Certificates, Henry Medical Center, Series 2004, 5.000%, 7/01/20 – NPFG Insured	7/14 at 101.00	Aa1	526,970
150	La Grange-Troup County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series 2008A, 5.500%, 7/01/38	7/18 at 100.00	Aa2	150,428
600	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	611,364
7,860	Total Tax Obligation/General			8,181,445

Principal		Optional Call		
Amount (000)	Description (1) Tax Obligation/Limited – 10.3% (7.1% of Total	Provisions (2)	Ratings (3)	Value
	Investments)			
\$ 40	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007, 5.000%, 12/01/23 – AGC Insured	12/17 at 100.00	AA+ \$	40,514
500	Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008B. Remarketed, 7.375%, 1/01/31	No Opt. Call	N/R	509,080
100	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	No Opt. Call	A–	104,491
	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:			
300	5.400%, 1/01/20	7/15 at 100.00	A-	304,812
75	5.600%, 1/01/30	7/15 at 100.00	A–	71,744
215	Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31	1/16 at 100.00	N/R	184,980
	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993:			
20	5.500%, 10/01/18 - NPFG Insured	No Opt. Call	Baa1	21,191
65	5.625%, 10/01/26 – NPFG Insured	10/19 at 100.00	Baa1	68,645
1,525	Macon-Bibb County Urban Development Authority, Georgia, Revenue Refunding Bonds, Public Facilities Projects, Series 2002A, 5.000%, 8/01/14	8/12 at 101.00	AA	1,614,319
2,840	Total Tax Obligation/Limited			2,919,776
	Transportation – 7.1% (4.9% of Total Investments)			
1,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.400%, 1/01/15 – FGIC Insured	7/11 at 100.50	A+	1,007,950
1,000	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Refunding Series 2004C, 5.000%, 1/01/33 – AGM Insured	7/14 at 100.00	AA+	1,002,080
2,000	Total Transportation			2,010,030
	U.S. Guaranteed – 18.0% (12.3% of Total Investments) (4)			
1,000	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002, 5.250%, 12/01/21 (Pre-refunded 12/01/12) – AMBAC Insured	12/12 at 100.00	Aa2 (4)	1,069,720
1,500	Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer, and Light Commission Project, Series 2002, 5.250%, 1/01/18 (Pre-refunded 1/01/13) –	1/13 at 100.00	N/R (4)	1,614,585

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	FGIC Insured			
1,100	Gwinnett County Hospital Authority, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System Inc. Project, Series 1997B, 5.300%, 9/01/27 (Pre-refunded 2/14/12) – NPFG Insured	2/12 at 102.00	Aaa	1,158,663
1,200	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University, Series 2001, 5.750%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 102.00	Baa2 (4)	1,245,768
4,800	Total U.S. Guaranteed			5,088,736
	Utilities – 1.9% (1.3% of Total Investments)			
500	Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A, 5.250%, 11/01/15 – NPFG Insured	11/13 at 100.00	A1	543,685
	Water and Sewer – 20.2% (13.9% of Total Investments)			
1,200	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/24 – AGM Insured	11/14 at 100.00	AA+	1,237,428
625	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA+	640,269
350	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 6/01/37	6/18 at 100.00	Aa2	355,054
890	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPFG Insured	6/17 at 100.00	Aa2	905,913
375	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa	383,250

Nuveen Georgia Dividend Advantage Municipal Fund (continued)

NZX Portfolio of Investments

May 31, 2011

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)		-	
\$ 500	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/22 – FGIC Insured	1/14 at 100.00	AA-\$	535,485
1,395	Macon Water Authority, Georgia, Water and Sewer Revenue Bonds, Series 2001B, 5.000%, 10/01/21	10/11 at 101.00	Aa1	1,428,620
230	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	233,035
5,565	Total Water and Sewer			5,719,054
\$ 40,620	Total Investments (cost \$40,715,431) – 145.9%			41,288,534
	Floating Rate Obligations – (2.3)%			(660,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (50.7)% (5)			(14,340,000)
	Other Assets Less Liabilities – 7.1%			2,007,575
	Net Assets Applicable to Common Shares – 100%		\$	28,296,109

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 34.7%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Georgia Dividend Advantage Municipal Fund 2

NKG Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
rinount (000)	Consumer Staples – 2.6% (1.7% of Total	Trovisions (2)	ratings (3)	varac
	Investments)			
\$ 2,000	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39	5/12 at 100.00	BBB \$	1,631,880
	Education and Civic Organizations – 17.6% (11.7% of Total Investments)			
2,320	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002, 5.000%, 12/01/33 – AMBAC Insured	12/12 at 100.00	Aa2	2,331,136
500	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2	508,510
1,225	Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002, 5.000%, 12/15/18 – AMBAC Insured	12/12 at 100.00	N/R	1,253,420
3,000	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	2,981,940
2,000	Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech – Klaus Parking and Family Housing, Series 2003, 5.000%, 11/01/23 – NPFG Insured	11/13 at 100.00	Aa3	2,047,800
1,050	Fulton County Development Authority, Georgia, Revenue Bonds, TUFF Morehouse Project, Series 2002A, 5.000%, 2/01/34 – AMBAC Insured	2/12 at 100.00	A2	1,025,567
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:			
315	17.087%, 3/01/17 (IF)	No Opt. Call	AA	374,296
490	17.115%, 3/01/17 (IF)	No Opt. Call	AA	553,367
10,900	Total Education and Civic Organizations Health Care – 17.4% (11.5% of Total Investments)			11,076,036
100	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1997, 5.250%, 12/01/12	8/11 at 100.00	BB+	98,869

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	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1998:			
65	5.250%, 12/01/22	8/11 at 100.00	BB+	57,051
550	5.375%, 12/01/28	12/11 at 100.00	BB+	451,352
	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004:			
185	5.000%, 12/01/19	12/14 at 100.00	BBB-	187,684
1,000	5.250%, 12/01/22	12/14 at 100.00	BBB-	1,004,590
500	Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc. Project, Series 2010, 5.000%, 6/15/40	6/20 at 100.00	AA-	465,990
1,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.000%, 12/01/40	12/20 at 100.00	N/R	996,630
	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B:			
700	5.125%, 2/15/40	No Opt. Call	A+	665,168
1,645	5.250%, 2/15/45	2/41 at 100.00	A+	1,579,661
1,140	Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series 2007, 5.250%, 10/01/35	10/17 at 100.00	A2	1,118,420
	Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical Center of Central Georgia Inc., Series 2009:			
200	5.000%, 8/01/32	8/19 at 100.00	AA	196,146
450	5.000%, 8/01/35	8/19 at 100.00	AA	430,511
	Royston Hospital Authority, Georgia, Revenue Anticipation Certificates, Ty Cobb Healthcare System Inc., Series 1999:			
350	6.700%, 7/01/16	7/11 at 100.00	N/R	349,958
650	6.500%, 7/01/27	7/11 at 100.00	N/R	586,996

Nuveen Georgia Dividend Advantage Municipal Fund 2 (continued)

NKG Portfolio of Investments

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
ф	2 000	Health Care (continued)	1/14 -4 100 00	Dag1 ¢	2.002.500
\$	2,000	Savannah Hospital Authority, Georgia, Revenue Bonds, St. Joseph's/Candler Health System, Series 2003, 5.250%, 7/01/23 – RAAI Insured	1/14 at 100.00	Baa1 \$	2,003,500
	750	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+	708,503
	11,285	Total Health Care			10,901,029
		Housing/Multifamily – 4.7% (3.1% of Total Investments)			
	25	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2	21,419
		Savannah Economic Development Authority, Georgia, GNMA Collateralized Multifamily Housing Revenue Bonds, Snap I-II-III Apartments, Series 2002A:			
	500	5.150%, 11/20/22 (Alternative Minimum Tax)	11/12 at 102.00	AAA	508,315
	980	5.200%, 11/20/27 (Alternative Minimum Tax)	11/12 at 102.00	AAA	980,902
	1,465	5.250%, 11/20/32 (Alternative Minimum Tax)	11/12 at 102.00	AAA	1,455,653
	2,970	Total Housing/Multifamily			2,966,289
		Housing/Single Family – 0.4% (0.3% of Total Investments)			
	170	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2006C-2, 4.550%, 12/01/31 (Alternative Minimum Tax)	12/15 at 100.00	AAA	153,585
	100	Georgia Housing and Finance Authority, Single Family Mortgage Resolution 1 Bonds, Series 2001B-2, 5.400%, 12/01/31 (Alternative Minimum Tax)	12/11 at 100.00	AAA	103,085
	270	Total Housing/Single Family			256,670
		Industrials – 3.2% (2.1% of Total Investments)			
	2,190	Cobb County Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Georgia Waste Management Project, Series 2004A, 5.000%, 4/01/33 (Alternative Minimum Tax)	4/16 at 101.00	ВВВ	1,982,738
		Long Term Care – 0.4% (0.3% of Total Investments)			
	250	Medical Center Hospital Authority, Georgia,	No Opt. Call	N/R	249,895
	230	Revenue Bonds, Spring Harbor at Green Island, Series 2007, 5.000%, 7/01/11	то Орг. Сап	11/1	249,093
		Materials – 2.6% (1.7% of Total Investments)			

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1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax)	8/11 at 101.00	ВВВ	1,009,560
250	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Refunding Bonds, International Paper Company, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax)	2/12 at 101.00	BBB	250,835
370	Savannah Economic Development Authority, Georgia, Pollution Control Revenue Bonds, Union Camp Corporation, Series 1995, 6.150%, 3/01/17	No Opt. Call	Baa3	399,918
1,620	Total Materials			1,660,313
	Tax Obligation/General – 30.2% (20.0% of Total Investments)			
600	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	572,652
900	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00	AA+	948,060
1,000	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 – NPFG Insured	7/12 at 101.00	Aa2	1,005,320
1,000	Forsyth County, Georgia, General Obligation Bonds, Series 2004, 5.250%, 3/01/19	3/14 at 101.00	Aaa	1,100,510
1,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	1,027,320
915	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.500%, 5/01/38 – AGC Insured	5/19 at 100.00	AA+	940,647
1,000	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	1,158,120

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$ 1,700	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA \$	1,876,154
1,645	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	1,822,496
750	Georgia, General Obligation Bonds, Series 1998D, 5.250%, 10/01/15	No Opt. Call	AAA	882,218
2,100	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	2,164,029
295	La Grange-Troup County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series 2008A, 5.500%, 7/01/38	7/18 at 100.00	Aa2	295,841
	Oconee County, Georgia, General Obligation Bonds, Recreation Project, Series 2003:			
1,410	5.500%, 1/01/23 – AMBAC Insured	1/13 at 101.00	Aa2	1,501,086
1,470	5.250%, 1/01/26 – AMBAC Insured	1/13 at 101.00	Aa2	1,534,754
1,200	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	1,222,728
950	Wayne County Hospital Authority, Georgia, Hospital Revenue Bonds, Series 2006, 5.000%, 3/01/23 – SYNCORA GTY Insured	3/16 at 100.00	N/R	929,452
17,935	Total Tax Obligation/General			18,981,387
	Tax Obligation/Limited – 17.5% (11.6% of Total Investments)			
	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007:			
5	5.250%, 12/01/21 – AGC Insured	No Opt. Call	AA+	5,233
620	5.000%, 12/01/23 – AGC Insured	12/17 at 100.00	AA+	627,961
1,000	Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008B. Remarketed, 7.375%, 1/01/31	No Opt. Call	N/R	1,018,160
500	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	No Opt. Call	A–	522,455
	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:			
450	5.400%, 1/01/20	7/15 at 100.00	A–	457,218
350	5.600%, 1/01/30	7/15 at 100.00	A–	334,803
340	Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31	1/16 at 100.00	N/R	292,526
	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993:			
145	5.500%, 10/01/18 - NPFG Insured	No Opt. Call	Baa1	153,638
1,755	5.625%, 10/01/26 – NPFG Insured	10/19 at 100.00	Baa1	1,853,403

750	Georgia Municipal Association Inc., Certificates of Participation, Atlanta Court Project, Series 2002, 5.125%, 12/01/21 – AMBAC Insured	6/12 at 101.00	N/R	761,640
2,500	Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Refunding Bonds, Series 1992P, 6.250%, 7/01/20 – AMBAC Insured	No Opt. Call	Aa2	2,970,925
1,945	Tift County Hospital Authority, Georgia, Revenue Anticipation Bonds, Tift Regional Medical Center, Series 2002, 5.250%, 12/01/19 – AMBAC Insured	12/12 at 101.00	Aa3	1,982,500
10,360	Total Tax Obligation/Limited			10,980,462
	Transportation – 5.1% (3.4% of Total Investments)			
3,195	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.500%, 1/01/21 – FGIC Insured	1/12 at 100.00	A+	3,221,327
	U.S. Guaranteed – 14.7% (9.7% of Total Investments) (4)			
180	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002, 5.000%, 12/01/33 (Pre-refunded 12/01/12) – AMBAC Insured	12/12 at 100.00	Aa2 (4)	191,880
1,000	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.250%, 10/01/22 (Pre-refunded 10/01/12) – AGM Insured	10/12 at 100.00	AA+ (4)	1,066,020
1,000	Cherokee County School System, Georgia, General Obligation Bonds, Series 2003, 5.000%, 8/01/16 (Pre-refunded 8/01/13) – NPFG Insured	8/13 at 100.00	AA+ (4)	1,097,580

Nuveen Georgia Dividend Advantage Municipal Fund 2 (continued)

NKG Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
rimount (000)	U.S. Guaranteed (4) (continued)	110 (1310113 (2)	Rutings (3)	varue
	Newnan Hospital Authority, Georgia, Revenue Anticipation Certificates, Newnan Hospital Inc., Series 2002:			
\$ 2,260	5.500%, 1/01/19 (Pre-refunded 1/01/13) – NPFG Insured	1/13 at 100.00	Aa3 (4) \$	2,441,546
3,020	5.500%, 1/01/20 (Pre-refunded 1/01/13) – NPFG Insured	1/13 at 100.00	Aa3 (4)	3,262,597
1,100	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University, Series 2001, 5.750%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 102.00	Baa2 (4)	1,141,954
8,560	Total U.S. Guaranteed			9,201,577
	Utilities – 4.9% (3.3% of Total Investments)			
1,000	Elberton, Georgia, Combined Utility System Revenue Refunding and Improvement Bonds, Series 2001, 5.000%, 1/01/22 – AMBAC Insured	1/12 at 100.00	A3	1,018,410
1,000	Georgia Municipal Electric Authority, General Power Revenue Bonds, Project 1, Series 2007A, 5.000%, 1/01/25 – NPFG Insured	1/17 at 100.00	A	1,030,630
1,000	Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 – NPFG Insured	1/13 at 100.00	A2	1,040,300
3,000	Total Utilities			3,089,340
	Water and Sewer – 29.7% (19.6% of Total Investments)			
	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004:			
500	5.250%, 11/01/15 – AGM Insured	11/14 at 100.00	AA+	555,080
700	5.000%, 11/01/37 – AGM Insured	11/14 at 100.00	AA+	696,409
3,500	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/27 – AGM Insured	10/12 at 100.00	AA+	3,544,590
1,990	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA+	2,038,616
	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007:			
500	5.000%, 6/01/32	6/18 at 100.00	Aa2	513,210
500	5.000%, 6/01/37	6/18 at 100.00	Aa2	507,220
1,000	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2005, 5.000%, 6/01/29 – NPFG Insured	12/15 at 100.00	Aa2	1,036,430

445	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPFG Insured	6/17 at 100.00	Aa2	452,957
4,000	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2002, 5.000%, 4/01/32	4/13 at 100.00	Aaa	4,038,000
375	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa	383,250
950	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 1998, 5.000%, 1/01/16 – FGIC Insured	8/11 at 100.00	AA–	953,439
3,100	Harris County, Georgia, Water System Revenue Bonds, Series 2002, 5.000%, 12/01/22 – AMBAC Insured	12/12 at 100.00	N/R	3,207,694
685	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	694,049
18,245	Total Water and Sewer			18,620,944
\$ 92,780	Total Investments (cost \$93,586,369) – 151.0%			94,819,887
	Floating Rate Obligations – (2.2)%			(1,395,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (51.4)% (5)			(32,265,000)
	Other Assets Less Liabilities – 2.6%			1,616,655
	Net Assets Applicable to Common Shares – 100%		\$	62,776,542

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 34.0%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen North Carolina Premium Income Municipal Fund

NNC Portfolio of Investments

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 20.2%			
	(12.8% of Total Investments)			
\$ 2,500	North Carolina Capital Facilities Financing	10/15 at 100.00	AA+ \$	2,537,250
	Agency, Revenue Bonds, Duke University,			
	Series 2005A, 5.000%, 10/01/41 (UB)			
	North Carolina Capital Facilities Financing			
	Agency, Revenue Bonds, Johnson and Wales			
	University, Series 2003A:			224.25
970	5.250%, 4/01/23 – SYNCORA GTY Insured	4/13 at 100.00	N/R	981,970
500	5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	466,305
2,285	North Carolina State University at Raleigh,	10/13 at 100.00	Aal	2,491,518
	General Revenue Bonds, Series 2003A, 5.000%,			
1.500	10/01/15	W 0 . C 11		1 500 500
1,530	University of North Carolina System, Pooled	No Opt. Call	A+	1,709,500
	Revenue Bonds, Series 2005A, 5.000%, 4/01/15 –			
120	AMBAC Insured	10/12 + 100 00	Α.	124.024
120	University of North Carolina System, Pooled	10/12 at 100.00	A+	124,834
	Revenue Refunding Bonds, Series 2002A,			
	5.375%, 4/01/22 – AMBAC Insured			
	University of North Carolina Wilmington, Certificates of Participation, Student Housing			
	Project Revenue Bonds, Series 2006:			
1,430	5.000%, 6/01/23 – FGIC Insured	6/16 at 100.00	A–	1,490,804
1,505	5.000%, 6/01/24 – FGIC Insured	6/16 at 100.00	A-	1,557,826
1,505	University of North Carolina, Chapel Hill,	0/10 at 100.00	71	1,557,020
	System Net Revenue Bonds, Series 2003:			
2,380	5.000%, 12/01/19	12/13 at 100.00	Aaa	2,528,155
2,725	5.000%, 12/01/21	12/13 at 100.00	Aaa	2,956,053
1,500	5.000%, 12/01/23	12/13 at 100.00	Aaa	1,614,540
17,445	Total Education and Civic Organizations			18,458,755
,	Energy – 1.6% (1.0% of Total Investments)			, ,
1,500	Virgin Islands Public Finance Authority,	1/14 at 100.00	Baa3	1,421,400
	Revenue Bonds, Refinery Project – Hovensa LLC,			
	Series 2003, 6.125%, 7/01/22 (Alternative			
	Minimum Tax)			
	Health Care – 28.0% (17.7% of Total			
	Investments)			
1,145	Albemarle Hospital Authority, North Carolina,	10/17 at 100.00	N/R	950,705
	Health Care Facilities Revenue Bonds, Series			
	2007, 5.250%, 10/01/27			
2,300	Charlotte-Mecklenberg Hospital Authority,	1/18 at 100.00	AA-	2,207,632
	North Carolina, Carolinas HealthCare System			
	Revenue Bonds, Series 2008A, 5.000%, 1/15/47			
500		1/19 at 100.00	AA–	502,465

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1 000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Refunding Revenue Bonds, Carolinas HealthCare System, Series 2009A, 5.250%, 1/15/39			4.040.000
1,000	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA+	1,013,380
225	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA+	229,109
	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:			
500	5.250%, 11/01/40	11/20 at 100.00	A+	464,700
3,000	5.000%, 11/01/43	11/20 at 100.00	A+	2,615,580
500	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	449,730
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	1,034,300
920	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA+	937,241
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/19	11/13 at 100.00	A+	2,045,420
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanly Memorial Hospital, Series 1999, 6.375%, 10/01/29	10/11 at 100.00	BBB+	2,000,440

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
		Health Care (continued)			
		North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union			
		Regional Medical Center, Series 2002A:			
\$	1,000	5.500%, 1/01/19	1/12 at 100.00	A+ \$	1,009,570
Ψ	550	5.500%, 1/01/20	1/12 at 100.00	A+	554,818
	1,750	5.375%, 1/01/32	1/12 at 100.00	A+	1,748,828
	3,000	North Carolina Medical Care Commission,	6/12 at 101.00	A	2,910,060
	3,000	Hospital Revenue Bonds, Southeastern Regional	0/12 40 101.00	11	2,710,000
		Medical Center, Series 2002, 5.375%, 6/01/32			
	1,500	North Carolina Medical Care Commission,	11/17 at 100.00	A–	1,452,600
	,	Hospital Revenue Bonds, Wilson Medical			, - ,
		Center, Series 2007, 5.000%, 11/01/27			
	1,395	North Carolina Medical Care Commission,	1/15 at 100.00	A	1,277,778
		Revenue Bonds, Blue Ridge Healthcare System,			
		Series 2005, 5.000%, 1/01/33 – FGIC Insured			
		North Carolina Medical Care Commission,			
		Revenue Bonds, Cleveland County Healthcare			
		System, Series 2004A:			
	600	5.250%, 7/01/20 – AMBAC Insured	7/14 at 100.00	A	621,270
	500	5.250%, 7/01/22 – AMBAC Insured	7/14 at 100.00	A	512,400
	300	Northern Hospital District of Surry County,	4/18 at 100.00	BBB	301,125
		North Carolina, Health Care Facilities Revenue			
	660	Bonds, Series 2008, 6.250%, 10/01/38	10/16 at 100 00	Doo1	660.250
	660	Onslow County Hospital Authority, North Carolina, FHA Insured Mortgage Revenue	10/16 at 100.00	Baa1	669,359
		Bonds, Onslow Memorial Hospital Project,			
		Series 2006, 5.000%, 4/01/31 – NPFG Insured			
	26,345	Total Health Care			25,508,510
	20,0 .0	Housing/Multifamily – 4.6% (2.9% of Total			20,000,010
		Investments)			
	1,000	Asheville Housing Authority, North Carolina,	8/11 at 100.00	AAA	1,000,160
		GNMA-Collateralized Multifamily Housing			
		Revenue Bonds, Woodridge Apartments, Series			
		1997, 5.800%, 11/20/39 (Alternative Minimum			
		Tax)			
	2,260	Mecklenburg County, North Carolina, FNMA	7/13 at 105.00	AAA	2,277,741
		Multifamily Housing Revenue Bonds, Little			
		Rock Apartments, Series 2003, 5.375%, 1/01/36			
	1 000	(Alternative Minimum Tax)	C/12 + 100 00	NI/D	014760
	1,000	North Carolina Capital Facilities Financing	6/13 at 100.00	N/R	914,760
		Agency, Housing Revenue Bonds, Elizabeth City			
		State University, Series 2003A, 5.000%, 6/01/28 – AMBAC Insured	•		
	4,260	Total Housing/Multifamily			4,192,661
	7,200	Housing/Single Family – 5.9% (3.7% of Total			1,172,001
		Investments)			
	840		7/11 at 100.00	AA	839,992
					,

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	North Carolina Housing Finance Agency, Home			
	Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 –			
	AMBAC Insured (Alternative Minimum Tax)			
1,820	North Carolina Housing Finance Agency, Home	7/11 at 100.00	AA	1,821,201
	Ownership Revenue Bonds, 1998 Trust			
	Agreement, Series 6A, 6.200%, 1/01/29			
060	(Alternative Minimum Tax)	1/17 -4 100 00	A A	006.260
960	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2007-29A,	1/17 at 100.00	AA	906,269
	4.800%, 7/01/33 (Alternative Minimum Tax)			
805	North Carolina Housing Finance Agency, Home	7/16 at 100.00	AA	755,412
	Ownership Revenue Bonds, Series 25-A,			
	4.900%, 7/01/37 (Alternative Minimum Tax)			
1,085	North Carolina Housing Finance Agency, Single	9/11 at 100.00	AA	1,085,944
	Family Revenue Bonds, Series 1996HH, 6.300%, 3/01/26 (Alternative Minimum Tax)			
5,510	Total Housing/Single Family			5,408,818
	Long-Term Care – 0.4% (0.2% of Total			
	Investments)			
375	North Carolina Medical Care Commission,	1/16 at 100.00	N/R	333,251
	Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36			
	Materials – 0.5% (0.3% of Total Investments)			
500	Columbus County Industrial Facilities and	3/17 at 100.00	BBB	445,290
	Pollution Control Financing Authority, North			
	Carolina, Environmental Improvement Revenue			
	Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27			
	Tax Obligation/General – 4.5% (2.9% of Total			
	Investments)			
1,820	Durham, North Carolina, General Obligation	4/17 at 100.00	AAA	2,057,364
	Bonds, Series 2007, 5.000%, 4/01/21			
2,000	Wake County, North Carolina, Limited	1/20 at 100.00	AA+	2,061,140
3,820	Obligation Bonds, Series 2010, 5.000%, 1/01/37 Total Tax Obligation/General			4,118,504
2,020				.,,
Nuveen Investments	3			39

Nuveen North Carolina Premium Income Municipal Fund (continued)

NNC Portfolio of Investments

	Principal		Optional Call	D (2)	** 1
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
		Tax Obligation/Limited – 35.1% (22.2% of Total Investments)			
\$	1,330	Cabarrus County, North Carolina, Certificates of	2/13 at 100.00	AA \$	1,406,010
Ф	1,330	Participation, Series 2002, 5.250%, 2/01/17	2/13 at 100.00	АА Ф	1,400,010
	1,800	Catawba County, North Carolina, Certificates of	6/14 at 100.00	Aa2	1,891,800
	1,000	Participation, Series 2004, 5.250%, 6/01/21 –	0,11 40 100.00	1102	1,051,000
		NPFG Insured			
	1,700	Charlotte, North Carolina, Certificates of	6/13 at 100.00	AA+	1,751,935
		Participation, Governmental Facilities Projects,			
		Series 2003G, 5.375%, 6/01/26			
	950	Charlotte, North Carolina, Certificates of	6/18 at 100.00	AA+	960,336
		Participation, Transit Projects Phase 2, Series			
	1,505	2008A, 5.000%, 6/01/33 Charlotte, North Carolina, Certificates of	6/13 at 100.00	AA+	1,523,692
	1,303	Participation, Transit Projects, Series 2003A,	0/13 at 100.00	AA+	1,323,092
		5.000%, 6/01/33			
		Charlotte, North Carolina, Storm Water Fee			
		Revenue Bonds, Series 2002:			
	1,050	5.250%, 6/01/20	6/12 at 101.00	AAA	1,103,046
	1,750	5.000%, 6/01/25	6/12 at 101.00	AAA	1,825,005
	1,400	Craven County, North Carolina, Certificates of	6/17 at 100.00	AA-	1,456,224
		Participation, Series 2007, 5.000%, 6/01/27 –			
	1 000	NPFG Insured	N O (C 11	A 2	1 102 020
	1,000	Davidson County, North Carolina, Certificates of	No Opt. Call	Aa3	1,103,930
		Participation, Series 2004, 5.250%, 6/01/14 – AMBAC Insured			
	750	Harnett County, North Carolina, Certificates of	6/19 at 100.00	AA+	775,725
	730	Participation, Series 2009, 5.000%, 6/01/28 –	0/17 at 100.00	7 17 1	773,723
		AGC Insured			
		Lee County, North Carolina, Certificates of			
		Participation, Public Schools and Community			
		College, Series 2004:			
	1,715	5.250%, 4/01/18 – AGM Insured	4/14 at 100.00	AA+	1,847,861
	500	5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA+	530,460
	1,000 200	5.250%, 4/01/22 – AGM Insured Mecklenburg County, North Carolina,	4/14 at 100.00 No Opt. Call	AA+ AA+	1,050,300 211,122
	200	Certificates of Participation, Series 2009A,	No Opt. Can	AAT	211,122
		5.000%, 2/01/27			
	1,500	North Carolina Infrastructure Finance	2/14 at 100.00	AA+	1,608,030
		Corporation, Certificates of Participation,			
		Correctional Facilities, Series 2004A, 5.000%,			
		2/01/23			
	1,500	North Carolina, Certificates of Participation,	6/14 at 100.00	AA+	1,591,080
		Repair and Renovation Project, Series 2004B,			

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	5.000%, 6/01/20			
	North Carolina, Certificates of Participation, Series 2003:			
1,130	5.250%, 6/01/21	6/13 at 100.00	AA+	1,203,258
1,000	5.250%, 6/01/23	6/13 at 100.00	AA+	1,056,130
2,000	Puerto Rico Highway and Transportation Authority, Grant Anticipation Revenue Bonds, Series 2004, 5.000%, 9/15/21 – NPFG Insured	3/14 at 100.00	A+	1,999,700
3,675	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	737,058
285	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	298,939
1,000	Randolph County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/20 – AGM Insured	6/14 at 102.00	AA+	1,071,880
1,000	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA+	1,045,960
1,950	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA+	1,966,595
1,200	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	1,254,372
700	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	723,723
33,590	Total Tax Obligation/Limited			31,994,171
	Transportation – 11.6% (7.4% of Total Investments)			
2,500	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	A+	2,511,675
	Charlotte, North Carolina, Airport Revenue Bonds, Series 2004A:			
600	5.250%, 7/01/24 – NPFG Insured	7/14 at 100.00	A+	629,166
2,710	5.000%, 7/01/29 – NPFG Insured	7/14 at 100.00	A+	2,746,558

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
Φ	1.020	Transportation (continued)	2/20 at 100.00	A3 \$	1 010 021
\$	1,020	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	Аз ф	1,019,021
	600	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A, 5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA+	624,438
	4,230	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B, 0.000%, 1/01/33 – AGC Insured	No Opt. Call	AA+	1,173,444
	500	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A2	531,620
	1,375	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	No Opt. Call	Aa3	1,396,203
	13,535	Total Transportation			10,632,125
		U.S. Guaranteed – 18.7% (11.8% of Total Investments) (4)			
	1,890	Craven County, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 5/01/21 (Pre-refunded 5/01/12) – AMBAC Insured	5/12 at 101.00	AA (4)	1,991,701
	4,035	Durham County, North Carolina, General Obligation Bonds, Series 2002B, 5.000%, 4/01/16 (Pre-refunded 4/01/12)	4/12 at 100.00	AAA	4,196,360
	1,530	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2001, 5.250%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 101.00	AA (4)	1,571,203
	735	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	Aa3 (4)	841,538
	4,260	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1986, 5.000%, 1/01/20 (ETM)	No Opt. Call	AAA	4,983,305
		University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A:			
	420	5.375%, 4/01/22 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	448,253
	460	5.375%, 4/01/22 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	490,622
	1,675	University of North Carolina, Wilmington, General Revenue Bonds, Series 2002A, 5.000%, 1/01/23 (Pre-refunded 1/01/12) – AMBAC Insured	1/12 at 101.00	A1 (4)	1,738,734
	800	Winston-Salem, North Carolina, Water and Sewerage System Revenue Bonds, Series 2002A,	6/12 at 100.00	AAA	837,688

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	5.000%, 6/01/18 (Pre-refunded 6/01/12)			
15,805	Total U.S. Guaranteed			17,099,404
	Utilities – 9.1% (5.8% of Total Investments)			
25	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series	1/13 at 100.00	A–	26,252
	2003C, 5.375%, 1/01/17			
3,000	North Carolina Eastern Municipal Power	1/13 at 100.00	A-	3,167,610
	Agency, Power System Revenue Bonds, Series 2003F, 5.500%, 1/01/15			
1,000	North Carolina Eastern Municipal Power	1/16 at 100.00	A-	1,100,510
	Agency, Power System Revenue Bonds, Series			
	2005, 5.250%, 1/01/20 – AMBAC Insured			
	North Carolina Eastern Municipal Power			
	Agency, Power System Revenue Refunding			
_	Bonds, Series 1993B:	0/11 - 100.00	D 1	5.010
5	5.500%, 1/01/17 – FGIC Insured	8/11 at 100.00	Baa1	5,012
65	5.500%, 1/01/21	8/11 at 100.00	A-	65,096
165	6.000%, 1/01/22 – FGIC Insured	No Opt. Call	Baa1	197,819
575	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	593,090
2,000	North Carolina Municipal Power Agency 1,	1/13 at 100.00	A	2,119,160
	Catawba Electric Revenue Bonds, Series 2003A,			
	5.250%, 1/01/15 – AMBAC Insured			
1,000	Wake County Industrial Facilities and Pollution	2/12 at 101.00	A1	1,038,020
	Control Financing Authority, North Carolina,			
	Revenue Refunding Bonds, Carolina Power and			
7.025	Light Company, Series 2002, 5.375%, 2/01/17			0.010.560
7,835	Total Utilities			8,312,569

Nuveen North Carolina Premium Income Municipal Fund (continued)

NNC Portfolio of Investments

Principal (000)	Description (1)	Optional Call	Dating (2)	V - 1
Amount (000)	Description (1) Water and Sewer – 17.8% (11.3% of Total	Provisions (2)	Ratings (3)	Value
	Investments)			
\$ 1,605	Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2005, 5.000%, 6/01/20 – SYNCORA GTY Insured	6/15 at 100.00	A2 \$	1,668,654
500	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA+	513,795
50	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2001, 5.125%, 6/01/26	12/11 at 101.00	AAA	50,634
2,540	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/36	2/21 at 100.00	AA	2,635,479
1,000	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41 (WI/DD, Settling 6/01/11)	6/21 at 100.00	AAA	1,046,880
1,295	Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2005A, 5.000%, 6/01/26	6/15 at 100.00	AAA	1,364,697
	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A:			
550	6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA+	578,683
1,000	6.000%, 6/01/36 – AGC Insured	6/19 at 100.00	AA+	1,044,830
	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011:			
500	5.625%, 6/01/30 – AGC Insured	6/21 at 100.00	AA+	530,215
1,300	5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA+	1,342,406
500	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	528,175
1,000	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00	Baa1	1,001,075
3,865	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	3,983,037
15,705	Total Water and Sewer			16,288,560
\$ 146,225	Total Investments (cost \$140,941,081) – 158.0%			144,214,018
	Floating Rate Obligations – (5.7)%			(5,195,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (54.6)% (5)			(49,835,000)
	Other Assets Less Liabilities – 2.3%			2,072,110
	Net Assets Applicable to Common Shares – 100%		\$	91,256,128

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 34.6%.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
 - (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund

NRB Portfolio of Investments

Principal	D : : : (1)	Optional Call	D (' (2)	X 7 1
Amount (000)	Description (1) Education and Civic Organizations – 9.7% (5.8%	Provisions (2)	Ratings (3)	Value
	of Total Investments)			
\$ 380	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2001A, 5.125%, 10/01/26	10/11 at 100.00	AA+ \$	381,813
150	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	139,892
520	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A, 5.375%, 4/01/17 – AMBAC Insured	10/12 at 100.00	A+	545,886
1,750	University of North Carolina, Chapel Hill, System Net Revenue Bonds, Series 2001A, 5.000%, 12/01/25	12/11 at 100.00	Aaa	1,755,425
400	University of North Carolina, Chapel Hill, System Net Revenue Bonds, Series 2002B, 5.000%, 12/01/11	No Opt. Call	Aaa	409,544
3,200	Total Education and Civic Organizations			3,232,560
	Energy – 1.5% (0.9% of Total Investments)			101 50
500	Virgin Islands Public Finance Authority, Refinery Facilities Revenue Bonds, Hovensa Coker Project, Senior Lien Series 2002, 6.500%, 7/01/21 (Alternative Minimum Tax)	1/13 at 100.00	Baa3	491,605
	Health Care – 27.6% (16.5% of Total Investments)			
565	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/38	10/17 at 100.00	N/R	420,688
950	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	911,848
1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Refunding Revenue Bonds, Carolinas HealthCare System, Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA-	1,004,930
250	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA+	253,345
30	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA+	30,548

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North Carolina Medical Care Commission

Nuveen Investments

	Health Care Facilities Revenue Bonds Novant			
4.000	Health Inc., Series 2010A:	11/20 10000		000 100
1,000	5.250%, 11/01/40	11/20 at 100.00	A+	929,400
500	5.000%, 11/01/43	11/20 at 100.00	A+	435,930
250	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	224,865
180	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	186,174
280	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA+	285,247
1,110	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center, Series 2002A, 5.250%, 1/01/15	1/12 at 100.00	A+	1,127,216
980	North Carolina Medical Care Commission, Healthcare Revenue Bonds, Carolina Medicorp, Series 1996, 5.250%, 5/01/26	11/11 at 100.00	A+	980,529
1,500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.250%, 6/01/22	6/12 at 101.00	A	1,517,145
500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/20	11/17 at 100.00	A–	522,795
250	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A	228,993
150	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB	150,563
9,495	Total Health Care			9,210,216
	Housing/Single Family – 4.3% (2.5% of Total Investments)			
335	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative Minimum Tax)	7/11 at 100.00	AA	334,997

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Nuveen North Carolina Dividend Advantage Municipal Fund (continued)

NRB Portfolio of Investments

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Housing/Single Family (continued)			
\$ 555	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 5A, 5.625%, 7/01/30 (Alternative Minimum Tax)	7/11 at 100.00	AA \$	555,105
240	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2007-29A, 4.800%, 7/01/33 (Alternative Minimum Tax)	1/17 at 100.00	AA	226,567
320	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A, 4.900%, 7/01/37 (Alternative Minimum Tax)	7/16 at 100.00	AA	300,288
1,450	Total Housing/Single Family			1,416,957
	Long-Term Care – 1.7% (1.0% of Total Investments)			
	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Presbyterian Homes, Series 2006:			
200	5.400%, 10/01/27	10/16 at 100.00	N/R	176,208
300	5.500%, 10/01/31	10/16 at 100.00	N/R	254,424
150	North Carolina Medical Care Commission, Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36	1/16 at 100.00	N/R	133,301
650	Total Long-Term Care			563,933
	Materials – 1.1% (0.6% of Total Investments)			
400	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27	3/17 at 100.00	BBB	356,232
	Tax Obligation/General – 11.6% (7.0% of Total			
	Investments)			
1,000	Durham, North Carolina, General Obligation Bonds, Series 2007, 5.000%, 4/01/21	4/17 at 100.00	AAA	1,130,420
	North Carolina, General Obligation Bonds, Series 2004A:			
1,000	5.000%, 3/01/18	3/14 at 100.00	AAA	1,102,070
1,000	5.000%, 3/01/22	3/14 at 100.00	AAA	1,084,890
550	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	566,814
3,550	Total Tax Obligation/General			3,884,194
	Tax Obligation/Limited – 26.7% (15.9% of Total Investments)			
1,400	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects,	6/13 at 100.00	AA+	1,442,770

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	Series 2003G, 5.375%, 6/01/26 (UB)			
305	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	308,318
160	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/23 – NPFG Insured	6/17 at 100.00	AA-	171,171
1,870	Dare County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/15 – AMBAC Insured	12/12 at 100.00	AA–	1,989,474
1,250	Davidson County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/21 – AMBAC Insured	6/14 at 100.00	Aa3	1,307,213
1,390	Durham, North Carolina, Certificates of Participation, Series 2005B, 5.000%, 6/01/25	6/15 at 100.00	AA+	1,458,777
50	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/28 – AGC Insured	6/19 at 100.00	AA+	51,715
525	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	105,294
470	Raleigh, North Carolina, Certificates of Participation, Downtown Improvement Project, Series 2004B, 5.000%, 6/01/20	6/14 at 100.00	AA+	498,538
170	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	178,315
150	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA+	156,894
700	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA+	705,957
250	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	261,328
250	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	258,473
8,940	Total Tax Obligation/Limited			8,894,237

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
rimount (ooo)	Transportation – 9.6% (5.7% of Total Investments)	110 (1510115 (2)	runigs (3)	v arac
\$ 1,000	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	A+ \$	1,004,670
360	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	359,654
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A:			
50	5.375%, 1/01/26 – AGC Insured	1/19 at 100.00	AA+	53,329
275	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA+	286,201
	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:			
2,270	0.000%, 1/01/34 – AGC Insured	No Opt. Call	AA+	589,519
175	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA+	34,703
300	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A2	318,972
550	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	No Opt. Call	Aa3	558,481
4,980	Total Transportation			3,205,529
	U.S. Guaranteed – 13.8% (8.2% of Total Investments) (4)			
100	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AAA	114,432
500	Greenville, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001, 5.250%, 9/01/21 (Pre-refunded 9/01/11) – AGM Insured	9/11 at 101.00	AA+ (4)	511,285
620	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2001A, 5.125%, 10/01/26 (Pre-refunded 10/01/11)	10/11 at 100.00	AAA	630,199
125	North Carolina Capital Facilities Financing Agency, Revenue Bonds, High Point University, Series 2001, 5.125%, 9/01/18 (Pre-refunded 9/01/11)	9/11 at 101.00	N/R (4)	127,644
800	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2001, 5.250%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 101.00	AA (4)	821,544
300	,	11/14 at 100.00	Aa3 (4)	343,485

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	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)			
	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A:			
	5.375%, 4/01/17 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	1,088,615
	5.375%, 4/01/17 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	970,579
,	Total U.S. Guaranteed Utilities – 8.6% (5.2% of Total Investments)			4,607,783
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	550,255
	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 – FGIC Insured	8/11 at 100.00	Baa1	746,736
	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	25,787
	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/12 at 101.00	A1	1,557,030
	Total Utilities			2,879,808
	Water and Sewer – 51.4% (30.7% of Total Investments)			
	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA+	102,759
	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/35	8/18 at 100.00	AA	521,695
2,250	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2001, 5.125%, 6/01/26	12/11 at 101.00	AAA	2,278,508
,	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2008, 5.000%, 7/01/38	7/18 at 100.00	AAA	1,040,770
250	7701730			

Nuveen North Carolina Dividend Advantage Municipal Fund (continued)

NRB Portfolio of Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
1 mio din (000)	Water and Sewer (continued)	110 (1510115 (2)	ruumgs (5)	, arac
\$ 1,500	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41 (WI/DD, Settling 6/01/11)	6/21 at 100.00	AAA \$	1,570,320
500	Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2005A, 5.000%, 6/01/25	6/15 at 100.00	AAA	529,245
700	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A, 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA+	736,505
400	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	422,540
500	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00	Baa1	500,534
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
4,440	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	4,644,773
3,000	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	3,088,530
5	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.766%, 3/01/14 (IF)	No Opt. Call	AAA	5,443
1,385	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	1,427,298
16,535	Total Water and Sewer			17,126,735
\$ 56,845	Total Investments (cost \$54,776,396) – 167.6%			55,869,789
	Floating Rate Obligations – (21.5)%			(7,160,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (49.8)% (5)			(16,600,000)
	Other Assets Less Liabilities – 3.7%			1,226,784
	Net Assets Applicable to Common Shares – 100%		\$	33,336,573

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm):

 Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc.

- ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 29.7%.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
 - (IF) Inverse floating rate investment.
 - (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund 2

NNO Portfolio of Investments

Principal		Optional Call	D : (0)	** 1
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 11.4% (7.1% of Total Investments)			
	Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2002:			
\$ 1,040	5.000%, 7/15/14 – NPFG Insured	7/12 at 100.00	Aa3 \$	1,086,852
1,000	5.000%, 7/15/15 – NPFG Insured	7/12 at 100.00	Aa3	1,037,290
	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2001A:			
715	5.125%, 10/01/26	10/11 at 100.00	AA+	718,411
380	5.125%, 10/01/41	10/11 at 100.00	AA+	380,217
800	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	746,088
130	University of North Carolina System, Pooled Revenue Bonds, Series 2002B, 5.375%, 4/01/19 – AMBAC Insured	10/12 at 100.00	A+	135,898
1,000	University of North Carolina System, Pooled Revenue Bonds, Series 2005A, 5.000%, 4/01/22 – AMBAC Insured	4/15 at 100.00	A+	1,047,950
500	University of North Carolina Wilmington, Certificates of Participation, Student Housing Project Revenue Bonds, Series 2006, 5.000%, 6/01/21 – FGIC Insured	6/16 at 100.00	A-	529,515
250	University of North Carolina, Chapel Hill, System Net Revenue Bonds, Series 2002B, 5.000%, 12/01/11	No Opt. Call	Aaa	255,965
250	University of North Carolina, Charlotte, Certificates of Participation, Student Housing Project, Series 2005, 5.000%, 3/01/21 – AMBAC Insured	3/15 at 100.00	A	264,130
6,065	Total Education and Civic Organizations			6,202,316
	Energy – 1.8% (1.1% of Total Investments)			
1,000	Virgin Islands Public Finance Authority, Refinery Facilities Revenue Bonds, Hovensa Coker Project, Senior Lien Series 2002, 6.500%, 7/01/21 (Alternative Minimum Tax)	1/13 at 100.00	Baa3	983,210
	Health Care – 36.5% (22.7% of Total Investments)			
1,065	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/38	10/17 at 100.00	N/R	792,978

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1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA-	959,840
750	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Refunding Revenue Bonds, Carolinas HealthCare System, Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA-	753,698
1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, Carolinas HealthCare System, Series 2011A, 5.250%, 1/15/42	1/21 at 100.00	AA-	1,002,930
1,640	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/12 at 100.00	AA-	1,640,410
500	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA+	506,690
120	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA+	122,191
	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:			
1,250	5.250%, 11/01/40	11/20 at 100.00	A+	1,161,750
1,000	5.000%, 11/01/43	11/20 at 100.00	A+	871,860
1,000	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	899,460
500	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	517,150
680	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Cleveland County Healthcare System, Refunding Series 2011A, 5.750%, 1/01/35	1/21 at 100.00	A	685,440

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (continued)

NNO Portfolio of Investments

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
ф	155	Health Care (continued)	10/14 -4 100 00	A.A. . ©	462.527
\$	455	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA+ \$	463,527
	2,000	North Carolina Medical Care Commission,	11/13 at 100.00	A+	2,038,540
		Health Obligated Group, Series 2003A, 5.000%, 11/01/20			
	1,005	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center, Series 2002A, 5.250%, 1/01/13	1/12 at 100.00	A+	1,024,658
		North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002:			
	1,000	5.500%, 6/01/15	6/12 at 101.00	A	1,038,620
	2,100	5.250%, 6/01/22	6/12 at 101.00	A	2,124,003
	925	North Carolina Medical Care Commission,	11/17 at 100.00	A–	895,770
		Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/27			
	1,250	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A	1,144,963
		North Carolina Medical Care Commission, Revenue Bonds, Cleveland County Healthcare System, Series 2004A:			
	595	5.250%, 7/01/20 – AMBAC Insured	7/14 at 100.00	A	616,093
	500	5.250%, 7/01/22 – AMBAC Insured	7/14 at 100.00	A	512,400
	150	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB	150,563
	20,485	Total Health Care			19,923,534
	, i	Housing/Single Family – 3.4% (2.1% of Total Investments)			
	290	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative Minimum Tax)	7/11 at 100.00	AA	289,997
		North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 13A:			
	540	4.700%, 7/01/12 (Alternative Minimum Tax)	7/11 at 100.00	AA	541,177
	545	4.850%, 7/01/13 (Alternative Minimum Tax)	7/11 at 100.00	AA	545,943
	500		7/16 at 100.00	AA	469,200

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	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A,			
1,875	4.900%, 7/01/37 (Alternative Minimum Tax) Total Housing/Single Family			1,846,317
1,073	Long-Term Care – 1.6% (1.0% of Total Investments)			1,040,317
	North Carolina Medical Care Commission,			
	Healthcare Facilities Revenue Bonds, Presbyterian Homes, Series 2006:			
250	5.400%, 10/01/27	10/16 at 100.00	N/R	220,260
600	5.500%, 10/01/31	10/16 at 100.00	N/R	508,848
185	North Carolina Medical Care Commission,	1/16 at 100.00	N/R	164,404
	Revenue Bonds, Pines at Davidson, Series			
	2006A, 5.000%, 1/01/36			
1,035	Total Long-Term Care			893,512
300	Materials – 0.5% (0.3% of Total Investments)	3/17 at 100.00	BBB	267 174
300	Columbus County Industrial Facilities and Pollution Control Financing Authority, North	3/17 at 100.00	DDD	267,174
	Carolina, Environmental Improvement Revenue			
	Bonds, International Paper Company Project,			
	Series 2007A, 4.625%, 3/01/27			
	Tax Obligation/General – 9.8% (6.1% of Total Investments)			
1,475	Durham, North Carolina, General Obligation Bonds, Series 2007, 5.000%, 4/01/22	4/17 at 100.00	AAA	1,652,516
1,050	Forsyth County, North Carolina, General	4/20 at 100.00	AA+	1,115,783
	Obligation Bonds, Limited Obligation Series 2009, 5.000%, 4/01/30			
500	North Carolina, General Obligation Bonds,	3/14 at 100.00	AAA	542,445
	Series 2004A, 5.000%, 3/01/22			
2,000	Wake County, North Carolina, Limited	1/20 at 100.00	AA+	2,061,140
5,025	Obligation Bonds, Series 2010, 5.000%, 1/01/37			5,371,884
3,023	Total Tax Obligation/General			3,3/1,004

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited – 35.4% (22.0% of Total Investments)			
\$ 30	Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/16	2/13 at 100.00	AA \$	31,794
1,750	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/28	6/13 at 100.00	AA+	1,782,130
575	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	581,256
1,850	Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002, 5.250%, 6/01/18	6/12 at 101.00	AAA	1,943,462
800	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPFG Insured	6/17 at 100.00	AA–	832,128
500	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/29 – AGC Insured	6/19 at 100.00	AA+	513,090
	Hartnett County, North Carolina, Certificates of Participation, Series 2002:			
1,000	5.250%, 12/01/15 – AGM Insured	12/12 at 101.00	AA+	1,071,560
2,025	5.375%, 12/01/16 – AGM Insured	12/12 at 101.00	AA+	2,171,468
715	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004, 5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA+	758,558
1,380	Pasquotank County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/25 – NPFG Insured	6/14 at 100.00	A	1,400,521
2,070	Pitt County, North Carolina, Certificates of Participation, School Facilities Project, Series 2004B, 5.000%, 4/01/29 – AMBAC Insured	4/14 at 100.00	AA–	2,089,168
2,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	526,470
	Raleigh, North Carolina, Certificates of Participation, Downtown Improvement Project, Series 2004B:			
805	5.000%, 6/01/20	6/14 at 100.00	AA+	853,880
1,310	5.000%, 6/01/21	6/14 at 100.00	AA+	1,382,626
115	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	120,625
1,000	Randolph County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/20 – AGM Insured	6/14 at 102.00	AA+	1,071,880
100	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA+	104,596

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1,150	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA+	1,159,787
500	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	522,655
400	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	413,556
20,700	Total Tax Obligation/Limited Transportation – 13.4% (8.3% of Total Investments)			19,331,210
1,000	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	A+	1,004,670
1,935	Charlotte, North Carolina, Airport Revenue Bonds, Series 2004A, 5.000%, 7/01/34 – NPFG Insured	7/14 at 100.00	A+	1,943,417
660	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	659,366
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A:			
90	5.375%, 1/01/26 – AGC Insured	1/19 at 100.00	AA+	95,991
220	5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA+	232,907
430	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA+	447,514
	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:			
150	0.000%, 1/01/31 – AGC Insured	No Opt. Call	AA+	47,310
125	0.000%, 1/01/33 – AGC Insured	No Opt. Call	AA+	34,676
50	0.000%, 1/01/35 – AGC Insured	No Opt. Call	AA+	12,177
5,600	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA+	1,188,992
350	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA+	69,405

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (continued)

NNO Portfolio of Investments

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Transportation (continued)			
\$ 435	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A2 \$	462,509
1,100	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	No Opt. Call	Aa3	1,116,962
12,145	Total Transportation			7,315,896
	U.S. Guaranteed – 8.3% (5.1% of Total Investments) (4)			
200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AAA	228,864
370	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2001, 5.250%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 101.00	AA (4)	379,964
500	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	Aa3 (4)	572,475
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004:			
1,000	5.000%, 3/01/21 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,119,380
1,250	5.000%, 3/01/22 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,396,313
505	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A, 5.375%, 4/01/19 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	538,618
270	University of North Carolina, Charlotte, Parking System Revenue Bonds, Series 2002, 5.000%, 1/01/20 (Pre-refunded 1/01/12) – NPFG Insured	1/12 at 101.00	A1 (4)	280,109
4,095	Total U.S. Guaranteed			4,515,723
	Utilities – 7.8% (4.8% of Total Investments)			
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A-	550,255
	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:			
745	5.500%, 1/01/17 – FGIC Insured	8/11 at 100.00	Baa1	746,736
15	5.500%, 1/01/21	8/11 at 100.00	A–	15,022

225	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	232,079
2,600	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/12 at 101.00	A1	2,698,852
4,085	Total Utilities			4,242,944
	Water and Sewer – 31.2% (19.4% of Total Investments)			
500	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA+	513,795
500	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/35	8/18 at 100.00	AA	516,530
1,520	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2002A, 5.250%, 7/01/13	No Opt. Call	AAA	1,671,286
500	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/41	2/21 at 100.00	AA	515,630
1,000	Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002, 5.000%, 6/01/23 – NPFG Insured	6/13 at 100.00	AA	1,053,210
3,050	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41 (WI/DD, Settling 6/01/11)	6/21 at 100.00	AAA	3,192,984
610	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 6/01/23 – NPFG Insured	6/18 at 100.00	A2	638,505
700	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A, 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA+	736,505

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)		-	
\$ 500	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011, 5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA+ \$	516,310
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
3,095	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	3,237,741
975	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	1,003,772
40	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.766%, 3/01/14 (IF)	No Opt. Call	AAA	45,533
1,000	Wilmington, North Carolina, Water and Sewer Revenue Bonds, Series 2005, 5.000%, 6/01/25 – AGM Insured	6/15 at 100.00	AA+	1,061,206
2,275	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	2,344,479
16,265	Total Water and Sewer			17,047,486
\$ 93,075	Total Investments (cost \$86,347,349) – 161.1%			87,941,206
	Floating Rate Obligations – (8.8)%			(4,805,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (54.4)% (5)			(29,700,000)
	Other Assets Less Liabilities – 2.1%			1,156,956
	Net Assets Applicable to Common Shares – 100%		\$	54,593,162

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm):
 Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.8%.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
 - (IF) Inverse floating rate investment.
 - (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund 3

NII Portfolio of Investments

	Principal		Optional Call		
	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
		Consumer Staples – 2.9% (1.8% of Total			
\$	2,000	Investments) Puerto Rico, The Children's Trust Fund, Tobacco	5/12 at 100.00	BBB \$	1,631,880
Ψ	2,000	Settlement Asset-Backed Refunding Bonds,	3/12 dt 100.00	ВВВ ψ	1,031,000
		Series 2002, 5.500%, 5/15/39			
		Education and Civic Organizations – 3.3% (2.0%			
		of Total Investments)			
		North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University,			
		Series 2001A:			
	330	5.125%, 10/01/26	10/11 at 100.00	AA+	331,574
	95	5.125%, 10/01/41	10/11 at 100.00	AA+	95,054
	200	North Carolina Capital Facilities Financing	4/13 at 100.00	N/R	186,522
		Agency, Revenue Bonds, Johnson and Wales			
		University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured			
	705	University of North Carolina System, Pooled	10/12 at 100.00	A+	710,238
	703	Revenue Refunding Bonds, Series 2002A,	10/12 41 100.00	711	710,230
		5.000%, 4/01/27 – AMBAC Insured			
	500	University of North Carolina Wilmington,	6/16 at 100.00	A-	529,515
		Certificates of Participation, Student Housing			
		Project Revenue Bonds, Series 2006, 5.000%, 6/01/21 – FGIC Insured			
	1,830	Total Education and Civic Organizations			1,852,903
	1,000	Energy – 1.8% (1.1% of Total Investments)			1,002,500
	1,000	Virgin Islands Public Finance Authority,	1/13 at 100.00	Baa3	983,210
		Refinery Facilities Revenue Bonds, Hovensa			
		Coker Project, Senior Lien Series 2002, 6.500%,			
		7/01/21 (Alternative Minimum Tax) Health Care – 24.9% (15.3% of Total			
		Investments)			
		Albemarle Hospital Authority, North Carolina,			
		Health Care Facilities Revenue Bonds, Series			
	605	2007:	10/17 + 100 00	N/D	577.065
	695 70	5.250%, 10/01/27 5.250%, 10/01/38	10/17 at 100.00 10/17 at 100.00	N/R N/R	577,065 52,121
	1,200	Charlotte-Mecklenberg Hospital Authority,	1/18 at 100.00	AA–	1,151,808
	1,200	North Carolina, Carolinas HealthCare System	1,10 at 100.00	7	1,121,000
		Revenue Bonds, Series 2008A, 5.000%, 1/15/47			
	500	Charlotte-Mecklenberg Hospital Authority,	1/19 at 100.00	AA-	502,465
		North Carolina, Health Care Refunding Revenue			
		Bonds, Carolinas HealthCare System, Series 2009A, 5.250%, 1/15/39			
	1,000	200711, 3.230 /0, 1/13/37	1/21 at 100.00	AA-	1,002,930
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	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, Carolinas HealthCare System, Series 2011A, 5.250%, 1/15/42			
580	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/12 at 100.00	AA–	580,145
520	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA+	526,958
180	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA+	183,287
	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:			
2,000	5.250%, 11/01/40	11/20 at 100.00	A+	1,858,800
500	5.000%, 11/01/43	11/20 at 100.00	A+	435,930
1,000	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	899,460
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	1,034,300
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Cleveland County Healthcare System, Refunding Series 2011A, 5.750%, 1/01/35	1/21 at 100.00	A	1,008,000
545	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA+	555,213
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/18	11/13 at 100.00	A+	2,057,880

Principal		Optional Call		
Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 1,000	North Carolina Medical Care Commission,	11/17 at 100.00	A-\$	968,400
	Hospital Revenue Bonds, Wilson Medical			
400	Center, Series 2007, 5.000%, 11/01/27 North Carolina Medical Care Commission,	1/15 at 100.00	A	366,388
400	Revenue Bonds, Blue Ridge Healthcare System,	1/13 at 100.00	Λ	300,388
	Series 2005, 5.000%, 1/01/33 – FGIC Insured			
150	Northern Hospital District of Surry County,	4/18 at 100.00	BBB	150,563
	North Carolina, Health Care Facilities Revenue			,
	Bonds, Series 2008, 6.250%, 10/01/38			
14,340	Total Health Care			13,911,713
	Housing/Multifamily – 1.9% (1.1% of Total			
	Investments)			
1,000	Mecklenburg County, North Carolina, FNMA	7/13 at 105.00	AAA	1,037,480
	Multifamily Housing Revenue Bonds, Little			
	Rock Apartments, Series 2003, 5.150%, 1/01/22 (Alternative Minimum Tax)			
	Housing/Single Family – 2.6% (1.6% of Total			
	Investments)			
550	North Carolina Housing Finance Agency, Home	7/11 at 100.00	AA	550,105
	Ownership Revenue Bonds, 1998 Trust			·
	Agreement, Series 5A, 5.625%, 7/01/30			
	(Alternative Minimum Tax)			
480	North Carolina Housing Finance Agency, Home	1/17 at 100.00	AA	453,134
	Ownership Revenue Bonds, Series 2007-29A,			
405	4.800%, 7/01/33 (Alternative Minimum Tax)	7/16 at 100 00	Λ Λ	161 500
495	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A,	7/16 at 100.00	AA	464,508
	4.900%, 7/01/37 (Alternative Minimum Tax)			
1,525	Total Housing/Single Family			1,467,747
7	Long-Term Care – 1.6% (1.0% of Total			, , , , ,
	Investments)			
	North Carolina Medical Care Commission,			
	Healthcare Facilities Revenue Bonds,			
2.50	Presbyterian Homes, Series 2006:	1046 10000	3.7 m	220.260
250	5.400%, 10/01/27	10/16 at 100.00	N/R	220,260
600 190	5.500%, 10/01/31 North Carolina Medical Care Commission,	10/16 at 100.00 1/16 at 100.00	N/R N/R	508,848 168,847
190	Revenue Bonds, Pines at Davidson, Series	1/10 at 100.00	IV/IX	100,047
	2006A, 5.000%, 1/01/36			
1,040	Total Long-Term Care			897,955
,	Materials – 0.3% (0.2% of Total Investments)			·
200	Columbus County Industrial Facilities and	3/17 at 100.00	BBB	178,116
	Pollution Control Financing Authority, North			
	Carolina, Environmental Improvement Revenue			
	Bonds, International Paper Company Project,			
	Series 2007A, 4.625%, 3/01/27			

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	Tax Obligation/General – 1.6% (1.0% of Total Investments)			
300	North Carolina, General Obligation Bonds, Series 2004A, 5.000%, 3/01/22	3/14 at 100.00	AAA	325,467
550	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	566,814
850	Total Tax Obligation/General			892,281
	Tax Obligation/Limited – 34.8% (21.4% of Total Investments)			
1,800	Catawba County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/22 – NPFG Insured	6/14 at 100.00	Aa2	1,880,514
2,750	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/33	6/13 at 100.00	AA+	2,784,155
575	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	581,256
800	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPFG Insured	6/17 at 100.00	AA–	832,128
3,000	Dare County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 6/01/23 – AMBAC Insured	12/12 at 100.00	AA–	3,111,060
200	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/28 – AGC Insured	6/19 at 100.00	AA+	206,860

Nuveen North Carolina Dividend Advantage Municipal Fund 3 (continued)

Portfolio of Investments

May 31, 2011

NII

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
Amount (000)	Tax Obligation/Limited (continued)	Trovisions (2)	Ratings (3)	varue
\$ 500	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004, 5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA+ \$	530,460
200	Mecklenburg County, North Carolina, Certificates of Participation, Series 2009A, 5.000%, 2/01/27	No Opt. Call	AA+	211,122
1,000	North Carolina, Certificates of Participation, Repair and Renovation Project, Series 2004B, 5.000%, 6/01/20	6/14 at 100.00	AA+	1,060,720
2,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	526,470
565	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	592,634
2,000	Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21 – AMBAC Insured	9/12 at 101.00	A1	2,065,420
1,000	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA+	1,045,960
1,200	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA+	1,210,212
1,785	Union County, North Carolina, Certificates of Participation, Series 2003, 5.000%, 6/01/20 – AMBAC Insured	6/13 at 101.00	Aa2	1,912,842
500	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	522,655
400	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	413,556
20,900	Total Tax Obligation/Limited Transportation – 7.9% (4.8% of Total Investments)			19,488,024
500	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	A+	502,335
660	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	659,366
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series			

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	2009A:			
260	5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA+	275,254
1,155	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA+	1,202,043
í	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:			, ,
2,295	0.000%, 1/01/35 – AGC Insured	No Opt. Call	AA+	558,901
100	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA+	21,232
300	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA+	59,490
1,100	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	No Opt. Call	Aa3	1,116,962
6,370	Total Transportation			4,395,583
	U.S. Guaranteed – 19.4% (12.0% of Total Investments) (4)			
200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AAA	228,864
	Forsyth County, North Carolina, Certificates of Participation, Public Facilities and Equipment Project, Series 2002:			
1,325	5.125%, 1/01/16 (Pre-refunded 1/01/13)	1/13 at 101.00	AA+(4)	1,433,451
770	5.250%, 1/01/19 (Pre-refunded 1/01/13)	1/13 at 101.00	AA+(4)	834,541
	Lincoln County, North Carolina, General Obligation Bonds, Series 2002A:			
850	5.000%, 6/01/19 (Pre-refunded 6/01/12) – FGIC Insured	6/12 at 101.00	AA-(4)	898,969
900	5.000%, 6/01/20 (Pre-refunded 6/01/12) – FGIC Insured	6/12 at 101.00	AA- (4)	951,849
1,050	5.000%, 6/01/21 (Pre-refunded 6/01/12) – FGIC Insured	6/12 at 101.00	AA- (4)	1,110,491
920	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2001A, 5.125%, 10/01/26 (Pre-refunded 10/01/11)	10/11 at 100.00	AAA	935,134

	Principal		Optional Call		
A	Amount (000)	Description (1)	Provisions (2)	Ratings (3)	Value
		U.S. Guaranteed (4) (continued)			
\$	1,600	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2002A, 5.125%, 7/01/42 (Pre-refunded 10/01/12)	10/12 at 100.00	AAA \$	1,701,872
	500	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2001, 5.250%, 10/01/31 (Pre-refunded 10/01/11)	10/11 at 101.00	AA (4)	513,465
	500	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	Aa3 (4)	572,475
	400	Raleigh, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 6/01/21 (Pre-refunded 6/01/12)	6/12 at 100.00	AAA	419,052
		University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A:			
	610	5.000%, 4/01/27 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	647,991
	585	5.000%, 4/01/27 (Pre-refunded 10/01/12) –	10/12 at 100.00	N/R (4)	621,030
	10,210	AMBAC Insured Total U.S. Guaranteed			10,869,184
	10,210	Utilities – 14.8% (9.1% of Total Investments)			10,007,104
	150	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2003F, 5.500%, 1/01/16	1/13 at 100.00	A–	158,067
	500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	550,255
	1,400	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	A–	1,451,786
		North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:			
	1,210	5.500%, 1/01/17 – FGIC Insured	8/11 at 100.00	Baa1	1,212,819
	25	6.000%, 1/01/22	No Opt. Call	A–	30,070
	15	6.000%, 1/01/22 – FGIC Insured	No Opt. Call	Baa1	17,984
	275	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	283,652
	2,665	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/15 – AMBAC Insured	1/13 at 100.00	A	2,823,781
	250	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2008A, 5.250%, 1/01/20	1/18 at 100.00	A	281,700

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1,400	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/12 at 101.00	A1	1,453,228
7,890	Total Utilities			8,263,342
	Water and Sewer – 44.9% (27.6% of Total Investments)			
2,000	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA+	2,055,180
425	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/28	8/18 at 100.00	AA	452,459
	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2001:			
750	5.125%, 6/01/26	12/11 at 101.00	AAA	759,503
1,780	5.125%, 6/01/26 – FGIC Insured	12/11 at 101.00	Aaa	1,801,627
	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011:			
1,320	5.000%, 2/01/36	2/21 at 100.00	AA	1,369,619
500	5.000%, 2/01/41	2/21 at 100.00	AA	515,630
300	Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002, 5.000%, 6/01/18 – NPFG Insured	6/13 at 100.00	AA	318,594
3,050	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41 (WI/DD, Settling 6/01/11)	6/21 at 100.00	AAA	3,192,984

Nuveen North Carolina Dividend Advantage Municipal Fund 3 (continued)

Portfolio of Investments

May 31, 2011

NII

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)	(-)		
\$ 2,500	Kannapolis, North Carolina, Water and Sewerage System Revenue Bonds, Series 2001B, 5.250%, 2/01/26 – AGM Insured (Alternative Minimum Tax)	2/12 at 101.00	AA+ \$	2,426,425
600	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 6/01/23 – NPFG Insured	6/18 at 100.00	A2	628,038
	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A:			
50	6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA+	52,608
20	6.000%, 6/01/36 – AGC Insured	6/19 at 100.00	AA+	20,897
300	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011, 5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA+	309,786
500	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	528,172
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
4,950	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	5,178,294
3,000	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	3,088,530
5	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.766%, 3/01/14 (IF)	No Opt. Call	AAA	5,443
2,375	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	2,447,533
24,425	Total Water and Sewer			25,151,322
\$ 93,580	Total Investments (cost \$90,051,814) – 162.7%			91,020,740
	Floating Rate Obligations – (13.4)%			(7,480,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (51.3)% (5)			(28,725,000)
	Other Assets Less Liabilities – 2.0%			1,143,285
	Net Assets Applicable to Common Shares – 100%		\$	55,959,025

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm):
 Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.6%.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
 - (IF) Inverse floating rate investment.
 - (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Statement of Assets & Liabilities

May 31, 2011

Assets		Georgia Premium Income (NPG)		Georgia Dividend Advantage (NZX)	,	Georgia Dividend Advantage 2 (NKG)
and \$93,586,369, respectively) \$ 79,086,528 \$ 1,210,535 \$ 1,311,567 \$ 53,174 Cash 1,210,535 1,311,567 53,174 Receivables: 1,436,942 716,531 1,629,285 Investments sold 1,086,300 ————————————————————————————————————	Assets					
Cash 1,210,535 1,311,567 53,174 Receivables: Interest 1,436,942 716,531 1,629,285 Investments sold 1,086,300 — — Deferred offering costs 489,359 313,816 541,916 Other assets 33,321,816 43,635,575 97,057,900 Liabilities 1,190,000 660,000 1,395,000 Poating rate obligations 1,190,000 660,000 1,395,000 Payables: — — — Investments purchased 208,319 119,509 266,511 Interest 62,596 31,672 71,264 Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: — 44,458 21,400 51,778 Other 24,458 21,400 51,778 Other 30,028,041 15,339,461 34,281,358 Net asset applicable to Common shares outstanding (net	Investments, at value (cost \$77,314,411, \$40,715,431					
Receivables: Interest	and \$93,586,369, respectively)	\$ 79,086,528	\$	41,288,534	\$	94,819,887
Interest 1,436,942 716,531 1,629,285 1,000 1,000,000	Cash	1,210,535		1,311,567		53,174
Deferred offering costs	Receivables:					
Deferred offering costs 489,359 313,816 541,916 Other assets 12,152 5,127 13,638 Total assets 83,321,816 43,635,575 97,057,900 Liabilities Floating rate obligations 1,190,000 660,000 1,395,000 Payables: Investments purchased	Interest	1,436,942		716,531		1,629,285
Other assets 12,152 5,127 13,638 Total assets 83,321,816 43,635,575 97,057,900 Liabilities 1,190,000 660,000 1,395,000 Payables: Investments purchased	Investments sold	1,086,300		_	_	
Total assets 83,321,816 43,635,575 97,057,900 Liabilities Floating rate obligations 1,190,000 660,000 1,395,000 Payables: 1 1,190,000 660,000 1,395,000 Common share dividends 208,319 119,509 266,511 Interest 62,596 31,672 71,264 Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 28,340,000 14,340,000 32,265,000 Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$52,293,775 \$28,296,109 62,776,542 Common shares outstanding (net asset sapplicable to Common shares consist of: 14,00 14,33 13,78 Vet assets applicable to Common shares consist of: 20,00 14,782,25 45,553	Deferred offering costs	489,359		313,816		541,916
Claibilities	Other assets	12,152		5,127		13,638
Ploating rate obligations	Total assets	83,321,816		43,635,575		97,057,900
Payables: Investments purchased 208,319 119,509 266,511 Interest 62,596 31,672 71,264 Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 244,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 342,813,588 Net assets applicable to Common shares 53,293,775 28,296,109 62,776,542 Common shares outstanding (net assets applicable to Common shares divided by Common shares outstanding (net assets applicable to Common shares consist of: 25,232,344 27,842,531 64,084,498 14,055,299 14,055,29	Liabilities					
Investments purchased Unlimited Unlimited <td>Floating rate obligations</td> <td>1,190,000</td> <td></td> <td>660,000</td> <td></td> <td>1,395,000</td>	Floating rate obligations	1,190,000		660,000		1,395,000
Common share dividends 208,319 119,509 266,511 Interest 62,596 31,672 71,264 Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares, divided by 14,00 \$14,35 \$13,78 Net asset applicable to Common shares consist of: 2 2 42,925 \$45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864)	Payables:					
Interest 62,596 31,672 71,264 Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 844,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset sapplicable to Common shares outstanding (net assets applicable to Common shares, divided by 14.00 \$14.35 \$13.78 Net assets applicable to Common shares consist of: 2 2 42,542 \$1,533,466 \$1,555,299 Paid-in surplus \$3,806,942 1,972,481 4,555,299 \$1,378 Net assets applicable to Common shares consist of: 2 2 42,542,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803	Investments purchased	_	_	_	_	_
Offering costs 156,267 149,190 205,437 MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$3,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares consist of: 38,069,942 1,435 \$13,78 Common shares outstanding) \$14.00 \$14.35 \$13,78 Net assets applicable to Common shares consist of: \$38,069 \$19,725 \$45,553 Paid-in surplus \$38,069 \$19,725 \$45,553 Paid-in surplus \$2,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864)	Common share dividends	208,319		119,509		266,511
MuniFund Term Preferred (MTP) shares, at liquidation value 28,340,000 14,340,000 32,265,000 Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$32,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common shares divided by 2 1,972,481 4,555,299 Net assets applicable to Common shares, divided by 52,232,344 19,725 45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares 53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common U	Interest	62,596		31,672		71,264
value 28,340,000 14,340,000 32,265,000 Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares, divided by 14.00 \$14.35 \$13.78 Common shares outstanding) \$14.00 \$14.35 \$13.78 Net assets applicable to Common shares consist of: 200,000 \$14.35 \$13.78 Common shares, \$.01 par value per share \$38,069 \$19,725 \$45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net assets applicable to Common shares \$3,293,775 \$28,296,109	Offering costs	156,267		149,190		205,437
Accrued expenses: 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares, divided by 14.00 14.35 13.78 Common shares outstanding) \$14.00 \$14.35 \$13.78 Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share \$38,069 \$19,725 \$45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$3,293,775 \$28,296,109 62,776,542 Au	MuniFund Term Preferred (MTP) shares, at liquidation					
Management fees 44,458 21,400 51,778 Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares, divided by 14.00 14.35 \$13.78 Common shares, \$.01 par value per share \$38,069 \$19,725 \$45,553 Paid-in surplus \$52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited	value	28,340,000		14,340,000		32,265,000
Other 26,401 17,695 26,368 Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common shares divided by \$14.00 \$14.35 \$13.78 Common shares outstanding) \$14.00 \$14.35 \$13.78 Net assets applicable to Common shares consist of: \$38,069 \$19,725 \$45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$3,293,775 \$28,296,109 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited	Accrued expenses:					
Total liabilities 30,028,041 15,339,466 34,281,358 Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542 Common shares outstanding 3,806,942 1,972,481 4,555,299 Net asset value per Common share outstanding (net assets applicable to Common shares, divided by \$ 14.00 \$ 14.35 \$ 13.78 Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share \$ 38,069 \$ 19,725 \$ 45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Common Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Management fees	44,458		21,400		51,778
Net assets applicable to Common shares Common shares outstanding Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share Paid-in surplus Undistributed (Over-distribution of) net investment income Accumulated net realized gain (loss) Net unrealized appreciation (depreciation) Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542	Other	26,401		17,695		26,368
Common shares outstanding3,806,9421,972,4814,555,299Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)\$ 14.00\$ 14.35\$ 13.78Net assets applicable to Common shares consist of:\$ 38,069\$ 19,725\$ 45,553Common shares, \$.01 par value per share\$ 38,069\$ 19,725\$ 45,553Paid-in surplus\$ 52,232,344\$ 27,842,531\$ 64,084,498Undistributed (Over-distribution of) net investment income\$ 425,925\$ 163,614\$ 305,803Accumulated net realized gain (loss)\$ (1,174,680)\$ (302,864)\$ (2,892,830)Net unrealized appreciation (depreciation)\$ 1,772,117\$ 573,103\$ 1,233,518Net assets applicable to Common shares\$ 53,293,775\$ 28,296,109\$ 62,776,542Authorized shares:CommonUnlimitedUnlimitedUnlimitedAuction Rate Preferred Shares (ARPS)UnlimitedUnlimitedUnlimited	Total liabilities	30,028,041		15,339,466		34,281,358
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) \$ 14.00 \$ 14.35 \$ 13.78 Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share \$ 38,069 \$ 19,725 \$ 45,553 Paid-in surplus \$ 52,232,344 \$ 27,842,531 \$ 64,084,498 Undistributed (Over-distribution of) net investment income \$ 425,925 \$ 163,614 \$ 305,803 Accumulated net realized gain (loss) \$ (1,174,680) \$ (302,864) \$ (2,892,830) Net unrealized appreciation (depreciation) \$ 1,772,117 \$ 573,103 \$ 1,233,518 Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS)	Net assets applicable to Common shares	\$ 53,293,775	\$	28,296,109	\$	62,776,542
assets applicable to Common shares, divided by Common shares outstanding) Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share Paid-in surplus Undistributed (Over-distribution of) net investment income Accumulated net realized gain (loss) Net unrealized appreciation (depreciation) Net assets applicable to Common shares Sayona \$19,725 \$45,553 \$23,23,244 \$27,842,531 \$64,084,498 \$19,725 \$163,614 \$305,803 \$10,000 \$1,174,680 \$1,174,680 \$1,17	Common shares outstanding	3,806,942		1,972,481		4,555,299
Common shares outstanding) \$ 14.00 \$ 14.35 \$ 13.78 Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share \$ 38,069 \$ 19,725 \$ 45,553 Paid-in surplus \$ 52,232,344 \$ 27,842,531 \$ 64,084,498 Undistributed (Over-distribution of) net investment income \$ 425,925 \$ 163,614 \$ 305,803 Accumulated net realized gain (loss) \$ (1,174,680) \$ (302,864) \$ (2,892,830) Net unrealized appreciation (depreciation) \$ 1,772,117 \$ 573,103 \$ 1,233,518 Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542 Authorized shares: Common \$ Unlimited \$	Net asset value per Common share outstanding (net					
Net assets applicable to Common shares consist of: Common shares, \$.01 par value per share \$ 38,069 \$ 19,725 \$ 45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Unlimited	assets applicable to Common shares, divided by					
Common shares, \$.01 par value per share \$38,069 \$19,725 \$45,553 Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited	Common shares outstanding)	\$ 14.00	\$	14.35	\$	13.78
Paid-in surplus 52,232,344 27,842,531 64,084,498 Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Net assets applicable to Common shares consist of:					
Undistributed (Over-distribution of) net investment income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Common shares, \$.01 par value per share	\$ 38,069	\$	19,725	\$	45,553
income 425,925 163,614 305,803 Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited		52,232,344		27,842,531		64,084,498
Accumulated net realized gain (loss) (1,174,680) (302,864) (2,892,830) Net unrealized appreciation (depreciation) 1,772,117 573,103 1,233,518 Net assets applicable to Common shares \$53,293,775 \$28,296,109 \$62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Undistributed (Over-distribution of) net investment					
Net unrealized appreciation (depreciation)1,772,117573,1031,233,518Net assets applicable to Common shares\$ 53,293,775\$ 28,296,109\$ 62,776,542Authorized shares:CommonUnlimitedUnlimitedUnlimitedAuction Rate Preferred Shares (ARPS)UnlimitedUnlimitedUnlimited	income	425,925		163,614		305,803
Net assets applicable to Common shares \$ 53,293,775 \$ 28,296,109 \$ 62,776,542 Authorized shares: Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited	Accumulated net realized gain (loss)	(1,174,680)		(302,864)		(2,892,830)
Authorized shares: Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Net unrealized appreciation (depreciation)	1,772,117		573,103		1,233,518
Common Unlimited Unlimited Unlimited Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Net assets applicable to Common shares	\$ 53,293,775	\$	28,296,109	\$	62,776,542
Auction Rate Preferred Shares (ARPS) Unlimited Unlimited Unlimited	Authorized shares:					
	Common	Unlimited		Unlimited		Unlimited
MTP Unlimited Unlimited Unlimited	Auction Rate Preferred Shares (ARPS)	Unlimited		Unlimited		Unlimited
	MTP	Unlimited		Unlimited		Unlimited

See accompanying notes to financial statements.

Statement of Assets & Liabilities (continued)

		North Carolina Premium Income (NNC)		North Carolina Dividend Advantage (NRB)		North Carolina Dividend Advantage 2 (NNO)	•	North Carolina Dividend Advantage 3 (NII)
Assets								
Investments, at value (cost \$140,941,081, \$54,776,396, \$86,347,349								
and \$90,051,814, respectively)	\$	144,214,018	\$	55,869,789	\$	87,941,206	\$	91,020,740
Cash		251,693		1,321,535		2,839,388		2,933,955
Receivables:								
Interest		2,489,490		926,321		1,410,835		1,425,121
Investments sold		209,654		586,778		122,471		61,307
Deferred offering costs		1,127,460		386,060		544,239		519,868
Other assets		38,172		5,659		9,298		9,581
Total assets		148,330,487		59,096,142		92,867,437		95,970,572
Liabilities								
Floating rate obligations		5,195,000		7,160,000		4,805,000		7,480,000
Payables:								
Investments purchased		1,045,640		1,568,460		3,189,202		3,189,202
Common share dividends		365,171		153,588		250,453		256,352
Interest		108,996		35,960		64,338		63,446
Offering costs		411,546		189,126		193,219		226,618
MuniFund Term Preferred (MTP) shares,								
at liquidation value		49,835,000		16,600,000		29,700,000		28,725,000
Accrued expenses:								
Management fees		75,677		27,035		41,232		45,004
Other		37,329		25,400		30,831		25,925
Total liabilities		57,074,359		25,759,569		38,274,275		40,011,547
Net assets applicable to Common shares	\$	91,256,128	\$	33,336,573	\$	54,593,162	\$	55,959,025
Common shares outstanding		6,364,792		2,272,296		3,752,970		3,937,358
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common	Φ.	1404	Φ.	14.65	Φ.	11.55	Φ.	1401
shares outstanding)	\$	14.34	\$	14.67	\$	14.55	\$	14.21
Net assets applicable to Common shares consist of:								
Common shares, \$.01 par value per share	\$	63,648	\$	22,723	\$	37,530	\$	39,374
Paid-in surplus		87,779,645		32,111,995		53,078,609		55,381,330
Undistributed (Over-distribution of) net								
investment income		682,618		228,092		270,752		201,994
Accumulated net realized gain (loss)		(542,720)		(119,630)		(387,586)		(632,599)
Net unrealized appreciation								
(depreciation)		3,272,937		1,093,393		1,593,857		968,926
Net assets applicable to Common shares Authorized shares:	\$	91,256,128	\$	33,336,573	\$	54,593,162	\$	55,959,025
Common		Unlimited		Unlimited		Unlimited		Unlimited

Auction Rate Preferred Shares (ARPS)	Unlimited	Unlimited	Unlimited	Unlimited
MTP	Unlimited	Unlimited	Unlimited	Unlimited

See accompanying notes to financial statements.

Statement of Operations
Year Ended May 31, 2011

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Investment Income	\$ 4,010,296 \$	2,134,852 \$	4,693,755
Expenses Management fees	501 575	272 046	616 205
Management fees Auction fees	521,575	272,946	616,295
		<u> </u>	_
Dividend disbursing agent fees	27.104	22 (02	22.655
Shareholders' servicing agent fees and expenses	27,184	23,603	23,655
Interest expense and amortization of offering costs	888,910	467,788	1,011,229
Custodian's fees and expenses	20,184	13,643	23,182
Trustees' fees and expenses	2,191	1,146	2,552
Professional fees	20,247	19,273	20,594
Shareholders' reports – printing and mailing expenses	25,493	14,575	25,112
Stock exchange listing fees	25,398	274	25,984
Other expenses	23,670	23,208	15,573
Total expenses before custodian fee credit and expense	1 771 070	006456	4 = 6 4 4 = 6
reimbursement	1,554,852	836,456	1,764,176
Custodian fee credit	(482)	(305)	(475)
Expense reimbursement	_	(28,708)	(26,461)
Net expenses	1,554,370	807,443	1,737,240
Net investment income (loss)	2,455,926	1,327,409	2,956,515
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from investments	144,637	119,104	(37,160)
Change in net unrealized appreciation (depreciation) of			
investments	(1,648,415)	(851,317)	(1,588,354)
Net realized and unrealized gain (loss)	(1,503,778)	(732,213)	(1,625,514)
Distributions to Auction Rate Preferred Shareholders			
From net investment income	_	_	_
Decrease in net assets applicable to Common shares			
from distributions to Auction Rate Preferred			
shareholders	_	_	_
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 952,148 \$	595,196 \$	1,331,001

See accompanying notes to financial statements.

Statement of Operations (continued)

		North Carolina		North Carolina		North Carolina		North Carolina
		Premium		Dividend		Dividend		Dividend
		Income		Advantage		Advantage 2		Advantage 3
		(NNC)		(NRB)		(NNO)	1	(NII)
Investment Income	\$	6,649,402	\$	2,632,434	\$	4,121,670	\$	4,256,466
Expenses	Ψ	0,019,102	Ψ	2,032,131	Ψ	1,121,070	Ψ	1,230,100
Management fees		888,114		323,865		535,931		534,501
Auction fees		18,800				_	_	
Dividend disbursing agent fees		12,521		10,000		_	_	_
Shareholders' servicing agent fees and		,		- 0,000				
expenses		33,684		20,737		20,952		23,795
Interest expense and amortization of		ĺ		,		ĺ		
offering costs		1,178,625		567,472		936,151		934,726
Custodian's fees and expenses		31,384		15,831		22,827		22,276
Trustees' fees and expenses		3,928		1,448		2,375		2,281
Professional fees		21,988		19,446		20,300		20,323
Shareholders' reports – printing and								
mailing expenses		36,397		21,723		31,037		24,304
Stock exchange listing fees		34,718		17,262		17,468		547
Other expenses		18,994		15,847		15,932		15,825
Total expenses before custodian fee								
credit and expense reimbursement		2,279,153		1,013,631		1,602,973		1,578,578
Custodian fee credit		(1,484)		(766)		(1,035)		(1,041)
Expense reimbursement		_	-	(17,378)		(64,102)		(22,747)
Net expenses		2,277,669		995,487		1,537,836		1,554,790
Net investment income (loss)		4,371,733		1,636,947		2,583,834		2,701,676
Realized and Unrealized Gain (Loss)								
Net realized gain (loss) from investments		182,780		84,515		199,622		210,747
Change in net unrealized appreciation								
(depreciation) of investments		(2,183,452)		(1,143,283)		(1,744,087)		(1,916,912)
Net realized and unrealized gain (loss)		(2,000,672)		(1,058,768)		(1,544,465)		(1,706,165)
Distributions to Auction Rate Preferred								
Shareholders								
From net investment income		(56,262)		_	_	_	-	
Decrease in net assets applicable to								
Common shares from distributions to								
Auction Rate Preferred shareholders		(56,262)		_	_	_	-	_
Net increase (decrease) in net assets								
applicable to Common shares from			4			4.000.000	4	007.711
operations	\$	2,314,799	\$	578,179	\$	1,039,369	\$	995,511

See accompanying notes to financial statements.

Statement of Changes in Net Assets

	Geor	_			Geo	_			Geor	_	
	Premium Inc	om		D	Dividend Adv	anta	_	Di	vidend Advar	ıtaş	
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended
	5/31/11		5/31/10		5/31/11		5/31/10		5/31/11		5/31/10
Operations	0,00,00		2,0 2, 2 3		0,00,00		0,00,00		0.00.		0,0 0,0 0
Net investment											
income (loss)	\$ 2,455,926	\$	2,971,871	\$	1,327,409	\$	1,657,597	\$	2,956,515	\$	3,530,852
Net realized gain											
(loss) from											
investments	144,637		(80,448)		119,104		(247,298)		(37,160)		(701,883)
Change in net											
unrealized											
appreciation											
(depreciation) of	(1.640.415)		2.560.202		(051.217)		1 721 210		(1.500.254)		4.710.100
investments	(1,648,415)		2,560,292		(851,317)		1,731,310		(1,588,354)		4,718,199
Distributions to Auction Rate											
Preferred											
Shareholders:											
From net investment											
income			(86,098)				(47,292)				(93,719)
From accumulated			(60,076)				(47,272)				(73,717)
net realized gains		_		_		_		_		_	
Net increase											
(decrease) in net											
assets applicable to											
Common shares from											
operations	952,148		5,365,617		595,196		3,094,317		1,331,001		7,453,449
Distributions to											
Common											
Shareholders											
From net investment											
income	(2,694,971)		(2,574,524)		(1,514,237)		(1,447,538)		(3,279,797)		(3,156,398)
From accumulated											
net realized gains	_	-	_	_	_	_	_	-	_	-	_
Decrease in net assets											
applicable to											
Common shares from											
distributions to											
Common	(2 (04 071)		(0.574.504)		(1.514.007)		(1.447.520)		(2.070.707)		(2.156.200)
shareholders	(2,694,971)		(2,574,524)		(1,514,237)		(1,447,538)		(3,279,797)		(3,156,398)
Capital Share Transactions											
	18,644				35,966		10,096		4,430		4,625
Net proceeds from Common shares	10,044		_		33,900		10,090		4,430		4,023
issued to shareholders											
issued to shareholders											

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due to reinvestment of distributions							
Net increase (decrease) in net assets applicable to Common shares from capital share							
transactions	18,644	-	_	35,966	10,096	4,430	4,625
Net increase (decrease) in net assets applicable to							
Common shares	(1,724,179)	2,791,093		(883,075)	1,656,875	(1,944,366)	4,301,676
Net assets applicable to Common shares at		, ,			, ,		, ,
the beginning of year	55,017,954	52,226,861		29,179,184	27,522,309	64,720,908	60,419,232
Net assets applicable to Common shares at							
the end of year	\$ 53,293,775	\$ 55,017,954	\$	28,296,109	\$ 29,179,184	\$ 62,776,542	\$ 64,720,908
Undistributed (Over-distribution of) net investment income at the end of							
year	\$ 425,925	\$ 536,108	\$	163,614	\$ 267,475	\$ 305,803	\$ 484,394

See accompanying notes to financial statements.

Statement of Changes in Net Assets (continued)

	North C	ina		North Carolina			
	Premium Inc	ome	(NNC)		Dividend Adv	ge (NRB)	
	Year		Year		Year	Ì	Year
	Ended		Ended		Ended		Ended
	5/31/11		5/31/10		5/31/11		5/31/10
Operations							
Net investment income (loss)	\$ 4,371,733	\$	5,173,597	\$	1,636,947	\$	2,123,558
Net realized gain (loss) from investments	182,780		423,483		84,515		28,829
Change in net unrealized appreciation							
(depreciation) of investments	(2,183,452)		5,030,176		(1,143,283)		1,416,200
Distributions to Auction Rate							
Preferred Shareholders:							
From net investment income	(56,262)		(162,889)		_		(62,338)
From accumulated net realized gains		-		-		-	_
Net increase (decrease) in net assets							
applicable to Common shares from							
operations	2,314,799		10,464,367		578,179		3,506,249
Distributions to Common Shareholders							
From net investment income	(4,733,444)		(4,536,632)		(1,907,610)		(1,829,817)
From accumulated net realized gains	_	-		-	_	-	_
Decrease in net assets applicable to							
Common shares from distributions to							
Common shareholders	(4,733,444)		(4,536,632)		(1,907,610)		(1,829,817)
Capital Share Transactions							
Net proceeds from Common shares							
issued to shareholders due to							
reinvestment of distributions	104,888		84,012		49,047		47,006
Net increase (decrease) in net assets							
applicable to Common shares from							
capital share transactions	104,888		84,012		49,047		47,006
Net increase (decrease) in net assets							
applicable to Common shares	(2,313,757)		6,011,747		(1,280,384)		1,723,438
Net assets applicable to Common shares							
at the beginning of year	93,569,885		87,558,138		34,616,957		32,893,519
Net assets applicable to Common shares							
at the end of year	\$ 91,256,128	\$	93,569,885	\$	33,336,573	\$	34,616,957
Undistributed (Over-distribution of) net							
investment income at the end of year	\$ 682,618	\$	910,543	\$	228,092	\$	398,182

See accompanying notes to financial statements.

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Dividend Advantage 2 (NNO) Dividend Advantage 3 (NII) Year Year Year Year Year Year Year Ended Ended Ended Ended Ended Ended 5/31/11 5/31/10 5/31/11 5/31/10 Operations Net investment income (loss) \$ 2,583,834 \$ 3,324,701 \$ 2,701,676 \$ 3,337,128 Net realized gain (loss) from investments 199,622 59,796 210,747 112,606 Change in net unrealized appreciation (depreciation) of investments $(1,744,087)$ 2,550,370 $(1,916,912)$ 2,553,468
Ended 5/31/11 Ended 5/31/10 Ended 5/31/11 Ended 5/31/10 Ended 5/31/11 Ended 5/31/10 Ended 5/
5/31/11 5/31/10 5/31/11 5/31/10 Operations Net investment income (loss) \$ 2,583,834 \$ 3,324,701 \$ 2,701,676 \$ 3,337,128 Net realized gain (loss) from investments 199,622 59,796 210,747 112,606 Change in net unrealized appreciation (depreciation) of investments (1,744,087) 2,550,370 (1,916,912) 2,553,468
Operations Net investment income (loss) \$ 2,583,834 \$ 3,324,701 \$ 2,701,676 \$ 3,337,128 Net realized gain (loss) from investments 199,622 59,796 210,747 112,606 Change in net unrealized appreciation (depreciation) of investments (1,744,087) 2,550,370 (1,916,912) 2,553,468
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(depreciation) of investments (1,744,087) 2,550,370 (1,916,912) 2,553,468
Distributions to Auction Rate
Preferred Shareholders:
From net investment income $ (104,048)$ $ (91,210)$
From accumulated net realized gains — (2,285) —
Net increase (decrease) in net assets
applicable to Common shares from
operations 1,039,369 5,828,534 995,511 5,911,992
Distributions to Common Shareholders
From net investment income (3,061,963) (2,908,243) (3,117,824) (2,956,668)
From accumulated net realized gains — (8,625) —
Decrease in net assets applicable to
Common shares from distributions to
Common shareholders (3,061,963) (2,916,868) (3,117,824) (2,956,668)
Capital Share Transactions
Net proceeds from Common shares
issued to shareholders due to
reinvestment of distributions 26,093 24,591 26,901 34,165
Net increase (decrease) in net assets
applicable to Common shares from
capital share transactions 26,093 24,591 26,901 34,165
Net increase (decrease) in net assets
applicable to Common shares (1,996,501) 2,936,257 (2,095,412) 2,989,489
Net assets applicable to Common shares
at the beginning of year 56,589,663 53,653,406 58,054,437 55,064,948
Net assets applicable to Common shares
at the end of year \$ 54,593,162 \$ 56,589,663 \$ 55,959,025 \$ 58,054,437
Undistributed (Over-distribution of) net
investment income at the end of year \$ 270,752 \$ 607,929 \$ 201,994 \$ 481,174

See accompanying notes to financial statements.

Statement of Cash Flows

Year Ended May 31, 2011

	Georgia Premium	Georgia Dividend	Georgia Dividend
	_		Advantage
	Income (NPG)	Advantage (NZX)	2 (NKG)
Cash Flows from Operating Activities:			
Net Increase (Decrease) in Net Assets Applicable to Common			
Shares from Operations	\$ 952,148	\$ 595,196	\$ 1,331,001
Adjustments to reconcile the net increase (decrease) in net			
assets applicable to Common shares from operations to net			
cash provided by (used in) operating activities:			
Purchases of investments	(4,163,543)	(4,025,564)	(4,190,213)
Proceeds from sales and maturities of investments	6,411,682	5,381,402	4,215,691
Amortization (Accretion) of premiums and discounts, net	197,681	89,027	285,056
(Increase) Decrease in:			
Receivable for interest	(2,250)	18,196	(39,465)
Receivable for investments sold	(1,086,300)	_	_
Other assets	(2,914)	(121)	(2,736)
Increase (Decrease) in:			
Payable for interest	12	5	12
Payable for investments purchased	<u> </u>		_
Accrued management fees	(1,601)	1,141	4,962
Accrued other expenses	(12,090)	(6,952)	(14,014)
Net realized (gain) loss from investments	(144,637)	(119,104)	37,160
Change in net unrealized (appreciation) depreciation of			
investments	1,648,415	851,317	1,588,354
Taxes paid on undistributed capital gains	(262)	(108)	(260)
Net cash provided by (used in) operating activities	3,796,341	2,784,435	3,215,548
Cash Flows from Financing Activities:			
(Increase) Decrease in deferred offering costs	130,378	83,607	147,390
Increase (Decrease) in:			
Cash overdraft balance	<u> </u>	- (50,277)	(2,223)
Payable for offering costs	(45,386)	(27,549)	(34,338)
ARPS, at liquidation value	_		_
MTP shares, at liquidation value	_		
Cash distributions paid to Common shareholders	(2,675,197)	(1,478,649)	(3,273,203)
Net cash provided by (used in) financing activities	(2,590,205)	(1,472,868)	(3,162,374)
Net Increase (Decrease) in Cash	1,206,136	1,311,567	53,174
Cash at the beginning of year	4,399	_	_
Cash at the End of Year	\$ 1,210,535	\$ 1,311,567	\$ 53,174

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

Georgia Georgia

Premium	Dividend	Dividend
		Advantage
Income	Advantage	2
(NPG)	(NZX)	(NKG)
\$ 18,644	\$ 35,966	\$ 4,430

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

Georgia		Georgia		Georgia
Premium		Dividend		Dividend
			Α	dvantage
Income	Α	dvantage		2
(NPG)		(NZX)		(NKG)
\$ 758 520	\$	384 176	\$	863 827

See accompanying notes to financial statements.

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Cash Flows from Operating Activities:				
Net Increase (Decrease) in Net Assets Applicable	Ф. 2214700	Φ 570 170	Ф. 1.020.260	Φ 005.511
to Common Shares from Operations	\$ 2,314,799	\$ 578,179	\$ 1,039,369	\$ 995,511
Adjustments to reconcile the net increase				
(decrease) in net assets applicable to Common				
shares from operations to net cash provided by				
(used in) operating activities: Purchases of investments	(12 101 052)	(6.540.021)	(12 202 640)	(16.209.624)
	(13,191,052)	(6,540,031)	(13,293,649)	(16,308,634)
Proceeds from sales and maturities of	0 001 207	5 770 160	12 407 704	15 662 220
investments	8,821,327	5,770,160	12,407,794	15,663,239
Amortization (Accretion) of premiums and	224 025	122 604	129.060	170 400
discounts, net (Increase) Decrease in:	334,925	122,694	138,069	178,480
Receivable for interest	(41,118)	31,635	44,441	51,665
Receivable for investments sold	(30,469)	459,033	86,621	469,279
Other assets	(14,797)	439,033	35	(245)
Increase (Decrease) in:	(14,797)	13	33	(243)
Payable for interest	55,333	(7)	(12)	12
Payable for investments purchased	1,045,640	1,568,460	3,140,839	3,189,202
Accrued management fees	(138)	1,134	2,033	4,117
Accrued other expenses	(16,037)	(2,518)	(7,313)	(12,705)
Net realized (gain) loss from investments	(182,780)	(84,515)	(199,622)	(210,747)
Change in net unrealized (appreciation)	(102,700)	(04,313)	(199,022)	(210,747)
depreciation of investments	2,183,452	1,143,283	1,744,087	1,916,912
Taxes paid on undistributed capital gains	(813)	1,143,203	- (51)	(229)
Net cash provided by (used in) operating	(013)		(31)	(22))
activities	1,278,272	3,047,520	5,102,641	5,935,857
Cash Flows from Financing Activities:	1,270,272	3,047,320	3,102,041	3,733,037
(Increase) Decrease in deferred offering costs	(505,677)	100,580	141,788	138,506
Increase (Decrease) in:	(202,077)	100,200	111,700	130,200
Cash overdraft balance	(1,525)	_		- (22,631)
Payable for offering costs	122,274	(40,274)	(46,181)	(28,150)
ARPS, at liquidation value	(21,550,000)	(10,27.)		
MTP shares, at liquidation value	25,535,000	_	_	
Cash distributions paid to Common shareholders	(4,626,651)	(1,858,247)	(3,035,270)	(3,089,627)
Net cash provided by (used in) financing				
activities	(1,026,579)	(1,797,941)	(2,939,663)	(3,001,902)
Net Increase (Decrease) in Cash	251,693	1,249,579	2,162,978	2,933,955
Cash at the beginning of year	_	- 71,956	676,410	
Cash at the End of Year	\$ 251,693	\$ 1,321,535	\$ 2,839,388	\$ 2,933,955

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

North	North	North	North
Carolina	Carolina	Carolina	Carolina
Premium	Dividend	Dividend	Dividend
		Advantage	Advantage
Income	Advantage	2	3
(NNC)	(NRB)	(NNO)	(NII)
\$ 104,888	\$ 49,047	\$ 26,093	\$ 26,901

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

North	North		North		North
Carolina	Carolina		Carolina		Carolina
Premium	Dividend		Dividend		Dividend
		A	dvantage	A	Advantage
Income	Advantage		2		3
(NNC)	(NRB)		(NNO)		(NII)
\$ 927,801	\$ 466,899	\$	794,375	\$	796,208

See accompanying notes to financial statements.

Financial Highlights

Selected data for a Common share outstanding throughout each period:

			Investment Oper Distributions							ons Less Distributions						ns				
			from																	
			NeDi							utions										
						Ir	nvestn	nent		from										
							Inco	ome	C	apital				Net						
	Beg	ginning						to	Ga	ins to		Inve	esti	nent	Cap	oital		Ending		
	Co	mmon				Net	Auc	tion	A۱	uction			Inc	ome	G	ains	C	ommon		
		Share			Real	ized/	F	Rate		Rate				to		to		Share		
		Net		Net	Inrea	lized	Prefe	rred	Pre	ferred		C	om	monC	omi	non		Net	Er	nding
		Asseltn	vestn	nent		Gain	Sh	are-	5	Share-			Sł	nare-	Sh	are-		Asset	M	Iarket
		Value	Inco	ome	(1	Loss)	holo	ders(a) h	olders(a))	Total	hol	lders	hol	ders	Total	Value	7	Value
Georgia	a Pre	mium Ir	ncom	e (Nl	PG)															
Year E	nded	5/31:																		
2011	\$	14.46	\$.65	\$	(.40)	\$	_	-\$	_	\$.25	\$	(.71)	\$	_\$	(.71)S	5 14.00	\$ 1	13.27
2010		13.72		.78		.66	((.02)				1.42		(.68)			(.68)	14.46	1	13.95
2009		14.19		.85		(.55)	((.16)		_		.14		(.61)			(.61)	13.72		12.10
2008		14.55		.84		(.30)	((.24)		(.01)		.29		(.61)		(.04)	(.65)	14.19	1	13.15
2007		14.55		.86		.04	((.23)		_		.67		(.67)			(.67)	14.55		14.12
Georgia	a Div	idend A	dvan	tage	(NZ	X)														
Year E	nded	5/31																		
2011		14.81		.67		(.36)		_	-	_		.31		(.77)			(.77)	14.35		13.84
2010		13.98		.84		.75	((.02)		_		1.57		(.74)			(.74)	14.81		15.18
2009		14.47		.91		(.57)		(.17)		_		.17		(.66)		_	(.66)	13.98	1	13.46
2008		14.65		.90		(.16)	((.26)				.48		(.66)			(.66)	14.47	1	13.47
2007		14.71		.92		.02	((.25)		_		.69		(.75)		_	(.75)	14.65		16.00

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

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

			R	atios/Supplen	nental Data		
					Ratios to Aver	age Net	
			Ratios to Aver	age Net	Assets		
			Assets		Applicable to C	Common	
			Applicable to C	Common	Shares		
			Shares		After		
Total Ret	turns		Before Reimbur	sement(c)	Reimburseme	nt(c)(d)	
	Based	Ending					
	on	Net Assets					
Based	Common	Applicable		Net		Net	
on	Share Net	to Common	Iı	nvestment	Iı	nvestment	Portfolio
Market	Asset	Shares		Income		Income	Turnover
Value(b)	Value(b)	(000)	Expenses(e)	(Loss)	Expenses(e)	(Loss)	Rate
.18%	1.81%	\$ 53,294	2.91%	4.59%	N/A	N/A	5%
21.21	10.52	55,018	1.69	5.51	N/A	N/A	2
(2.86)	1.33	52,227	1.44	6.44	N/A	N/A	12
(2.17)	2.06	54,011	1.25	5.86	N/A	N/A	31
(2.55)	4.62	55,359	1.25	5.84	N/A	N/A	4
(3.77)	2.17	28,296	2.93	4.55	2.83%	4.65%	9
18.75	11.41	29,179	1.76	5.62	1.58	5.81	4
5.67	1.46	27,522	1.53	6.50	1.27	6.76	8
(11.73)	3.33	28,498	1.32	5.86	.99	6.19	22
8.10	4.75	28,831	1.35	5.74	.94	6.14	11

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Georgia	Premium	Income ((NPG)	
Ocor Sia	1 I CIIII GIII	THEOTHE !	1111 01	

Year Ended 5/31:	
2011	1.66%
2010	.46
2009	.11
2008	_
2007	<u> </u>

Georgia Dividend Advantage (NZX)

Year Ended 5/31:

2011	1.64
2010	.46
2009	.11
2008	_
2007	_

N/A Fund does not have a contractual reimbursement with the Adviser.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a Common share outstanding throughout each period:

						Invest	ment	Oper	ations	Less Distributions					ns				
			Distribution is						tributio	ns									
							from	Net	fro	m									
						Iı	nvestn	nent	Capit	al									
							Inco	ome	Gai	ns		N	et						
	Beg	inning						to		to	Inve	estme	nt (Capita	1]	Ending		
	Co	mmon				Net	Auc	tion	Auctio	on		Incon	ne	Gain	S	Co	ommon		
		Share			Rea	lized/	F	Rate	Ra	te		1	to	to)		Share		
		Net		NetU	Inre	alized	Prefe	rred	Preferre	ed	C	ommo	G o	mmoı	1		Net	Er	nding
		AsseIn	vestr	nent		Gain	Sh	are-	Shar	e-		Shar	e-	Share	-		Asset	M	arket
		Value	Inc	ome	(Loss)	hole	ders(a) holde	rs(a)	Total	holde	rs h	older	S	Total	Value	1	√alue
Georgia	n Divi	dend A	dvant	tage 2	2 (N	KG)													
Year Er	nded :	5/31:																	
2011	\$	14.21	\$.65	\$	(.36)	\$	_	- \$	—\$.29	\$ (.7	(2)	\$	_\$	(.72)\$	13.78	\$ 1	13.92
2010		13.27		.78		.87		(.02)			1.63	(.6	59)			(.69)	14.21	1	14.00
2009		13.92		.87		(.73)		(.16)			(.02)	(.6	53)		_	(.63)	13.27	1	11.88
2008		14.44		.88		(.50)		(.26)			.12	(.6	54)			(.64)	13.92]	13.18
2007		14.25		.89		.17		(.24)		_	.82	(.6	53)		—	(.63)	14.44]	14.50

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

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

Ratios/Supplemental Data											
						Ratios to Aver	age Net				
				Ratios to Aver	age Net	Assets	Assets				
				Assets		Applicable to C	to Common				
				Applicable to C	Common	Shares					
				Shares		After					
	Total Ret	urns		Before Reimburg	sement(c)	Reimbursemei	nt(c)(d)				
			Ending								
			Net Assets								
		Based on	Applicable								
		Common	to		Net		Net				
	Based on	Share	Common	Ir	rvestment	Ir	rvestment	Portfolio			
	Market	Net Asset	Shares		Income		Income	Turnover			
	Value(b)	Value(b)	(000)	Expenses(e)	(Loss)	Expenses(e)	(Loss)	Rate			
	4.84%	2.13%	\$ 62,777	2.79%	4.64%	2.75%	4.68%	4%			
	24.23	12.54	64,721	1.75	5.43	1.59	5.59	3			
	(4.77)	.20	60,419	1.42	6.54	1.13	6.84	13			
	(4.64)	.89	63,402	1.23	5.82	.83	6.22	23			
	14.40	5.79	65,770	1.24	5.63	.75	6.11	7			

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of September 30, 2010, the Adviser is no longer reimbursing Georgia Dividend Advantage 2 (NKG) for any fees and expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Georgia Dividend Advantage 2 (NKG)

Year Ended 5/31:	
2011	1.60%
2010	.55
2009	.10
2008 2007	
2007	<u> </u>

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a Common share outstanding throughout each period:

													Le	ess				
			Investment Ope							ations Distributions								
			Distributions															
								from										
			NeDis							butions								
						I	nvest	ment		from								
							In	come		Capital			Net					
	_	ginning						to		Gains to		Inves	tment		pital		Ending	
	Co	ommon				Net	Αu	ction	A	Auction		In	come	G	lains	Co	ommon	
		Share				lized/		Rate		Rate			to		to		Share	
		Net			Inrea	alized			Pı	referred			nmonC				Net	nding
		Assetn				Gain		hare-		Share-			hare-		nare-		Asset	I arket
			Inco			Loss)		olders (a)	holders (a))	Total ho	olders	hol	lders	Total	Value	 Value
North C			nium	Inco	ome	(NNC	(2)											
Year Er																		
2011	\$		\$.69	\$	(.32)	\$	(.01)	\$	_	\$.36 \$	(.74)	\$	-\$. ,	14.34	
2010		13.78		.81		.87		(.03)		_		1.65	(.71)		_	(.71)	14.72	15.37
2009		13.98		.85		(.27)		(.17)				.41	(.61)			(.61)	13.78	12.60
2008		14.36		.84		(.35)		(.23)		(.01)		.25	(.59)		(.04)	(.63)	13.98	13.30
2007		14.34		.85		.07		(.23)		*		.69	(.66)		(.01)	(.67)	14.36	14.30
						A	·											
North C			idend	Adv	vant	age (N	(RB)											
Year Er	ıded																	
2011		15.26		.72		(.47)		_	-	_		.25	(.84)		_	(.84)	14.67	14.94
2010		14.52		.94		.64		(.03)		_		1.55	(.81)		_	(.81)	15.26	16.15
2009		14.52		.95		(.08)		(.17)				.70	(.70)			(.70)	14.52	14.26
2008		14.78		.93		(.22)		(.24)		(.01)		.46	(.69)		(.03)	(.72)	14.52	15.28
2007		14.87		.93		.03		(.22)		(.01)		.73	(.77)		(.05)	(.82)	14.78	16.44

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

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

			Rati	Ratios/Supplemental Data						
			Ratios to Avera	ige Net	Ratios to Aver					
			Assets		Assets					
			Applicable to C	ommon	Applicable to C	Common				
			Shares		Shares After					
Total Re	atuam a		Before	nt(a)(d)						
Total Re	Based	Ending	Reimburseme	ent(C)	Reimburseme	ni(c)(u)				
	on	Ending Net								
Based	Common	Assets		Net		Net				
on	Share Net	Applicable	Inv	estment	In	Investment Portf				
Market	Asset	to Common		Income		Income	Turnover			
Value(b)	Value (b)	Shares (000)	Expenses (e)	(Loss)	Expenses (e)	(Loss)	Rate			
					-					
(1.27)%	2.57%	•	2.49%	4.77%	N/A	N/A	6%			
28.20	12.24	93,570	1.54	5.68	N/A	N/A	6			
(.44)	3.22	87,558	1.39	6.43	N/A	N/A	4			
(2.52)	1.76	88,827	1.39	5.94	N/A	N/A	12			
(.78)	4.84	91,191	1.27	5.82	N/A	N/A	13			
(2.16)	1.72	33,337	3.01	4.80	2.95%	4.85%	10			
19.40	10.88	34,617	1.63	6.13	1.51	6.25	6			
(1.82)	5.17	32,894	1.71	6.63	1.51	6.83	7			
(2.28) 3.26 32,868			1.91	6.07	1.63	6.35	6			
(2.26)	4.98	33,409	1.68	5.82	1.34	6.17	15			

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of January 31, 2011, the Adviser is no longer reimbursing North Carolina Dividend Advantage (NRB) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

North Carolina Premium Income (NNC)

Year Ended 5/31:	
2011	1.29%
2010	.34
2009	.07
2008	.14
2007	.03

North Carolina Dividend Advantage (NRB)

Year Ended 5/31:

2011	1.68
2010	.37
2009	.34
2008	.62
2007	.39

^{*} Rounds to less than \$0.1 per share.

N/A Fund does not have a contractual reimbursement with the Adviser.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a Common share outstanding throughout each period:

		Investment Operations Distributions						Less Distributions				
				fror								
				Ne	etDis	stributions						
			I	nvestmer		from						
				Incom	e	Capital		Net				
	Beginning			t	o	Gains to	Inv	estment	Capital		Ending	
	Common		Net	Auctio	n	Auction		Income	Gains	(Common	
	Share	F	Realized/	Rat	e	Rate		to	to		Share	
	Net	NetIr	nrealized	Preferre	d	Preferred	C	CommonC	Common		Net	Ending
	Asknte	estment	Gain	Share) -	Share-		Share-	Share-		Asset	Market
	Value 1	Income	(Loss)	holder	s(a)	holders(a)	Total	holders	holders	Total	Value	Value
North Carolina Dividend Advantage												
2 (NNO)	•											
	ded 5/31:											
2011	\$ 15.09	\$.69	\$ (.41)			\$ —	\$.28	\$(.82)		\$(.82)	•	\$14.21
2010	14.31	.89	.70	(.03)	*	1.56	(.78)	*	(.78)	15.09	15.73
2009	14.47	.92	(.26)	(.17)	_	.49	(.65)		(.65)	14.31	13.60
2008	14.76	.91	(.24)	(.25)	(.02)	.40	(.63)	. ,	(.69)	14.47	13.66
2007	14.75	.91	.10	(.23)	(.01)	.77	(.71)	(.05)	(.76)	14.76	15.50
North C	arolina Divi	dend Ad	lvantage									
3 (NII)												
Year En	ded 5/31											
2011	14.75	.69	(.44)	_		_	.25	(.79)	_	(.79)	14.21	14.22
2010	14.00	.85	.67	(.02)		1.50	(.75)		(.75)	14.75	15.86
2009	14.13	.90	(.21)	(.16)	_	.53	(.66)	_	(.66)	14.00	13.60
2008	14.38	.88	(.25)	(.23)		.40	(.65)	_	(.65)	14.13	14.12
2007	14.26	.89	.11	(.23)	_	.77	(.65)	_	(.65)	14.38	14.64

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

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

		Ratios/Supplemental Data										
					Ratios to Av	•						
			Ratios to Av	-	Asse							
			Asse		Applicable to							
			Applicable to		Shar							
			Share	er								
Total Retu			Before Reimbi	ursement(c)	Reimbursen	nent(c)(d)						
	Based	Ending										
	on	Net										
Based	Common	Assets		Net		Net						
on	Share Net	Applicable		Investment		Investment	Portfolio					
Market	Asset	to Common		Income		Income	Turnover					
Value(b)	Value(b)	Shares (000)	Expenses(e)	(Loss)	Expenses(e)	(Loss)	Rate					
(1 000	7.1.700	2010	4.550	2 = 0 ×	1.60%	4.400					
(4.55)%	1.92% \$,	2.91%	4.57%	2.79%	4.69%	14%					
21.86	11.11	56,590	1.55	5.80	1.36	5.99	9					
4.72	3.69	53,653	1.48	6.39	1.21	6.66	4					
(7.33)	2.83	54,240	1.54	5.87	1.21	6.20	8					
6.64	5.24	55,349	1.39	5.68	.97	6.09	9					
(5.28)	1.79	55,959	2.79	4.74	2.75	4.78	17					
22.76	10.95	58,054	1.76	5.71	1.60	5.87	6					
1.43	4.11	55,065	1.55	6.39	1.26	6.68	4					

(c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP shares, where applicable.

1.68

1.49

5.79

5.62

1.28

1.02

6.19

6.09

15

12

- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of September 30, 2010, the Adviser is no longer reimbursing North Carolina Dividend Advantage 3 (NII) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

North Carolina Dividend Advantage 2 (NNO)

2.90

5.48

55,555

56,511

1.12

6.23

Year Ended 5/31:	
2011	1.70%
2010	.32
2009	.16
2009 2008	.29
2007	.15

North Carolina Dividend Advantage 3 (NII)

Year Ended 5/31:	
2011	1.65
2010	.56
2009	.24
2008 2007	.44
2007	.26

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

See accompanying notes to financial statements.

Financial Highlights (continued)

		S at End of Period	1	MTP Shares at End of Period (a)			
	Aggregate Amount	Liquidation	Asset	Aggregate Amount	Liquidation	Asset	
	Outstanding	Value	Coverage	Outstanding	Value	Coverage	
	(000)	Per Share	Per Share	(000)	Per Share	Per Share	
Georgia Premium Inco	. ,	rei Silaie	rei Silaie	(000)	rei Silaie	rei Silaie	
Year Ended 5/31:	offic (IVI G)						
2011	\$ —	\$ —	\$ —	\$ 28,340	\$ 10.00	\$ 28.81	
2010	Ψ —	Ψ <u>—</u>	Ψ —	28,340	10.00	29.41	
2009	27,800	25,000	71,967				
2008	27,800	25,000	73,571		_		
2007	27,800	25,000	74,784	_	_	_	
	_,,,,,,,		, ,,, , ,				
Georgia Dividend Adv	vantage						
(NZX)	Č						
Year Ended 5/31:							
2011	_	_	_	14,340	10.00	29.73	
2010				14,340	10.00	30.35	
2009	15,000	25,000	70,871	_	_	_	
2008	15,000	25,000	72,497	_	_	_	
2007	15,000	25,000	73,052	_	_	_	
Georgia Dividend Adv	vantage 2						
(NKG)							
Year Ended 5/31:							
2011	_	_		32,265	10.00	29.46	
2010				32,265	10.00	30.06	
2009	31,700	25,000	72,649	_	_		
2008	33,000	25,000	73,032	_	_		
2007	33,000	25,000	74,825	_	_	_	

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	Series	End Market Va Per Sh	lue I	Average Market Value Per Share	Series	Ending Market Value Per Share	Average Market Value Per Share
Georgia Premium Income (N.	PG)						
Year Ended 5/31:							
2011	2015	\$ 10	.06 \$	10.02	_\$	_\$	
2010	2015	9	.99	9.99^	_	_	_
2009	_	_	_	_	_	_	_
2008	_	_	_	<u> </u>			
2007	_	_	_	_	_	_	_

Georgia Dividend Advantage (NZX)

Year Ended 5/31:

2011	2015	10.07	10.03	_	_	_
2010	2015	9.97	9.98^		_	
2009	_	_	_	_	_	_
2008	_		_			
2007	_	_	_	_	_	
Georgia Dividend Advan	tage 2					
(NKG)						
Year Ended 5/31:						
2011	2015	10.04	10.02	_		
2010	2015	10.00	9.99^^	_		
2009	_	_	_	_		
2008	_	_	_	_		_
2007	_	_	_	_	_	_

[^] For the period February 22, 2010 (first issuance date of shares) through May 31, 2010.

^{^^} For the period January 29, 2010 (first issuance date of shares) through May 31, 2010.

	ARPS at End of Period MTP Shares at End of Period (b)										
	Aggregate			Aggregate	Coverage						
	Amount	Liquidation	Asset	Amount	Liquidation	Asset	Per \$1				
	Outstanding	Value	Coverage	Outstanding	Value	Coverage	Liquidation				
	(000)	Per Share	Per Share	(000)	Per Share	Per Share	Preference				
North Carolina Pr	emium Income	(NNC)									
Year Ended 5/31:											
2011	\$ —	\$—	\$ —	\$49,835	\$10.00	\$28.31	\$ —				
2010	21,550	25,000	76,020	24,300	10.00	30.41	3.04				
2009	46,800	25,000	71,773	_	_	_	_				
2008	46,800	25,000	72,450	_	_	_					
2007	46,800	25,000	73,713	_	_	_	_				
North Carolina Di	vidend Advanta	age (NRB)									
Year Ended 5/31:											
2011	_	_	_	16,600	10.00	30.08					
2010				16,600	10.00	30.85					
2009	17,000	25,000	73,373	_	_	_	_				
2008	17,000	25,000	73,335				_				
2007	17,000	25,000	74,130	_	_	_	_				
North Carolina Di	vidend Advanta	age 2 (NNO)									
Year Ended 5/31:											
2011	_	_		29,700	10.00	28.38					
2010				29,700	10.00	29.05					
2009	28,000	25,000	72,905	_	_	_	_				
2008	28,000	25,000	73,428								
2007	28,000	25,000	74,418	_	_	_					

(b) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	Series	Ending Market Value Per Share	Average Market Value Per Share	Series	Ending Market Value Per Share	Average Market Value Per Share
North Carolina Premium Income			1 01 211010	201103	2 01 211010	101 511110
Year Ended 5/31:						
2011	2015	\$ 10.04	\$ 10.04	2016	\$ 10.00	\$ 9.94
2010	2015	9.99	10.01	_	_	_
2009			_			
2008	_	_		_	_	
2007		_	_	_	_	_

North Carolina Dividend Advantage (NRB)

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Year Ended 5/31:						
2011	2015	10.04	10.01		_	_
2010	2015	10.00	9.97	_	_	_
2009	_	_			_	_
2008	_	_	_	_	_	_
2007		_			_	_
North Carolina Dividend Adva	antage 2					
(NNO)						
Year Ended 5/31:						
2011	2015	10.01	10.01		_	
2010	2015	9.97	9.97	<u>—</u>	_	—
2009		_			_	_
2008	<u>—</u>	<u>—</u>	<u>—</u>	<u> </u>	_	<u>—</u>
2007	_					

For the period January 21, 2010 (first issuance date of shares) through May 31, 2010. For the period December 14, 2010 (first issuance date of shares) through May 31, 2011. For the period March 30, 2010 (first issuance date of shares) through May 31, 2010.

See accompanying notes to financial statements.

Financial Highlights (continued)

	ARP	S at End of Pe	eriod	MTP Shares at End of Period (a)			
	Aggregate			Aggregate			
	Amount	Liquidation	Asset	Amount	Liquidation	Asset	
	Outstanding	Value	Coverage	Outstanding	Value	Coverage	
	(000)	Per Share	Per Share	(000)	Per Share	Per Share	
North Carolina Dividend A	dvantage 3 (NII)						
Year Ended 5/31:							
2011	\$ —	\$ —	\$—	\$28,725	\$10.00	\$29.48	
2010	_			28,725	10.00	30.21	
2009	28,000	25,000	74,165	_	_	_	
2008	28,000	25,000	74,602			_	
2007	28,000	25,000	75,457	_	_		

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	Series		Ending Market Value Per Share	Average Market Value Per Share	Series	Ending Market Value Per Share	Average Market Value Per Share
New Court of Divide A Advantage			rei Silaie	rei Silaie	Series	rei Silaie	rei Silaie
North Carolina Dividend Advantage	3 (NII)						
Year Ended 5/31:							
2011	2015	\$	10.02 \$	10.03	_	5 -	—
2010	2015		10.00	9.99^	_	. <u> </u>	·
2009	_	_	_	_	_	. <u> </u>	. <u> </u>
2008	_	_			_	·	
2007	_	_	_	<u> </u>	_	·	

[^] For the period February 9, 2010 (first issuance date of shares) through May 31, 2010.

See accompanying notes to financial statements.

Notes to Financial Statements

1. General Information and Significant Accounting Policies

General Information

The state 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 2 (NNO) and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII) (each a "Fund" and collectively, the "Funds"). Common shares of 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 New York Stock Exchange ("NYSE") while Common shares of North Carolina Premium Income (NNC) are traded on the NYSE Amex. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end registered investment companies.

Effective January 1, 2011, the Funds' adviser, Nuveen Asset Management, a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), changed its name to Nuveen Fund Advisors, Inc. (the "Adviser"). Concurrently, the Adviser formed a wholly-owned subsidiary, Nuveen Asset Management, LLC (the "Sub-Adviser"), to house its portfolio management capabilities and to serve as the Funds' sub-adviser, and the Funds' portfolio manager became an employee of the Sub-Adviser. This allocation of responsibilities between the Adviser and the Sub-Adviser affects each of the Funds. The Adviser will compensate the Sub-Adviser for the portfolio management services it provides to the Funds from each Fund's management fee.

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a portfolio of municipal obligations issued by state and local government authorities within a single state or certain U.S. territories.

Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Investment Valuation

Prices of municipal bonds are provided by a pricing service approved by the Funds' Board of Trustees. These securities are generally classified as Level 2 for fair value measurement purposes. When price quotes are not readily available (which is usually the case for municipal bonds) the pricing service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer, or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Funds' Board of Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there

is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant.

Notes to Financial Statements (continued)

These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Funds' Board of Trustees or its designee.

Refer to Footnote 2 – Fair Value Measurements for further details on the leveling of securities held by the Funds as of the end of the reporting period.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At May 31, 2011, 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 delayed delivery purchase commitments of \$1,045,640, \$1,568,460, \$3,189,202 and \$3,189,202, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

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

Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that 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. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

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

Dividends and Distributions to Common Shareholders

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

Distributions to Common shareholders of 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 U.S. GAAP.

Auction Rate Preferred Shares

Each Fund is authorized to issue Auction Rate Preferred Shares ("ARPS"). During the fiscal year ended May 31, 2011, North Carolina Premium Income (NNC) had outstanding ARPS, \$25,000 stated value per share, which approximates market value, as a means of effecting financial leverage. The Fund's ARPS were issued in one Series. The dividend rate paid by the Fund on the Series was determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and was payable at the end of each rate period.

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the ARPS issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. ARPS shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the ARPS. As of May 31, 2011, each Fund redeemed all of their outstanding ARPS, at liquidation value, as follows:

	Georgia	Georgia	Georgia
	Premium	Dividend	Dividend
	Income	Advantage	Advantage 2
	(NPG)	(NZX)	(NKG)
ARPS redeemed, at liquidation value	\$27,800,000	\$15,000,000	\$33,000,000

	North		North			North		North	
		Carolina		Carolina		Carolina		Carolina	
		Premium		Dividend		Dividend		Dividend	
		Income		Advantage		Advantage 2		Advantage 3	
		(NNC)		(NRB)		(NNO)		(NII)	
ARPS redeemed, at liquidation value	\$	46,800,000	\$	17,000,000	\$	28,000,000	\$	28,000,000	

During the current reporting period, Nuveen Investments, LLC, known as Nuveen Securities, LLC, effective April 30, 2011, ("Nuveen Securities") entered into a settlement with the Financial Industry Regulatory Authority ("FINRA") with respect to certain allegations regarding Nuveen-sponsored closed-end fund ARPS marketing brochures. As part of this settlement, Nuveen Securities neither admitted to nor denied FINRA's allegations. Nuveen Securities is the broker-dealer subsidiary of Nuveen.

The settlement with FINRA concludes an investigation that followed the widespread failure of auctions for ARPS and other auction rate securities, which generally began in mid-February 2008. In the settlement, FINRA alleged that certain marketing materials provided by Nuveen Securities were false and misleading. Nuveen Securities agreed to a censure and the payment of a \$3 million fine.

MuniFund Term Preferred Shares

The Funds have issued and outstanding MuniFund Term Preferred ("MTP") Shares, with a \$10 stated value per share. Proceeds from the issuance of MTP Shares, net of offering expenses, were used to redeem all, or a portion of, each Fund's outstanding ARPS. Each Fund's MTP Shares may be issued in more than one Series. Dividends, which are recognized as interest expense for financial reporting purposes, are paid monthly at a fixed annual rate, subject to adjustments in certain circumstances. The MTP Shares trade on the NYSE. As of May 31, 2011, the number of MTP Shares outstanding, annual interest rate and NYSE "ticker" symbol for each Fund's series of MTP Shares are as follows:

	Georgia Premium Income (NPG) Annual			Georgia Dividend Advantage (NZX) Annual				
	Shares	Interest	NYSE	Shares	Interest	NYSE		
	Outstanding	Rate	Ticker	Outstanding	Rate	Ticker		
	<i>y</i>		NPG Pr	<i>y y y y y y y y y y</i>		NZX Pr		
Series 2015	2,834,000	2.65%	C	1,434,000	2.65%	C		
	Georgia Dividend Advantage 2 (NKG)			North Carolina Premium Income (NNC)				
		Annual			Annual			
	Shares	Interest	NYSE	Shares	Interest	NYSE		
	Outstanding	Rate	Ticker	Outstanding	Rate	Ticker		
			NKG Pr			NNC Pr		
Series 2015	3,226,500	2.65%	C	2,430,000	2.65%	C		
						NNC Pr		
Series 2016	_		_	- 2,553,500	2.60	D		
	North Carolina Dividend Advantage (NRB)			North Carolina Dividend Advantage 2 (NNO)				
	Annual			Annual				
	Shares	Interest	NYSE	Shares	Interest	NYSE		
	Outstanding	Rate	Ticker	Outstanding	Rate	Ticker		
			NRB Pr			NNO Pr		
Series 2015	1,660,000	2.60%	C	2,970,000	2.60%	C		

North Carolina Dividend Advantage 3 (NII)

		Annual			
	Shares	Interest	NYSE		
	Outstanding	Rate	Ticker		
Series 2015	2,872,500	2.65%	NII Pr C		

Each Fund is obligated to redeem its MTP Shares by the date as specified in its offering document ("Term Redemption Date"), unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. MTP Shares will be subject to redemption at the option of each Fund ("Optional Redemption Date"), subject to a payment of premium for one year following the Optional Redemption Date ("Premium Expiration Date"), and at par thereafter. MTP Shares also will be subject to redemption, at the option of each Fund, at par in the event of certain changes in the credit rating of the MTP Shares. Each Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund's series of MTP Shares are as follows:

Notes to Financial Statements (continued)

			Georgia	Georgia	Georgia
			Premium	Dividend	Dividend
			Income	Advantage	Advantage 2
			(NPG)	(NZX)	(NKG)
			Series 2015	Series 2015	Series 2015
			March 1,	March 1,	February 1,
Term Redemption Date			2015	2015	2015
			March 1,	March 1,	February 1,
Optional Redemption Date			2011	2011	2011
			February 29,	February 29,	January 31,
Premium Expiration Date			2012	2012	2012
	North	North	North	North	North
	Carolina	Carolina	Carolina	Carolina	Carolina
	Premium	Premium	Dividend	Dividend	Dividend
	Income	Income	Advantage	Advantage 2	Advantage 3
	(NNC)	(NNC)	(NRB)	(NNO)	(NII)
	Series 2015	Series 2016	Series 2015	Series 2015	Series 2015
	February 1,	January 1,			March 1,
Term Redemption Date	2015	2016	April 1, 2015	April 1, 2015	2015
	February 1,	January 1,			March 1,
Optional Redemption Date	2011	2012	April 1, 2011	April 1, 2011	2011
	January 31,	December 31,	March 31,	March 31,	February 29,
Premium Expiration Date	2012	2012	2012	2012	2012

The average liquidation value of all MTP Shares outstanding for each Fund during the fiscal year ended May 31, 2011, was as follows:

			Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Average liquidation value of MTP Shares ou	ıtstand	ing	\$ 28,340,000	\$ 14,340,000	\$ 32,265,000
		North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Average liquidation value of MTP Shares outstanding	\$	36,040,945	\$ 16,600,000	\$ 29,700,000	\$ 28,725,000

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability on the Statement of Assets and Liabilities. Unpaid dividends on MTP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities. Dividends paid on MTP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

Net amounts earned by Nuveen as underwriter of each Fund's MTP Share offering were recorded as reductions of offering costs recognized by the Funds. For the fiscal year ended May 31, 2011, the net amounts earned by Nuveen were as follows:

		Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Net amounts earned by Nuveen	\$	—\$	—\$	_
	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Net amounts earned by Nuveen	\$ — \$	— \$	_\$	

Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating

rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as "(IF) – Inverse floating rate investment." An investment in a self-deposited inverse floater is accounted for as a financing transaction. In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as "(UB) – Underlying bond of an inverse floating rate trust reflected as a financing transaction," with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in "Investment Income" the entire earnings of the underlying bond and the related interest paid to the holders of the short-term floating rate certificates as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

During the fiscal year ended May 31, 2011, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

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

At May 31, 2011, the Funds were not invested in externally-deposited Recourse Trusts.

				North	North	North	North
	Georgia	Georgia	Georgia	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Premium	Dividend	Dividend	Dividend
			Advantage			Advantage	Advantage
	Income	Advantage	2	Income	Advantage	2	3
	(NPG)	(NZX)	(NKG)	(NNC)	(NRB)	(NNO)	(NII)
Maximum exposure							
to Recourse Trusts	\$	\$ —	\$	\$ -	\$ _	\$	\$ —

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended May 31, 2011, were as follows:

			North	North	North	North
Georgia	Georgia	Georgia	Carolina	Carolina	Carolina	Carolina

	Premium	Dividend	Dividend Advantage	Premium	Dividend	Dividend Advantage	Dividend Advantage
	Income	Advantage	2	Income	Advantage	2	3
	(NPG)	(NZX)	(NKG)	(NNC)	(NRB)	(NNO)	(NII)
Average floating rate obligations outstanding	\$ 1,190,000	\$ 660,000	\$ 1,395,000	\$ 5,195,000	\$ 7,160,000	\$ 4,805,000	\$ 7,480,000
Average annual interest rate and fees	0.63 %						

Derivative Financial Instruments

Each Fund is authorized to invest in certain derivative instruments, including foreign currency forwards, futures, options and swap contracts. Although the Funds are authorized to invest in such derivative instruments, and may do so in the future, they did not make any such investments during the fiscal year ended May 31, 2011.

Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Notes to Financial Statements (continued)

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

Zero Coupon Securities

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

Offering Costs

Costs incurred by the Funds in connection with their offerings of MTP Shares were recorded as a deferred charge, which will be amortized over the life of the shares. Each Fund's amortized deferred charges are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. Each Fund's offering costs incurred were as follows:

		Pre Ir	eorgi miui ncom (NP	m ne	Geor Divide Advanta (NZ	end		Georgia Dividend antage 2 (NKG)
MTP Shares offering costs	\$	655,	100	\$	420,100) \$	7.	38,975
	Car Prer Inc	North olina nium come		North Carolina Dividend dvantage (NRB	Di Adv	North arolina vidend vantage 2 (NNO)	A	North Carolina Dividend dvantage 3 (NII)
MTP Shares offering costs	\$ 1,372		\$	504,000		10,500	\$	700,875

Custodian Fee Credit

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

Indemnifications

Under the Funds' organizational documents, their officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these

arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Use of Estimates

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

2. Fair Value Measurements

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

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

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

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

The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of May 31, 2011:

Georgia Premium Income (NPG)	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$ —	\$79,086,528	\$ —	\$79,086,528
Georgia Dividend Advantage (NZX)	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$ —	\$41,288,534	\$ —	\$41,288,534
Georgia Dividend Advantage 2 (NKG)	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$ —	\$94,819,887	\$ —	\$94,819,887
North Carolina Premium Income (NNC)	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$	\$144,214,018	\$	\$144,214,018
Municipal Bonds North Carolina Dividend Advantage (NRB)	\$— Level 1	\$144,214,018 Level 2	\$— Level 3	\$144,214,018 Total
-				
North Carolina Dividend Advantage (NRB)			Level 3	
North Carolina Dividend Advantage (NRB) Investments:	Level 1	Level 2	Level 3	Total
North Carolina Dividend Advantage (NRB) Investments: Municipal Bonds	Level 1	Level 2 \$55,869,789	Level 3	Total \$55,869,789
North Carolina Dividend Advantage (NRB) Investments: Municipal Bonds North Carolina Dividend Advantage 2 (NNO)	Level 1	Level 2 \$55,869,789	Level 3 \$— Level 3	Total \$55,869,789
North Carolina Dividend Advantage (NRB) Investments: Municipal Bonds North Carolina Dividend Advantage 2 (NNO) Investments:	Level 1 \$— Level 1	Level 2 \$55,869,789 Level 2	Level 3 \$— Level 3	Total \$55,869,789 Total
North Carolina Dividend Advantage (NRB) Investments: Municipal Bonds North Carolina Dividend Advantage 2 (NNO) Investments: Municipal Bonds	Level 1 \$— Level 1 \$—	Level 2 \$55,869,789 Level 2 \$87,941,206	Level 3 \$— Level 3 \$—	Total \$55,869,789 Total \$87,941,206

During the fiscal year ended May 31, 2011, the Funds recognized no significant transfers to/from Level 1, Level 2, or Level 3.

3. Derivative Instruments and Hedging Activities

The Funds record derivative instruments at fair value with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the fiscal year ended May 31, 2011.

4. Fund Shares

Common Shares

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding Common shares.

Transactions in Common shares were as follows:

	Georg Premium Inco		Georgia D Advantage		Georgia Dividend Advantage 2 (NKG)		
	Year Ended	Year Ended	Year Ended	Year Ended	•	Year Ended	
	5/31/11	5/31/10	5/31/11	5/31/10	5/31/11	5/31/10	
Common shares							
issued to							
shareholders due to							
reinvestment of							
distributions	1,290		2,445	686	313	327	
			North Carolina		North Carolina		
		Pre	mium Income (N	NNC)	Dividend Advan	tage (NRB)	
		Year	Ended Y	ear Ended	Year Ended	Year Ended	
		5	/31/11	5/31/10	5/31/11	5/31/10	
Common shares issued	l to shareholders	due					
to reinvestment of dist	ributions		7,169	5,785	3,242	3,076	
Nuveen Investments						83	

Notes to Financial Statements (continued)

	North Ca	rolina	North Carolina			
	Dividend		Dividend			
	Advantage 2	2 (NNO)	Advantage 3 (NII)			
	Year Ended	Year Ended	Year Ended	Year Ended		
	5/31/11	5/31/10	5/31/11	5/31/10		
Common shares issued to shareholders due						
to reinvestment of distributions	1,708	1,620	1,828	2,340		

Preferred Shares

Transactions in ARPS were as follows:

	Georgia Premium Income (NPG) Year Ended 5/31/11 5/31/10					Georgia Dividend Adva Year Ended 5/31/11				antage (NZX) Year Ended 5/31/10		
		ount	Shares	31/1	Amount			Amount	Shares	7317	Amount	
ARPS	Shares Am	Ount	Silaics		Amoun	ı Silai	CS F	Amount	Silares		Amount	
redeemed:												
Series M	—\$	<u> </u>	_	-\$		_	—\$	_	600	\$	15,000,000	
Series TH	_	_	1,112	Ψ.	27,800,000)	_	_	_			
Total	—\$	_	1,112	\$	27,800,000		—\$	_	600	\$	15,000,000	
	Georgia Dividend Advantage 2 (NKG) North Carolina Premium Income (NNC)										· ·	
	Year Ended		Year E		l		ar Ende	ed			Inded	
	5/31/11		5/31/				/31/11			5/31/		
	Shares Amou	nt	Shares		Amount	Shares		Amount	Shares		Amount	
ARPS												
redeemed:	Ф		ф			0.62	Φ 21	550,000	0.4.4	Ф	22 (00 000	
Series TH	—\$	_	_\$	21	700 000	862	\$ 21	,550,000	944	\$	23,600,000	
Series F	<u> </u>	_	1,268 1,268 \$,700,000	962	_ _		044	<u>ф</u>	22 600 000	
Total	—\$		1,268 \$	31,	,700,000	862	\$ 21	,550,000	944	\$	23,600,000	
	North Carol	ina Divi	dend Adva	ntag	e (NRB)	Nort	h Caro	olina Divide	nd Advan	tage	2 (NNO)	
	Year Ended	1	Yea				Year Ended			Year Ended		
	5/31/11			31/1			/31/11			/31/1		
	Shares Am	ount	Shares		Amount	Share	s A	mount	Shares		Amount	
ARPS												
redeemed:	.		600		4 = 000 000		Φ.			4		
Series T	—\$	_	680	\$	17,000,000		—\$			- \$	20,000,000	
Series F	<u> </u>	_	-	-	17 000 000	_	<u> </u>		1,120	ф	28,000,000	
Total	—\$	_	680	\$	17,000,000		—\$		1,120	\$	28,000,000	
					NT.	- 41- C	. 1! T	N144 A 4		(NIII)	r\	
						ortn Car Ended	onna L	Dividend Ad	vantage 3 Year l			
						1/11				⊵nae 1/10	a	
					Shares		Amoun	t	Shares	1/10	Amount	
ARPS redee	med·				Shares	I	MINOUII	.t	Silaics		Amount	
Series W	inou.				_	- \$		_	1,120	\$	28,000,000	

Transactions in MTP Shares were as follows:

		Georgia Premium Income (NPG)				Georgia Dividend Advantage (NZX)			ZX)		
	Year	Ended	Year	Year Ended		Year Ended			Year Ended		led
	5/3	1/11	5/3	31/1	0	5/3	1/11		5/3	31/10	O
	Shares	Amount	Shares		Amount	Shares	Amount		Shares		Amount
MTP											
Shares	3										
issued	:										
Series											
2015	_	_\$	2,834,000	\$	28,340,000	_	-\$ -	_	1,434,000	\$	14,340,000
84	Nuveen Invest	ments									

	Georgia Dividend Advantage 2 (NKG)			North Carolina Premium Income (NNC)			
	Year Ended 5/31/11	Year E: 5/31/			r Ended 31/11	Year E 5/31/	
	Shares Amount	Shares	Amount				Amount
MTP	Shares / imount	Shares	Timount	Share	Timoun	Sittles	Timount
Shares							
issued:							
Series 2015	<u> </u> \$	2 226 500 ¢	22 265 000		 \$	_ 2,430,000 \$	24 200 000
Series		_ 3,226,500 \$	32,203,000		— Ф	— 2,430,000 J	5 24,300,000
2016			-	2,553,500	25,535,000	_	_
		olina Dividend A	•			vidend Advantage	
	Year Ende 5/31/11	d Y	Year Ended 5/31/10	Y	ear Ended 5/31/11	Year Er 5/31/1	
		ount Sha		Amount Sha		Shares	Amount
MTP	Situres 11111				res rimount	Shares	Timodit
Shares							
issued:							
Series	¢.	1.660.6	100 ¢ 166	00 000	¢	2 070 000 ф	20.700.000
2015	—\$	— 1,660,0	000 \$ 16,6	00,000	— \$	- 2,970,000 \$	29,700,000
				North C	arolina Divideno	d Advantage 3 (NI	I)
				Year Ended		Year Ende	•
				5/31/11		5/31/10	
			S	Shares	Amount	Shares	Amount
	ares issued:			— \$		2,872,500 \$	29 725 000
Series 20	J13			— \$		2,872,500 \$	28,725,000

5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments, where applicable) during the fiscal year ended May 31, 2011, were as follows:

		Georgia Premium	Georgia Dividend	Georgia Dividend Advantage
		Income	Advantage	2
		(NPG)	(NZX)	(NKG)
Purchases		\$4,163,543	\$4,025,564	\$4,190,213
Sales and maturities		6,411,682	5,381,402	4,215,691
	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
	Income	Advantage	Advantage 2	Advantage 3
	(NNC)	(NRB)	(NNO)	(NII)
Purchases	\$13,191,052	\$6,540,031	\$13,293,649	\$16,308,634
Sales and maturities	8,821,327	5,770,160	12,407,794	15,663,239

6. Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

At May 31, 2011, the cost and unrealized appreciation (depreciation) of investments as determined on a federal income tax basis, were as follows:

	Georgia	Georgia	Georgia
	Premium	Dividend	Dividend
	Income	Advantage	Advantage 2
	(NPG)	(NZX)	(NKG)
Cost of investments	\$76,095,528	\$40,046,049	\$92,167,450
Gross unrealized:			
Appreciation	\$2,453,267	\$1,014,437	\$2,240,693
Depreciation	(652,096)	(431,757)	(983,659)
Net unrealized appreciation (depreciation) of investments	\$1,801,171	\$582,680	\$1,257,034
Nuveen Investments			85

Notes to Financial Statements (continued)

	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
	Income	Advantage	Advantage 2	Advantage 3
	(NNC)	(NRB)	(NNO)	(NII)
Cost of investments	\$135,746,528	\$47,585,141	\$81,525,402	\$82,564,294
Gross unrealized:				
Appreciation	\$4,484,347	\$1,601,064	\$2,466,126	\$2,131,479
Depreciation	(1,211,250)	(476,644)	(855,441)	(1,154,808)
Net unrealized appreciation (depreciation) of				
investments	\$3,273,097	\$1,124,420	\$1,610,685	\$976,671

Permanent differences, primarily due to federal taxes paid, taxable market discount, nondeductible offering costs and distribution character reclassifications, resulted in reclassifications among the Funds' components of Common share net assets at May 31, 2011, the Funds' tax year end, as follows:

		Georgia Premium	Georgia Dividend	Georgia Dividend
		Income	Advantage	Advantage 2
		(NPG)	(NZX)	(NKG)
Paid-in-surplus		\$(129,124)	\$(83,075)	\$(145,916)
Undistributed (Over-distribution of) net investment income	:	128,862	82,967	144,691
Accumulated net realized gain (loss)		262	108	1,225
	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
			Advantage	Advantage
	Income	Advantage	2	3
	(NNC)	(NRB)	(NNO)	(NII)
Paid-in-surplus	\$(190,886)	\$(100,579)	\$(141,839)	\$(137,209)
Undistributed (Over-distribution of) net investment				
income	190,048	100,573	140,952	136,968
Accumulated net realized gain (loss)	838	6	887	241

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at May 31, 2011, the Funds' tax year end, were as follows:

	Georgia	Georgia	Georgia
	Premium	Dividend	Dividend
			Advantage
	Income	Advantage	2
	(NPG)	(NZX)	(NKG)
Undistributed net tax-exempt income *	\$683,154	\$311,638	\$626,655
Undistributed net ordinary income **	920	309	210
Undistributed net long-term capital gains		—	

	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
			Advantage	Advantage
	Income	Advantage	2	3
	(NNC)	(NRB)	(NNO)	(NII)
Undistributed net tax-exempt income *	\$1,169,156	\$406,375	\$572,168	\$517,561
Undistributed net ordinary income **		700	1,298	_
Undistributed net long-term capital gains		_	_	_

^{*} Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on May 2, 2011, paid on June 1, 2011.

The tax character of distributions paid during the Funds' tax years ended May 31, 2011 and May 31, 2010, was designated for purposes of the dividends paid deduction as follows:

	Georgia	Georgia	Georgia
	Premium	Dividend	Dividend
			Advantage
	Income	Advantage	2
2011	(NPG)	(NZX)	(NKG)
Distributions from net tax-exempt income***	\$3,445,893	\$1,894,084	\$4,134,788
Distributions from net ordinary income**	_		_
Distributions from net long-term capital gains	_	_	_

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

	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
			Advantage	Advantage
	Income	Advantage	2	3
2011	(NNC)	(NRB)	(NNO)	(NII)
Distributions from net tax-exempt income***	\$5,682,816	\$2,338,991	\$3,834,059	\$3,878,904
Distributions from net ordinary income**				_
Distributions from net long-term capital gains		_	_	_

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

^{***} The Funds hereby designate these amounts paid during the fiscal year ended May 31, 2011, as Exempt Interest Dividends.

		Georgia Premium	Georgia Dividend	Georgia Dividend
2010		Income	Advantage	Advantage 2
2010		(NPG)	(NZX)	(NKG)
Distributions from net tax-exempt income		\$2,778,948	\$1,553,295	\$3,437,916
Distributions from net ordinary income**				
Distributions from net long-term capital gains			_	
	North	North	North	North
	Carolina	Carolina	Carolina	Carolina
	Premium	Dividend	Dividend	Dividend
			Advantage	
	Income	Advantage	2	Advantage 3
2010	(NNC)	(NRB)	(NNO)	(NII)
Distributions from net tax-exempt income	\$4,835,850	\$1,912,327	\$3,044,632	\$13,185,473
Distributions from net ordinary income**			_	_
Distributions from net long-term capital gains	<u>—</u>	<u>—</u>	11,059	

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

At May 31, 2011, the Funds' tax year end, the Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

						North	North
			Georgia	North	North	Carolina	Carolina
	Georgia	Georgia	Dividend	Carolina	Carolina	Dividend	Dividend
	Premium	Dividend	Advantage	Premium	Dividend	Advantage	Advantage
	Income	Advantage	2	Income	Advantage	2	3
	(NPG)	(NZX)	(NKG)	(NNC)	(NRB)	(NNO)	(NII)
Expiration:							
May 31, 2013	\$—	\$—	\$102,004	\$ —	\$ —	\$	\$
May 31, 2014	_	_	287,093	_	<u>—</u>	<u> </u>	419,388

May 31, 2016				_	_	_	115,010
May 31, 2017	780,813	55,576	1,087,212	172,628	_	_	42,115
May 31, 2018	393,867	247,287	1,329,548	353,181	134,623	387,585	56,088
May 31, 2019	_	_	48,370	_	_	_	_
Total	\$1,174,680	\$302,863	\$2,854,227	\$525,809	\$134,623	\$387,585	\$632,601

During the Funds' tax year ended May 31, 2011, the following Funds utilized capital loss carryforwards as follows:

				North		North		North		North
	Georgia		Georgia	Carolina		Carolina		Carolina		Carolina
	Premium		Dividend	Premium		Dividend		Dividend		Dividend
							A	Advantage	Α	dvantage
	Income	A	Advantage	Income	A	dvantage		2		3
	(NPG)		(NZX)	(NNC)		(NRB)		(NNO)		(NII)
Utilized capital loss										
carryforwards	\$ 122,477	\$	119,212	\$ 183,618	\$	82,221	\$	200,509	\$	210,988

The Funds have elected to defer net realized losses from investments incurred from November 1, 2010 through May 31, 2011, the Funds' tax year end, ("post-October losses") in accordance with federal income tax regulations. Post-October losses are treated as having arisen on the first day of the following fiscal year. The following Fund has elected to defer post-October losses as follows:

		Georgia
]	Dividend
	A	dvantage
		2
		(NKG)
Post-October capital losses	\$	38,605

Notes to Financial Statements (continued)

7. Management Fees and Other Transactions with Affiliates

Each Fund's management fee consists of two components – a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all fund assets managed by the Adviser. This pricing structure enables the Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee for each Fund, payable monthly, is calculated according to the following schedules:

		Georgia Premium Income (NPG) North Carolina Premium Income (NNC)
Average Daily Managed Assets*		Fund-Level Fee Rate
For the first \$125 million	.4500	%
For the next \$125 million	.4375	
For the next \$250 million	.4250	
For the next \$500 million	.4125	
For the next \$1 billion	.4000	
For the next \$3 billion	.3875	
For managed assets over \$5 billion	.3750	

Georgia Dividend Advantage (NZX) Georgia Dividend Advantage 2 (NKG) North Carolina Dividend Advantage (NRB) North Carolina Dividend Advantage 2 (NNO) North Carolina Dividend Advantage 3 (NII)

Average Daily Managed Assets*	Fund-Level Fee Rate
For the first \$125 million	.4500%
For the next \$125 million	.4375
For the next \$250 million	.4250
For the next \$500 million	.4125
For the next \$1 billion	.4000
For managed assets over \$2 billion	.3750

The annual complex-level fee for each Fund, payable monthly, is calculated according to the following schedule:

Effective Rate at Breakpoint Level
%

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

* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen Funds and assets in excess of \$2 billion added to the Nuveen Fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of May 31, 2011, the complex level fee rate for each of these Funds was .1774%.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into sub-advisory agreements with the Sub-Adviser under which the Sub-Adviser manages the investment portfolios of the Funds. The Sub-Adviser is compensated for its services to the Funds from the management fees paid to the Adviser.

The Funds pay no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

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 managed assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending		Year Ending	
September 30,		September 30,	
2001*	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10
2005	.30	2011	.05
2006	.30		

^{*} From the commencement of operations.

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

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 managed assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending		Year Ending	
September 30,		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 their fees and expenses beyond September 30, 2010.

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 managed assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending		Year Ending	
January 31,		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.

Notes to Financial Statements (continued)

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 managed assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending		Year Ending	
November 30,		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.

8. New Accounting Pronouncements

Fair Value Measurements and Disclosures

On May 12, 2011, the Financial Accounting Standards Board ("FASB") issued an Accounting Standard Update ("ASU") modifying Topic 820, Fair Value Measurements and Disclosures. At the same time, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standard ("IFRS") 13, Fair Value Measurement. The objective by the FASB and IASB is convergence of their guidance on fair value measurements and disclosures. Specifically, the ASU requires reporting entities to disclose i) the amounts of any transfers between Level 1 and Level 2, and the reasons for the transfers, ii) for Level 3 fair value measurements, a) quantitative information about significant unobservable inputs used, b) a description of the valuation processes used by the reporting entity and c) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value measurement. The effective date of the ASU is for interim and annual periods beginning after December 15, 2011. At this time, management is evaluating the implications of this guidance and the impact it will have on the financial statement amounts and footnote disclosures, if any.

9. Subsequent Events

Approved Fund Mergers

Subsequent to the reporting period, the Funds' Board of Trustees approved a series of mergers for all the Georgia and North Carolina funds included in this report. The mergers are subject to shareholder approval at the Funds' regular shareholder meeting later this year. The mergers in each respective state are intended to create a single, larger state fund with enhanced trading appeal and lower operating expenses of traded Common shares of the fund.

More information on the proposed mergers will be contained in the proxy materials expected to be filed with the Securities and Exchange Commission in the coming weeks. The proposed fund mergers are as follows:

Acquired Fund Georgia Funds

Acquiring Fund

Georgia Premium Income (NPG) Georgia Dividend Advantage (NZX) Georgia Dividend Advantage 2 (NKG)

North Carolina Funds

North Carolina Dividend Advantage (NRB)

North Carolina Dividend Advantage 2 (NNO)

North Carolina Dividend Advantage 3 (NII)

90 Nuveen Investments

North Carolina Premium Income (NNC)

Board Members & Officers (Unaudited)

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board Members of the Funds. The number of board members of the Fund is currently set at ten. None of the board members who are not "interested" persons of the Funds (referred to herein as "independent board members") has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

Name,	Position(s) Held	Year First	Principal	Number
Birthdate	with the Funds	Elected or	Occupation(s)	of Portfolios
& Address		Appointed	Including other	in Fund
		and Term(1)	Directorships	Complex
			During Past 5 Years	Overseen by
				Board
				Member

Independent Board Members:

ROBERT P. BREMNER(2) 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board Member	1996	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute.	245
JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	1999	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; member of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College and the Iowa College Foundation; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.	245
WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	2004	Dean, Tippie College of Business, University of Iowa (since 2006); Director (since 2004) of Xerox Corporation; Director (since 2005), Beta Gamma Sigma International Honor Society; Director of Wellmark, Inc. (since 2009);	245

				formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.	
	DAVID J. KUNDERT(2) 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board Member	2005	Director, Northwestern Mutual Wealth Management Company; retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Member, Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation.	245
	WILLIAM J. SCHNEIDER(2) 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board Member	1997	Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; member, University of Dayton Business School Advisory Council;member, Mid-America Health System Board; formerly, member and chair, Dayton Philharmonic Orchestra Association; formerly, member, Business Advisory Council, Cleveland Federal Reserve Bank.	245
N	Juvaan Invastments				0

Board Members & Officers (Unaudited) (continued)

Name, Birthdate & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term(1)	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board N	Members:			
JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	1997	Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	245
CAROLE E. STONE(2) 6/28/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	2007	Director, Chicago Board Options Exchange (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007).	245
VIRGINIA L. STRINGER 8/16/44 333 W. Wacker Drive Chicago, IL 60606	Board Member	2011	Board Member, Mutual Fund Directors Forum; Member, Governing Board, Investment Company Institute's Independent Directors Council; governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc. a management consulting firm; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010).	245
TERENCE J. TOTH(2) 9/29/59 333 W. Wacker Drive	Board Member	2008	Director, Legal & General Investment Management America, Inc. (since 2008); Managing Partner, Promus Capital (since 2008); formerly, CEO and President, Northern Trust Global Investments	245

Chicago,	IL
60606	

(2004-2007); Executive Vice President, **Ouantitative Management & Securities** Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); member: Goodman Theatre Board (since 2004), Chicago Fellowship Board (since 2005) and Catalyst Schools of Chicago Board (since 2008); formerly, member: Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).

Interested Board Member:

JOHN P. AMBOIAN(3) 6/14/61

2008 **Board Member**

333 W. Wacker Drive

Chicago, IL 60606

Chief Executive Officer and Chairman (since 2007), and Director (since 1999) of Nuveen Investments, Inc., formerly, President (1999-2007); Chief Executive Officer (since 2007) of Nuveen Investments Advisers Inc.; Director (since 1998) formerly, Chief Executive Officer (2007-2010) of Nuveen Fund

Advisors, Inc.

245

0 0				
Name, Birthdate and Address Officers of the Fund	Position(s) Held with the Funds	Year First Elected or Appointed(4)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
officers of the fund				
GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director, Associate General Counsel and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), Tradewinds Global Investors LLC, and Santa Barbara Asset Management, LLC (since 2006), Nuveen HydePark Group LLC and Nuveen Investment Solutions, Inc. (since 2007) and of Winslow Capital Management Inc. (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2010) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	245
WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive	Vice President	2007	Senior Executive Vice President, Global Structured Products (since 2010), formerly, Executive Vice President (1999-2010) of Nuveen Securities, LLC; Co-President of Nuveen Fund Advisors,	133

Inc. (since 2011); Managing Director (since 2010) of Nuveen Commodities

Asset Management, LLC.

CEDRIC H. ANTOSIEWICZ

Chicago, IL

60606

1/11/62 333 W. Wacker Drive Chicago, IL 60606