

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND
Form N-CSR
January 06, 2005

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 811-09475

Nuveen Insured Dividend Advantage Municipal Fund

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2004

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2004

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN INSURED QUALITY MUNICIPAL FUND, INC.
NQI

NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC.
NIO

NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC.
NIF

NUVEEN INSURED PREMIUM INCOME MUNICIPAL FUND 2
NPX

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND
NVG

NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND
NEA

Photo of: Man and woman sitting on porch.
Photo of: 2 children sitting in the grass.

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

Logo: NUVEEN Investments

Photo of: Woman
Photo of: Man and child
Photo of: Woman

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and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends
and statements directly from Nuveen.

(Be sure to have the address sheet that accompanied this report handy. You'll
need it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's

LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the most recent fiscal year your Fund continued to provide you with monthly tax-free income and an attractive total return. For more specific information about the performance of your Fund, please see the Portfolio Manager's Perspectives and Performance Overview sections of this report.

With longer-term interest rates still relatively low, many investors have begun to wonder whether these rates will soon begin to rise, and whether that makes this the time to adjust their holdings of fixed-income investments. No one knows what the future will bring, which is why we think a well-balanced portfolio that is structured and carefully monitored with the help of an investment professional can

"OUR MISSION CONTINUES TO BE TO ASSIST YOU AND YOUR FINANCIAL ADVISOR BY OFFERING THE INVESTMENT SERVICES AND PRODUCTS THAT CAN HELP YOU TO SECURE YOUR FINANCIAL OBJECTIVES."

be an important component in achieving your long-term financial goals. A well-diversified portfolio may actually help to reduce your overall investment risk, and we believe that a municipal bond investment like your Nuveen Fund can be an important building block in a portfolio designed to perform well through a variety of market conditions.

As in past reports, I'd also like to direct your attention to the inside front cover, which explains the quick and easy process to begin receiving these Fund reports via e-mail and the internet. Thousands of Nuveen Fund shareholders already have signed-up, and they are getting their Fund information faster and more conveniently than ever. I urge you to consider joining them.

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At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering the investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

December 15, 2004

Nuveen National Insured Municipal Closed-End Exchange-Traded Funds
NQI, NIO, NIF, NPX, NVG, NEA

Portfolio Manager's
PERSPECTIVE

Portfolio manager Dan Solender discusses the economic and market environment, key investment strategies, and the fiscal year performance of these six Nuveen Funds. With twelve years of investment experience, including eight at Nuveen, Dan has managed these Funds since May 2004.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE ANNUAL REPORTING PERIOD ENDED OCTOBER 31, 2004?

During this fiscal year, the U.S. economy demonstrated improvement in a number of key areas, although the pace of the recovery slowed over the last six months of the period. The gross domestic product (GDP) expanded at annualized rates of 4.2% in the fourth quarter of 2003 and 4.5% in the first quarter of 2004. However, sharply higher energy prices restrained consumer spending during the second and third quarters of 2004, which in turn impacted economic momentum. Over this period, GDP growth moderated to 3.3% annualized in the second quarter and 3.9% annualized in the third quarter.

Higher energy costs also continued to fuel lingering concerns about inflation. Although monthly gains in consumer prices were generally tame, by the end of October 2004 inflation was running well ahead of the 2003 pace. The Consumer Price Index (CPI) rose at a 3.9% annualized rate for the first 10 months of 2004, more than double the 1.9% rate for all of 2003. Excluding energy and food, the CPI increased at an annual rate of 2.4% for the first 10 months of 2004.

During the second quarter of 2004 in particular, inflation worries, the slowing pace of economic recovery and continued geopolitical uncertainty acted as catalysts for heightened volatility in the fixed-income markets. As one example, the yield on the Bond Buyer 25 Revenue Bond Index (BB25), a widely followed municipal bond index, began this reporting period at 5.24%. The BB25 yield then dropped steadily over the next five months to 4.73% by mid-March 2004. As a series of improved employment reports sparked increased anticipation of action by the Federal Reserve, the index yield began to climb again, rising more than 70 basis points over the next eight weeks to 5.45%, where it hovered through the end of June. However, more bond-friendly news--including indications of relatively slow growth of wages and employment--prompted a retreat to 4.97% by the end of October 2004.

While intermediate and long-term bond yields generally fell over most of the second half of the Funds' fiscal years, short-term rates slowly rose. The Federal Reserve instituted three different one-quarter-point increases in the fed funds rate between June and September 2004. (On both November 10 and December 14, following the end of this reporting period, the Fed added additional quarter-point increases, bringing the fed funds rate to 2.25%.)

Over the 12 month period, municipal new issue supply nationwide remained relatively strong, with \$363.4 billion in new bonds coming to market. This represented a decrease of about 5% from the preceding 12-month period, as the improving economy and higher tax revenues lessened the need for some issuers to borrow.

IN THIS ENVIRONMENT, WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE 12 MONTHS ENDED OCTOBER 31, 2004?

As the market continued to anticipate increased interest rates, our focus during this reporting period remained on finding bonds with the potential to add value and perform well under a variety of market scenarios. This included purchasing attractive bonds that we believed would enhance the Funds' yield curve positioning and help to mitigate interest rate risk. Interest rate risk is the risk that the value of a Fund's portfolio will decline if market interest rates rise (since bond prices move in the opposite direction of interest rates). In general, our purchase activity for each of these Funds centered on trying to find attractive securities in the long-intermediate part of the yield curve, that is, bonds that mature in 15 to 22 years. In many cases, bonds in this long-intermediate part of the yield curve offered yields similar to those of longer-term bonds with less inherent interest rate risk and, we believed, greater total return potential.

One of our longer-term goals was to work to position all of these Funds so that they produce less volatile, roughly equivalent returns over time. As one strategy to reach this goal for some of the newer Funds, we have attempted to reduce some of the interest rate risk inherent in the portfolios of NVG and NEA by hedging in the derivatives markets. (Interest rate risk is the risk that the value of a Fund's portfolio will decline if market interest rates rise, since bond prices move in the opposite direction of interest rates.) Our only objective with these hedges is to reduce the Fund's interest rate risk, and not to potentially enhance its return by making a prediction about future interest rates. These hedges do not affect income stream or dividend-paying capabilities of NVG or NEA over

the short-term. Instead, the costs of the hedges are reflected as additions or subtractions to the Funds' net asset values as the market value of the hedges fluctuate. Although the hedges had negative market values as of October 31, 2004, they succeeded in reducing the volatility of NVG's and NEA's net asset value over the course of the reporting period.

Demand for municipal securities remained firm through most of this fiscal year. However, since insured bonds accounted for about 50% of new municipal bond issuance during this period, we generally were able to find bonds with attractive prices, yields and structures.

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Each of the Funds continued to be well diversified geographically, and we sought to take advantage of price and yield differences between similar bonds issued in different states. In particular, we looked in higher-issue, higher-tax states like California and New York for securities that we believed offered attractive yields and strong performance potential. As the markets fluctuate, we believe these bonds may have more support for their prices.

We also sought to enhance the Funds' call protection, particularly in NQI, by selling several bonds with short call dates and reinvesting the proceeds in longer-term securities with better call protection.

HOW DID THE FUNDS PERFORM?

Individual results for the Nuveen Funds, as well as for relevant comparative indexes, are presented in the accompanying table.

TOTAL RETURNS ON NET ASSET VALUE

For periods ended 10/31/04

(Annualized)

| | 1-YEAR | 5-YEAR | 10-YEAR |
|--|--------|--------|---------|
| NQI | 7.90% | 9.32% | 7.69% |
| NIO | 7.64% | 8.98% | 7.96% |
| NIF | 8.62% | 8.84% | 7.68% |
| NPX | 7.89% | 9.30% | 8.79% |
| NVG | 9.19% | NA | NA |
| NEA | 8.07% | NA | NA |
| Lehman Brothers Insured Municipal Bond Index ¹ | 6.22% | 7.69% | 7.34% |
| Lipper Insured Leveraged Municipal Debt Funds Average ² | 7.41% | 8.40% | 7.78% |

Past performance is not predictive of future results.

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

- 1 The Lehman Brothers Insured Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of insured municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Lipper Insured Leveraged Municipal Debt Funds category average is calculated using the returns of all closed-end exchange-traded funds in this category for each period as follows: 1 year, 27 funds; 5 years, 21 funds; and 10 years, 18 funds. Fund and Lipper returns assume reinvestment of dividends.

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For the 12 months ended October 31, 2004, the total returns on net asset value (NAV) for all six Funds in this report outperformed the return on the Lehman Brothers Index. All of the Funds also outperformed the average return for their Lipper peer group for this period.

One of the primary factors benefiting the 12-month performances of these Funds relative to that of the unleveraged Lehman Brothers Index was their use of financial leverage. While leverage can add volatility to the Funds' NAVs and share prices, especially when substantial shifts in interest rates occur, this strategy also can provide opportunities for additional income and total returns for common shareholders when short-term interest rates remain low, as they did during this period.

As discussed earlier, one of our key strategies over this 12-month period was to enhance the Funds' yield curve positioning. The relative steepness of the yield curve provided us with a number of opportunities to implement this strategy, which helped the Funds' performance over the entire period. NVG, in particular, was heavily weighted in the 15-year to 20-year part of the yield curve, which performed well over the past 12 months, and had very little of its assets invested in bonds with maturities less than five years, which generally did not perform as well. We continued to work on enhancing the positioning of all of the Funds, especially NQI, NIO and NPX, which did not have as much weighting in the 15-year to 20-year part of the curve as NVG over this period.

All six of these Funds benefited from their holdings in the healthcare sector. This group ranked second among the Lehman Brothers Index revenue sectors for the year.

One sector that did not perform well during this period was housing, both multifamily and single family. The housing sector as a whole ranking at the bottom of the Lehman Brothers Index revenue sectors for the 12-month period. The sector's below-market performance stemmed largely from the increase in mortgage prepayments as interest rates remained low, which resulted in a number of bond calls. In general, the Funds' housing exposure had a negative impact on their performance, with NQI having the heaviest weighting in housing bonds over this fiscal year, and NVG and NEA the least.

In addition, the performances of NQI, NIO and NPX were restrained by their relatively larger exposures to bonds with short call dates. As of October 31, 2004, NIO also held 14% of its portfolio in pre-refunded bonds, which significantly underperformed the market as a whole as measured by the Lehman Brothers Index, due to their shorter effective maturities. In contrast, the two newer funds, NVG and NEA, had virtually no short-term call exposure as of October 31, 2004, and pre-refunded bonds accounted for just 4% and 2% of their portfolios, respectively.

HOW ABOUT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining at relatively low levels throughout this reporting period, the leveraged structures of these Funds continued to support their dividend-paying capabilities. The extent of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay relatively lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. This strategy helped to maintain the dividends of NQI, NIO, NIF, NPX and NVG throughout the reporting

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period. However, given the relatively low interest rate environment prevalent since the introduction of NEA in late 2002, this Fund has had less of an opportunity to build its income stream. When the Fed began to raise short-term rates in June 2004, this also increased NEA's leveraging costs, necessitating a dividend cut in September 2004.

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 October 31, 2004, NQI, NIO, NIF, NPX, and NVG had positive UNII balances for both financial statement and tax purposes. NEA had a negative UNII balance for financial statement purposes, but a positive UNII balance for tax purposes.

As of October 31, 2004, NQI was trading at a premium to its NAV that was in line with its average premium over the entire fiscal year. NEA also was trading at a premium as of that date, despite trading at an average discount for the entire period. NIO was trading at a share price that was virtually identical with its NAV after trading at an average discount for the entire period. NIF, NPX and NVG were trading at discounts similar to their average discounts for the entire fiscal year.

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HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2004?

Given the current geopolitical and economic climate, we continued to believe that maintaining strong credit quality was an important requirement for the Funds. As of October 31, 2004, NQI, NIO, NIF and NPX continued to be 100% invested in insured and/or U.S. guaranteed securities. NVG and NEA, which can invest up to 20% of their assets in uninsured investment-grade quality bonds, had allocated 92% and 89% of their portfolios, respectively, to insured bonds.

As of October 31, 2004, potential call exposure for these Funds during 2004-2006 ranged from zero in NVG to 1% in NEA, 7% in NIF, 17% in NPX and NIO, and 22% in NQI. The number of actual bond calls in all of these Funds will depend largely on market interest rates in the future.

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Nuveen Insured Quality Municipal Fund, Inc.
NQI

Performance

OVERVIEW As of October 31, 2004

Pie Chart:
CREDIT QUALITY

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(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 88% |
| Insured and U.S. Guaranteed | 11% |
| U.S. Guaranteed | 1% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.0845 |
| Dec | 0.0845 |
| Jan | 0.0845 |
| Feb | 0.0845 |
| Mar | 0.0845 |
| Apr | 0.0845 |
| May | 0.0845 |
| Jun | 0.0845 |
| Jul | 0.0845 |
| Aug | 0.0845 |
| Sep | 0.0845 |
| Oct | 0.0845 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 16.33 |
| | 16.55 |
| | 16.66 |
| | 16.55 |
| | 16.6 |
| | 16.53 |
| | 16.69 |
| | 16.76 |
| | 16.67 |
| | 16.87 |
| | 16.92 |
| | 16.93 |
| | 16.84 |
| | 16.8 |
| | 16.8 |
| | 16.7 |
| | 16.7 |
| | 16.93 |
| | 16.9 |
| | 16.99 |
| | 16.89 |
| | 16.75 |
| | 15.3 |
| | 14.87 |
| | 14.71 |
| | 14.15 |
| | 14.32 |
| | 14.42 |
| | 14.63 |
| | 14.69 |
| | 14.24 |
| | 14.3 |
| | 14.85 |
| | 14.91 |
| | 14.98 |
| | 14.81 |
| | 15.38 |

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| | |
|----------|-------|
| | 15.64 |
| | 15.62 |
| | 15.96 |
| | 15.95 |
| | 15.88 |
| | 15.73 |
| | 15.73 |
| | 15.64 |
| | 15.51 |
| | 15.44 |
| | 15.7 |
| | 15.89 |
| 10/31/04 | 16 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$16.00 |
| Common Share Net Asset Value | \$15.85 |
| Premium/(Discount) to NAV | 0.95% |
| Market Yield | 6.34% |
| Taxable-Equivalent Yield ¹ | 8.81% |
| Net Assets Applicable to Common Shares (\$000) | \$605,028 |
| Average Effective Maturity on Securities (Years) | 20.17 |
| Leverage-Adjusted Duration | 7.64 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 12/19/90)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 4.37% | 7.90% |
| 5-Year | 10.85% | 9.32% |
| 10-Year | 8.95% | 7.69% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| California | 14.7% |
| Texas | 14.6% |
| Illinois | 12.2% |
| New York | 11.2% |
| Washington | 7.4% |
| Florida | 4.8% |

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| | |
|--------------|-------|
| Nevada | 4.5% |
| Hawaii | 4.0% |
| Kentucky | 2.8% |
| North Dakota | 2.3% |
| Louisiana | 2.0% |
| Indiana | 1.6% |
| Pennsylvania | 1.6% |
| Other | 16.3% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Transportation | 19.3% |
| Healthcare | 14.4% |
| Tax Obligation/General | 13.2% |
| Tax Obligation/Limited | 13.0% |
| Utilities | 12.4% |
| U.S. Guaranteed | 11.1% |
| Water and Sewer | 7.1% |
| Housing/Multifamily | 6.9% |
| Other | 2.6% |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0529 per share.

Nuveen Insured Municipal Opportunity Fund, Inc.
NIO

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

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CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 83% |
| Insured and U.S. Guaranteed | 15% |
| U.S. Guaranteed | 2% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|-------|
| Nov | 0.081 |
| Dec | 0.081 |
| Jan | 0.081 |
| Feb | 0.081 |
| Mar | 0.081 |
| Apr | 0.081 |
| May | 0.081 |
| Jun | 0.081 |
| Jul | 0.081 |
| Aug | 0.081 |
| Sep | 0.081 |
| Oct | 0.081 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 15.85 |
| | 15.8 |
| | 15.89 |
| | 15.92 |
| | 15.99 |
| | 15.85 |
| | 15.97 |
| | 15.96 |
| | 15.98 |
| | 16.2 |
| | 16.32 |
| | 16.31 |
| | 16.22 |
| | 16.3 |
| | 16.24 |
| | 16.33 |
| | 16.38 |
| | 16.53 |
| | 16.49 |
| | 16.56 |
| | 16.42 |
| | 16.13 |
| | 14.9 |
| | 14.53 |
| | 14.18 |
| | 13.6 |
| | 13.76 |
| | 13.94 |
| | 14.37 |
| | 14.25 |
| | 14.12 |
| | 14.33 |
| | 14.43 |
| | 14.62 |
| | 14.78 |
| | 14.73 |

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| | |
|----------|-------|
| | 14.98 |
| | 15.12 |
| | 15.1 |
| | 15.21 |
| | 15.37 |
| | 15.33 |
| | 15.37 |
| | 15.48 |
| | 15.6 |
| | 15.42 |
| | 15.55 |
| | 15.59 |
| | 15.83 |
| 10/31/04 | 16.05 |

FUND SNAPSHOT

| | |
|---|-------------|
| Share Price | \$16.05 |
| Common Share Net Asset Value | \$16.06 |
| Premium/(Discount) to NAV | -0.06% |
| Market Yield | 6.06% |
| Taxable-Equivalent Yield ¹ | 8.42% |
| Net Assets Applicable to Common Shares (\$000) | \$1,302,985 |
| Average Effective Maturity on Securities (Years) | 19.23 |
| Leverage-Adjusted Duration | 7.75 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/19/91)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 9.47% | 7.64% |
| 5-Year | 10.78% | 8.98% |
| 10-Year | 8.97% | 7.96% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| California | 18.7% |
| Texas | 12.5% |
| Alabama | 10.3% |
| Illinois | 5.6% |
| New York | 5.0% |

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| | |
|----------------|-------|
| Michigan | 4.9% |
| Nevada | 4.7% |
| Massachusetts | 4.4% |
| Colorado | 4.3% |
| Florida | 3.8% |
| Wisconsin | 2.6% |
| Ohio | 2.5% |
| Indiana | 2.5% |
| South Carolina | 2.5% |
| Other | 15.7% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Transportation | 20.7% |
| U.S. Guaranteed | 16.7% |
| Tax Obligation/Limited | 15.1% |
| Utilities | 14.1% |
| Tax Obligation/General | 9.5% |
| Healthcare | 9.0% |
| Water and Sewer | 5.2% |
| Other | 9.7% |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0300 per share.

Nuveen Premier Insured Municipal Income Fund, Inc.
NIF

Performance

OVERVIEW As of October 31, 2004

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Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 82% |
| Insured and U.S. Guaranteed | 3% |
| U.S. Guaranteed | 15% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.0815 |
| Dec | 0.0815 |
| Jan | 0.0815 |
| Feb | 0.0815 |
| Mar | 0.0815 |
| Apr | 0.0815 |
| May | 0.0815 |
| Jun | 0.0815 |
| Jul | 0.0815 |
| Aug | 0.0815 |
| Sep | 0.0815 |
| Oct | 0.0815 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 15.78 |
| | 15.8 |
| | 15.82 |
| | 15.88 |
| | 16.15 |
| | 16 |
| | 16.06 |
| | 16.1 |
| | 16.21 |
| | 16.35 |
| | 16.53 |
| | 16.56 |
| | 16.33 |
| | 16.38 |
| | 16.32 |
| | 16.33 |
| | 16.55 |
| | 16.65 |
| | 16.52 |
| | 16.57 |
| | 16.56 |
| | 16.18 |
| | 14.98 |
| | 14.6 |
| | 14.23 |
| | 13.7 |
| | 13.69 |
| | 13.78 |
| | 14.25 |
| | 14.32 |
| | 14.17 |
| | 14.25 |
| | 14.6 |
| | 14.76 |
| | 14.57 |

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| | |
|----------|-------|
| | 14.3 |
| | 14.58 |
| | 14.9 |
| | 14.9 |
| | 15.01 |
| | 15.22 |
| | 15.21 |
| | 15.43 |
| | 15.56 |
| | 15.48 |
| | 15.34 |
| | 15.35 |
| | 15.42 |
| | 15.67 |
| 10/31/04 | 15.64 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$15.64 |
| Common Share Net Asset Value | \$16.00 |
| Premium/(Discount) to NAV | -2.25% |
| Market Yield | 6.25% |
| Taxable-Equivalent Yield1 | 8.68% |
| Net Assets Applicable to Common Shares (\$000) | \$310,666 |
| Average Effective Maturity on Securities (Years) | 16.87 |
| Leverage-Adjusted Duration | 8.71 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 12/19/91)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 7.55% | 8.62% |
| 5-Year | 10.31% | 8.84% |
| 10-Year | 8.86% | 7.68% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| California | 21.0% |
| Washington | 14.0% |
| Illinois | 13.6% |
| Texas | 6.8% |
| Nevada | 5.2% |

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| | |
|----------|-------|
| Oregon | 4.3% |
| Georgia | 3.4% |
| Colorado | 3.2% |
| Indiana | 3.1% |
| Missouri | 3.1% |
| Hawaii | 2.5% |
| Michigan | 2.4% |
| Oklahoma | 2.4% |
| Other | 15.0% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Transportation | 18.5% |
| U.S. Guaranteed | 18.2% |
| Tax Obligation/General | 17.8% |
| Tax Obligation/Limited | 14.3% |
| Healthcare | 12.4% |
| Utilities | 7.2% |
| Housing/Multifamily | 5.2% |
| Other | 6.4% |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gains distribution in December 2003 of \$0.0193 per share.

Nuveen Insured Premium Income Municipal Fund 2
NPX

Performance

OVERVIEW As of October 31, 2004

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Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 94% |
| Insured and U.S. Guaranteed | 6% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Nov | 0.073 |
| Dec | 0.073 |
| Jan | 0.073 |
| Feb | 0.073 |
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |
| Jun | 0.073 |
| Jul | 0.073 |
| Aug | 0.073 |
| Sep | 0.073 |
| Oct | 0.073 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.18 |
| | 14.24 |
| | 14.36 |
| | 14.62 |
| | 14.83 |
| | 14.63 |
| | 14.8 |
| | 14.72 |
| | 14.63 |
| | 14.94 |
| | 14.95 |
| | 14.96 |
| | 14.94 |
| | 14.78 |
| | 14.88 |
| | 14.91 |
| | 14.99 |
| | 15.04 |
| | 14.98 |
| | 15.06 |
| | 14.88 |
| | 14.65 |
| | 13.4 |
| | 12.85 |
| | 12.73 |
| | 12.23 |
| | 12.36 |
| | 12.49 |
| | 12.72 |
| | 12.67 |
| | 12.5 |
| | 12.58 |
| | 12.9 |
| | 12.92 |
| | 12.91 |

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

| | |
|----------|-------|
| | 12.86 |
| | 13.15 |
| | 13.53 |
| | 13.47 |
| | 13.66 |
| | 13.85 |
| | 13.7 |
| | 13.92 |
| | 13.9 |
| | 14 |
| | 13.84 |
| | 13.85 |
| | 13.97 |
| | 14.1 |
| 10/31/04 | 14.11 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.11 |
| Common Share Net Asset Value | \$14.45 |
| Premium/(Discount) to NAV | -2.35% |
| Market Yield | 6.21% |
| Taxable-Equivalent Yield ¹ | 8.63% |
| Net Assets Applicable to Common Shares (\$000) | \$539,697 |
| Average Effective Maturity on Securities (Years) | 17.95 |
| Leverage-Adjusted Duration | 7.42 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 7/22/93)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 6.42% | 7.89% |
| 5-Year | 10.71% | 9.30% |
| 10-Year | 10.08% | 8.79% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| Texas | 10.3% |
| California | 9.8% |
| Illinois | 9.4% |
| New York | 8.6% |

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| | |
|---------------|-------|
| Colorado | 7.7% |
| ----- | ----- |
| Pennsylvania | 6.9% |
| ----- | ----- |
| Nevada | 5.9% |
| ----- | ----- |
| Hawaii | 5.3% |
| ----- | ----- |
| Washington | 4.7% |
| ----- | ----- |
| Wisconsin | 4.4% |
| ----- | ----- |
| Massachusetts | 2.8% |
| ----- | ----- |
| North Dakota | 2.5% |
| ----- | ----- |
| Utah | 2.2% |
| ----- | ----- |
| Oregon | 2.1% |
| ----- | ----- |
| Indiana | 2.1% |
| ----- | ----- |
| Georgia | 2.1% |
| ----- | ----- |
| Other | 13.2% |
| ----- | ----- |

SECTORS

(as a % of total investments)

| | |
|--------------------------------------|-------|
| ----- | ----- |
| Tax Obligation/Limited | 19.6% |
| ----- | ----- |
| Utilities | 18.9% |
| ----- | ----- |
| Transportation | 13.0% |
| ----- | ----- |
| Tax Obligation/General | 11.6% |
| ----- | ----- |
| Healthcare | 10.5% |
| ----- | ----- |
| Water and Sewer | 7.9% |
| ----- | ----- |
| Education and Civic Organizations | 6.0% |
| ----- | ----- |
| U.S. Guaranteed | 6.0% |
| ----- | ----- |
| Other | 6.5% |
| ----- | ----- |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.

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

NVG

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 88% |
| Insured and U.S. Guaranteed | 4% |
| AAA (Uninsured) | 3% |
| AA (Uninsured) | 4% |
| A (Uninsured) | 1% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|-----|--------|
| Nov | 0.0775 |
| Dec | 0.0775 |
| Jan | 0.0775 |
| Feb | 0.0775 |
| Mar | 0.0775 |
| Apr | 0.0775 |
| May | 0.0775 |
| Jun | 0.0775 |
| Jul | 0.0775 |
| Aug | 0.0775 |
| Sep | 0.0775 |
| Oct | 0.0775 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.88 |
| | 14.85 |
| | 14.82 |
| | 14.98 |
| | 14.98 |
| | 15.05 |
| | 15.02 |
| | 15.1 |
| | 15.2 |
| | 15.41 |
| | 15.38 |
| | 15.47 |
| | 15.4 |
| | 15.49 |
| | 15.4 |
| | 15.39 |
| | 15.64 |
| | 15.7 |
| | 15.6 |
| | 15.63 |
| | 15.61 |
| | 15.27 |
| | 14.25 |
| | 13.93 |
| | 13.72 |

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

| | |
|----------|-------|
| | 13.42 |
| | 13.19 |
| | 13.23 |
| | 13.73 |
| | 13.75 |
| | 13.36 |
| | 13.45 |
| | 13.73 |
| | 13.99 |
| | 13.96 |
| | 13.8 |
| | 13.91 |
| | 14.23 |
| | 14.27 |
| | 14.39 |
| | 14.6 |
| | 14.48 |
| | 14.76 |
| | 14.65 |
| | 14.85 |
| | 14.7 |
| | 14.89 |
| | 14.86 |
| | 14.99 |
| 10/31/04 | 14.89 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.89 |
| Common Share | |
| Net Asset Value | \$15.78 |
| Premium/(Discount) to NAV | -5.64% |
| Market Yield | 6.25% |
| Taxable-Equivalent Yield ¹ | 8.68% |
| Net Assets Applicable to Common Shares (\$000) | \$470,389 |
| Average Effective Maturity on Securities (Years) | 19.17 |
| Leverage-Adjusted Duration | 7.48 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 7.61% | 9.19% |
| Since Inception | 6.36% | 10.40% |

STATES

(as a % of total investments)

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

| | |
|--------------|-------|
| Texas | 18.2% |
| Indiana | 11.2% |
| Florida | 10.8% |
| Washington | 9.5% |
| Illinois | 9.4% |
| California | 6.7% |
| Tennessee | 6.1% |
| Pennsylvania | 3.3% |
| Oregon | 3.0% |
| Alabama | 2.9% |
| Nevada | 2.8% |
| Other | 16.1% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 23.9% |
| Transportation | 18.2% |
| Tax Obligation/Limited | 17.4% |
| Water and Sewer | 12.8% |
| Education and Civic Organizations | 8.2% |
| Utilities | 6.1% |
| Healthcare | 5.6% |
| Other | 7.8% |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2003 of \$0.0714 per share.

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

Nuveen Insured Tax-Free Advantage Municipal Fund

NEA

Performance

OVERVIEW As of October 31, 2004

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|-----------------------------|-----|
| Insured | 87% |
| Insured and U.S. Guaranteed | 2% |
| AAA (Uninsured) | 3% |
| AA (Uninsured) | 2% |
| A (Uninsured) | 4% |
| BBB (Uninsured) | 2% |

Bar Chart:

2003-2004 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.0775 |
| Dec | 0.0775 |
| Jan | 0.0775 |
| Feb | 0.0775 |
| Mar | 0.0775 |
| Apr | 0.0775 |
| May | 0.0775 |
| Jun | 0.0775 |
| Jul | 0.0775 |
| Aug | 0.0775 |
| Sep | 0.0745 |
| Oct | 0.0745 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/03 | 14.96 |
| | 14.68 |
| | 14.71 |
| | 14.89 |
| | 14.92 |
| | 14.98 |
| | 14.95 |
| | 14.9 |
| | 15.22 |
| | 15.21 |
| | 15.38 |
| | 15.4 |
| | 15.22 |
| | 15.52 |
| | 15.4 |
| | 15.4 |
| | 15.77 |
| | 15.78 |
| | 15.41 |
| | 15.52 |
| | 15.63 |
| | 15.12 |
| | 14.21 |

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

| | |
|----------|-------|
| | 13.64 |
| | 13.51 |
| | 13.37 |
| | 13.09 |
| | 13.14 |
| | 13.65 |
| | 13.77 |
| | 13.34 |
| | 13.2 |
| | 13.6 |
| | 13.85 |
| | 13.9 |
| | 13.58 |
| | 13.8 |
| | 14.09 |
| | 14.2 |
| | 14.18 |
| | 14.1 |
| | 14.45 |
| | 14.45 |
| | 14.54 |
| | 14.43 |
| | 14.4 |
| | 14.64 |
| | 14.83 |
| | 14.83 |
| 10/31/04 | 14.91 |

FUND SNAPSHOT

| | |
|---|-----------|
| Share Price | \$14.91 |
| Common Share Net Asset Value | \$14.75 |
| Premium/(Discount) to NAV | 1.08% |
| Market Yield | 6.00% |
| Taxable-Equivalent Yield ¹ | 8.33% |
| Net Assets Applicable to Common Shares (\$000) | \$273,112 |
| Average Effective Maturity on Securities (Years) | 22.54 |
| Leverage-Adjusted Duration | 5.76 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 7.41% | 8.07% |
| Since Inception | 5.79% | 7.74% |

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

STATES

(as a % of total investments)

| | |
|----------------|-------|
| California | 18.9% |
| Texas | 8.5% |
| Michigan | 7.8% |
| New York | 6.2% |
| Washington | 6.0% |
| Indiana | 5.8% |
| Pennsylvania | 5.7% |
| Alabama | 5.5% |
| South Carolina | 4.8% |
| Wisconsin | 4.4% |
| Massachusetts | 3.2% |
| Illinois | 2.6% |
| Oregon | 2.6% |
| Colorado | 2.5% |
| Other | 15.5% |

SECTORS

(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/General | 28.6% |
| Tax Obligation/Limited | 27.6% |
| Healthcare | 14.1% |
| Utilities | 10.4% |
| Transportation | 7.5% |
| Water and Sewer | 6.7% |
| Other | 5.1% |

- 1 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 federal income tax rate of 28%. For investments that generate qualified dividend income, the taxable equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gain distribution in December 2003 of \$0.0053 per share.

Shareholder
MEETING REPORT

The annual shareholder meeting was held on August 3, 2004, at the Northern Trust Bank, Chicago, Illinois.

| | NQI | | NIO | |
|---|--|---|--|---|
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 33,111,701 | -- | 72,857,481 | -- |
| Withhold | 337,638 | -- | 878,203 | -- |
| Total | 33,449,339 | -- | 73,735,684 | -- |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 33,113,486 | -- | 72,857,277 | -- |
| Withhold | 335,853 | -- | 878,407 | -- |
| Total | 33,449,339 | -- | 73,735,684 | -- |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 33,131,224 | -- | 72,854,999 | -- |
| Withhold | 318,115 | -- | 880,685 | -- |
| Total | 33,449,339 | -- | 73,735,684 | -- |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 33,126,306 | -- | 72,847,790 | -- |
| Withhold | 323,033 | -- | 887,894 | -- |
| Total | 33,449,339 | -- | 73,735,684 | -- |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 11,594 | -- | 26,202 |
| Withhold | -- | 10 | -- | 61 |
| Total | -- | 11,604 | -- | 26,263 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 11,593 | -- | 26,218 |
| Withhold | -- | 11 | -- | 45 |
| Total | -- | 11,604 | -- | 26,263 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 33,092,062 | -- | 72,844,994 | -- |
| Withhold | 357,277 | -- | 890,690 | -- |
| ===== | | | | |

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

| Total | 33,449,339 | -- | 73,735,684 | -- |
|---|--|--|--|--|
| ===== | | | | |
| 16 | | | | |
| ----- | | | | |
| | NPX | | NVG | |
| ----- | | | | |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class |
| ===== | | | | |
| Robert P. Bremner | | | | |
| For | 34,563,887 | -- | 28,559,912 | -- |
| Withhold | 349,394 | -- | 308,620 | -- |
| ----- | | | | |
| Total | 34,913,281 | -- | 28,868,532 | -- |
| ===== | | | | |
| Lawrence H. Brown | | | | |
| For | 34,562,842 | -- | 28,548,402 | -- |
| Withhold | 350,439 | -- | 320,130 | -- |
| ----- | | | | |
| Total | 34,913,281 | -- | 28,868,532 | -- |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 34,569,807 | -- | 28,569,272 | -- |
| Withhold | 343,474 | -- | 299,260 | -- |
| ----- | | | | |
| Total | 34,913,281 | -- | 28,868,532 | -- |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 34,564,437 | -- | 28,558,516 | -- |
| Withhold | 348,844 | -- | 310,016 | -- |
| ----- | | | | |
| Total | 34,913,281 | -- | 28,868,532 | -- |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 10,275 | -- | 9,179 |
| Withhold | -- | 18 | -- | 32 |
| ----- | | | | |
| Total | -- | 10,293 | -- | 9,211 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 10,275 | -- | 9,179 |
| Withhold | -- | 18 | -- | 32 |
| ----- | | | | |
| Total | -- | 10,293 | -- | 9,211 |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 34,566,288 | -- | 28,567,735 | -- |
| Withhold | 346,993 | -- | 300,797 | -- |
| ----- | | | | |
| Total | 34,913,281 | -- | 28,868,532 | -- |
| ===== | | | | |

Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS/TRUSTEES AND SHAREHOLDERS
NUVEEN INSURED QUALITY MUNICIPAL FUND, INC.
NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC.
NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC.
NUVEEN INSURED PREMIUM INCOME MUNICIPAL FUND 2
NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2, Nuveen Insured Dividend Advantage Municipal Fund and Nuveen Insured Tax-Free Advantage Municipal Fund as of October 31, 2004, and the related statements of operations for the year then ended, the statements of changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of October 31, 2004, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2, Nuveen Insured Dividend Advantage Municipal Fund and Nuveen Insured Tax-Free Advantage Municipal Fund at October 31, 2004, the results of their operations for the year then ended, the changes in their net assets and the financial highlights for the periods indicated therein in conformity with U.S. generally accepted accounting principles.

/s/Ernst & Young LLP

Chicago, Illinois
December 15, 2004

Nuveen Insured Quality Municipal Fund, Inc. (NQI)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ALABAMA - 0.2% (0.1% OF TOTAL INVESTMENTS) | |
| \$ 1,135 | Birmingham Waterworks and Sewerage Board, Alabama, Water and Sewerage Revenue Bonds, Series 2002B, 5.250%, 1/01/20 - MBIA Insured | 1/13 at 100 |
| ----- | | |
| | ARIZONA - 2.1% (1.4% OF TOTAL INVESTMENTS) | |
| 2,730 | Maricopa County Union High School District 210, Phoenix, Arizona, General Obligation Bonds, Series 2004A, 5.000%, 7/01/15 - FSA Insured | 7/14 at 100 |
| 9,200 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| ----- | | |
| | ARKANSAS - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 3,800 | Arkansas Development Finance Authority, FNMA/GNMA Mortgage-Backed Securities Program Single Family Mortgage Bonds, Series 1995B, 6.700%, 7/01/27 (Alternative Minimum Tax) | 7/05 at 102 |
| ----- | | |
| | CALIFORNIA - 21.8% (14.5% OF TOTAL INVESTMENTS) | |
| 7,885 | Alameda County, California, Certificates of Participation, Alameda County Public Facilities Corporation, Series 1991, 6.000%, 9/01/21 (Pre-refunded to 9/01/06) - MBIA Insured | 9/06 at 102 |
| 13,175 | California Pollution Control Financing Authority, Revenue Refunding Bonds, Southern California Edison Company, Series 1999A, 5.450%, 9/01/29 - MBIA Insured | 9/09 at 101 |
| 9,000 | California, General Obligation Bonds, Series 2002, 5.000%, 10/01/32 - MBIA Insured | 10/12 at 100 |
| 20,500 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 4/01/27 - AMBAC Insured | 4/12 at 100 |
| 3,750 | California, General Obligation Bonds, Series 2004, 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
| 5,500 | California Statewide Community Development Authority, | 1/05 at 102 |

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| | | | |
|--------|---|--|-------------|
| | Certificates of Participation, Salk Institute for Biological Studies, Series 1994, 6.200%, 7/01/24 - CONNIE LEE/AMBAC Insured | | |
| | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999: | | |
| 22,985 | 0.000%, 1/15/24 - MBIA Insured | | 1/10 at 44 |
| 22,000 | 0.000%, 1/15/31 - MBIA Insured | | 1/10 at 29 |
| 50,000 | 0.000%, 1/15/37 - MBIA Insured | | 1/10 at 20 |
| 5,000 | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.125%, 3/01/32 - AMBAC Insured | | 3/12 at 101 |
| 5,000 | Inland Empire Solid Waste Financing Authority, California, Revenue Bonds, Landfill Improvement Financing Project, Series 1996B, 6.000%, 8/01/16 (Alternative Minimum Tax) (Pre-refunded to 8/01/06) - FSA Insured | | 8/06 at 102 |
| 5,483 | Moreno Valley Public Finance Authority, California, GNMA Collateralized Assisted Living Housing Revenue Bonds, CDC Assisted Living Project, Series 2000A, 7.500%, 1/20/42 | | 1/12 at 105 |
| 6,060 | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Bonds, Redevelopment Project 1, Series 1993, 5.850%, 8/01/22 - MBIA Insured | | 2/05 at 101 |
| 3,615 | Pasadena Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003D, 5.000%, 5/01/24 - MBIA Insured | | 5/13 at 100 |
| 2,000 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2004A, 5.000%, 9/01/21 - XLCA Insured | | 9/14 at 100 |
| | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A: | | |
| 7,200 | 5.125%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured | | 5/11 at 100 |
| 12,690 | 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured | | 5/11 at 100 |

Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | COLORADO - 1.7% (1.1% OF TOTAL INVESTMENTS) | |
| \$ 5,630 | Arapahoe County Capital Improvement Trust Fund, Colorado, Vehicle Registration Fee Revenue Bonds, Highway E-470 Project, Series 1986A, 6.150%, 8/31/26 (Pre-refunded to 8/31/05) - MBIA Insured | 8/05 at 103 |
| 3,750 | Denver, Colorado, Airport System Revenue Bonds, | 11/06 at 101 |

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Series 1996D, 5.500%, 11/15/25 - MBIA Insured

| | | |
|---|--|--------------|
| DISTRICT OF COLUMBIA - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 8,000 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 5.000%, 10/01/21 - AMBAC Insured | 10/08 at 101 |

| | | |
|--|--|--------------|
| FLORIDA - 7.2% (4.8% OF TOTAL INVESTMENTS) | | |
| 3,250 | Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Bonds, Series 2003J, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 101 |
| 2,180 | Florida Municipal Loan Council, Revenue Bonds, Series 2003A, 5.250%, 5/01/13 - MBIA Insured | No Opt. C |
| 20,000 | Lee County, Florida, Airport Revenue Bonds, Series 2000A, 5.750%, 10/01/25 (Alternative Minimum Tax) - FSA Insured | 10/10 at 101 |
| 4,115 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Monterey Pointe Apartments, Series 2001-2A, 5.850%, 7/01/37 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 7,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 3,780 | Palm Beach County School Board, Florida, Certificates of Participation, Series 2003A, 5.000%, 8/01/16 - AMBAC Insured | 8/13 at 100 |

| | | |
|--|---|--------------|
| GEORGIA - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| 1,000 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/22 - FSA Insured | 11/14 at 100 |

| | | |
|---|--|-------------|
| HAWAII - 6.1% (4.0% OF TOTAL INVESTMENTS) | | |
| 1,620 | Hawaii County, Hawaii, General Obligation Bonds, Series 2003A, 5.000%, 7/15/21 - FSA Insured | 7/13 at 100 |
| | Hawaii Department of Transportation, Airport System Revenue Refunding Bonds, Series 2000B: | |
| 8,785 | 6.625%, 7/01/18 (Alternative Minimum Tax) - FGIC Insured | 7/10 at 101 |
| 7,000 | 6.000%, 7/01/19 (Alternative Minimum Tax) - FGIC Insured | 7/10 at 101 |
| 16,180 | Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds, Hawaiian Electric Company Inc., Series 1996A, 6.200%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |

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| ILLINOIS - 18.4% (12.2% OF TOTAL INVESTMENTS) | | |
|---|--|-------------|
| 10,000 | Chicago, Illinois, General Obligation Bonds, Series 1995, 6.125%, 1/01/16 (Pre-refunded to 7/01/05) - AMBAC Insured | 7/05 at 102 |
| 6,000 | Chicago, Illinois, General Airport Second Lien Revenue Refunding Bonds, O'Hare International Airport, Series 1994A, 6.375%, 1/01/12 - MBIA Insured | 1/05 at 102 |
| 9,500 | Chicago, Illinois, General Airport Second Lien Revenue Refunding Bonds, O'Hare International Airport, Series 1999, 5.500%, 1/01/15 (Alternative Minimum Tax) - AMBAC Insured | 1/10 at 101 |
| 7,165 | Illinois Development Finance Authority, Revenue Bonds, Bradley University Project, Series 1999, 5.500%, 8/01/29 (Pre-refunded to 8/01/09) - AMBAC Insured | 8/09 at 101 |
| 25,000 | Illinois Health Facilities Authority, Revenue Bonds, Iowa Health System, Series 2000, 5.875%, 2/15/30 - AMBAC Insured | 2/10 at 101 |
| 15,785 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.250%, 4/01/27 - FSA Insured | 4/12 at 100 |
| 13,275 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2001, 5.250%, 5/01/26 - FSA Insured | 5/11 at 100 |
| 18,000 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 0.000%, 12/15/24 - MBIA Insured | No Opt. C |
| 10,000 | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001B, 5.250%, 8/15/21 (Pre-refunded to 8/15/11) - AMBAC Insured | 8/11 at 100 |

| INDIANA - 2.4% (1.6% OF TOTAL INVESTMENTS) | | |
|--|--------------------------------|-------------|
| Hammond Multi-School Building Corporation, Lake County, Indiana, First Mortgage Revenue Bonds, Series 2003B: | | |
| 2,550 | 5.000%, 7/15/17 - FGIC Insured | 7/13 at 100 |
| 1,610 | 5.000%, 7/15/19 - FGIC Insured | 7/13 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| INDIANA (continued) | | |
| \$ 7,790 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 1990A, 7.250%, 6/01/15 - AMBAC Insured | No Opt. C |

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KANSAS - 0.5% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,000 | Wichita, Kansas, Water and Sewer Utility Revenue Bonds, Series 2003, 5.000%, 10/01/21 - FGIC Insured | 10/13 at 100 |
|-------|--|--------------|

 KENTUCKY - 4.2% (2.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000C: | |
| 6,345 | 0.000%, 10/01/27 - MBIA Insured | 10/13 at 101 |
| 18,185 | 0.000%, 10/01/28 - MBIA Insured | 10/13 at 101 |

 LOUISIANA - 3.0% (2.0% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 13,170 | New Orleans, Louisiana, General Obligation Refunding Bonds, Series 1995, 6.200%, 10/01/21 - AMBAC Insured | 10/05 at 101 |
| 4,045 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured | 12/05 at 103 |

 MAINE - 1.5% (1.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 8,000 | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 1999B, 6.000%, 7/01/29 - MBIA Insured | 7/09 at 101 |
|-------|---|-------------|

 MARYLAND - 1.4% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 7,535 | Maryland Transportation Authority, Airport Parking Revenue Bonds, Baltimore-Washington International Airport Passenger Facility, Series 2002B, 5.500%, 3/01/18 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
|-------|--|-------------|

 MASSACHUSETTS - 1.8% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,000 | Massachusetts Bay Transportation Authority, Senior Sales Tax Revenue Refunding Bonds, Series 2002A, 5.000%, 7/01/27 - FGIC Insured | 7/12 at 100 |
| | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004: | |
| 1,250 | 5.250%, 1/01/21 - FGIC Insured | 1/14 at 100 |
| 1,000 | 5.250%, 1/01/22 - FGIC Insured | 1/14 at 100 |
| 1,195 | 5.250%, 1/01/23 - FGIC Insured | 1/14 at 100 |
| 2,000 | 5.250%, 1/01/24 - FGIC Insured | 1/14 at 100 |

 MICHIGAN - 0.8% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 4,750 | Michigan Strategic Fund, Collateralized Limited Obligation | 9/09 at 102 |
|-------|--|-------------|

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Pollution Control Revenue Refunding Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured

 MINNESOTA - 0.0% (0.0% OF TOTAL INVESTMENTS)

| | | |
|-----|---|-------------|
| 127 | St. Louis Park, Minnesota, GNMA Mortgage-Backed Securities Program, Single Family Residential Mortgage Revenue Bonds, Series 1991A, 7.250%, 4/20/23 | 4/05 at 100 |
|-----|---|-------------|

 MISSISSIPPI - 1.6% (1.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,545 | Harrison County Wastewater Management District, Mississippi, Wastewater Treatment Facilities Revenue Refunding Bonds, Series 1991A, 8.500%, 2/01/13 - FGIC Insured | No Opt. C |
| 2,715 | Harrison County Wastewater Management District, Mississippi, Wastewater Treatment Facilities Revenue Refunding Bonds, Series 1991B, 7.750%, 2/01/14 - FGIC Insured | No Opt. C |
| 2,685 | Mississippi Home Corporation, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1996C, 7.600%, 6/01/29 (Alternative Minimum Tax) | 6/06 at 105 |

 MISSOURI - 0.9% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 5,000 | St. Louis Municipal Finance Corporation, Missouri, Leasehold Revenue Bonds, City Justice Center, Series 1996A, 6.000%, 2/15/19 (Pre-refunded to 2/15/06) - AMBAC Insured | 2/06 at 102 |
|-------|--|-------------|

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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| ----- | | |
| NEVADA - 6.8% (4.5% OF TOTAL INVESTMENTS) | | |
| \$ 33,700 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 5,720 | Reno, Nevada, Senior Lien Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Series 2002, 5.125%, 6/01/32 - AMBAC Insured | 6/12 at 100 |

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| | | |
|--|--------------------------------|-------------|
| NEW JERSEY - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
| New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A: | | |
| 1,700 | 5.000%, 7/01/22 - MBIA Insured | 7/14 at 100 |
| 1,700 | 5.000%, 7/01/23 - MBIA Insured | 7/14 at 100 |

| | | |
|---|---|-------------|
| NEW MEXICO - 1.8% (1.2% OF TOTAL INVESTMENTS) | | |
| 6,000 | Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Southern California Edison Company - Four Corners Project, Series 1991A, 7.200%, 4/01/21 | 4/05 at 100 |
| New Mexico Finance Authority, Public Project Revolving Revenue Bonds, Series 2004C: | | |
| 1,420 | 5.000%, 6/01/22 - AMBAC Insured | 6/14 at 100 |
| 3,290 | 5.000%, 6/01/23 - AMBAC Insured | 6/14 at 100 |

| | | |
|---|---|--------------|
| NEW YORK - 16.9% (11.2% OF TOTAL INVESTMENTS) | | |
| 8,000 | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.000%, 7/01/25 - FGIC Insured | 7/12 at 100 |
| 4,500 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.000%, 11/15/32 - FSA Insured | 11/12 at 100 |
| New York City, New York, General Obligation Bonds, Fiscal Series 1991A: | | |
| 2,000 | 8.000%, 3/15/11 - FSA Insured | 3/05 at 100 |
| 6,000 | 7.250%, 3/15/19 - FSA Insured | 3/05 at 100 |
| 10,335 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1996A, 6.000%, 6/15/25 (Pre-refunded to 6/15/05) - MBIA Insured | 6/05 at 101 |
| 11,760 | Dormitory Authority of the State of New York, Court Facilities Lease Revenue Bonds, Series 1999, 5.750%, 5/15/30 - AMBAC Insured | 5/10 at 101 |
| 7,000 | New York State Energy Research and Development Authority, Facilities Revenue Refunding Bonds, Consolidated Edison Company Inc., Series 1995A, 6.100%, 8/15/20 | 7/05 at 102 |
| 10,875 | New York State Housing Finance Agency, Housing Project Mortgage Revenue Refunding Bonds, Series 1996A, 6.125%, 11/01/20 - FSA Insured | 5/06 at 102 |
| 4,200 | New York State Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 82, 5.550%, 10/01/19 (Alternative Minimum Tax) - MBIA Insured | 10/09 at 100 |
| 12,000 | New York State Medical Care Facilities Finance Agency, FHA-Insured Mortgage Revenue Bonds, New York and Presbyterian Hospital, Series 1994A, 6.900%, 8/15/34 | 2/05 at 102 |

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(Pre-refunded to 2/15/05) - AMBAC Insured

| | | |
|--------|--|--------------|
| 15,000 | Dormitory Authority of the State of New York, Revenue Bonds, School Districts Financing Program, Series 2002D, 5.500%, 10/01/17 - MBIA Insured | 10/12 at 100 |
| | New York City Sales Tax Asset Receivable Corporation, New York, Local Government Assistance Corporation Dedicated Revenue Bonds, Series 2004A: | |
| 1,630 | 5.000%, 10/15/24 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |
| 1,675 | 5.000%, 10/15/25 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |

NORTH CAROLINA - 0.3% (0.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,720 | Union County, North Carolina, Certificates of Participation, Series 2003, 5.000%, 6/01/16 - AMBAC Insured | 6/13 at 101 |
|-------|---|-------------|

NORTH DAKOTA - 3.4% (2.3% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 20,000 | Mercer County, North Dakota, Pollution Control Revenue Refunding Bonds, Basin Electric Power Cooperative - Antelope Valley Unit 1 and Common Facilities, Second Series 1995, 6.050%, 1/01/19 - AMBAC Insured | 1/05 at 102 |
|--------|--|-------------|

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

OHIO - 2.2% (1.4% OF TOTAL INVESTMENTS)

| | | |
|----------|---|-------------|
| \$ 7,000 | Cleveland State University, Ohio, General Receipts Bonds, Series 2004, 5.250%, 6/01/19 - FGIC Insured | 6/14 at 100 |
| 5,000 | Lorain County, Ohio, Health Facilities Revenue Bonds, Catholic Healthcare Partners, Series 1999A, 5.500%, 9/01/29 - AMBAC Insured | 9/09 at 102 |

PENNSYLVANIA - 2.5% (1.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 7,000 | Allegheny County, Pennsylvania, Airport Revenue Refunding Bonds, Pittsburgh International Airport, Series 1997A, 5.250%, 1/01/16 (Alternative Minimum Tax) - MBIA Insured | 1/08 at 101 |
| 7,250 | Lehigh County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, Pennsylvania Power and Light Company Project, Series 1995A, 6.150%, 8/01/29 - MBIA Insured | 8/05 at 102 |

PUERTO RICO - 1.0% (0.6% OF TOTAL INVESTMENTS)

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| | | |
|-------|--|-----------|
| 5,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2003AA, 5.500%, 7/01/16 - FGIC Insured | No Opt. C |
|-------|--|-----------|

 TENNESSEE - 0.8% (0.5% OF TOTAL INVESTMENTS)

| | | |
|---|-------------------------------|------------|
| Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2002A: | | |
| 7,500 | 0.000%, 1/01/24 - FSA Insured | 1/13 at 52 |
| 5,000 | 0.000%, 1/01/25 - FSA Insured | 1/13 at 49 |
| 2,750 | 0.000%, 1/01/26 - FSA Insured | 1/13 at 46 |

 TEXAS - 22.1% (14.6% OF TOTAL INVESTMENTS)

| | | |
|--|--|--------------|
| 8,000 | Abilene Health Facilities Development Corporation, Texas, Hospital Revenue Refunding and Improvement Bonds, Hendrick Medical Center Project, Series 1995C, 6.150%, 9/01/25 - MBIA Insured | 9/05 at 102 |
| 5,275 | Austin, Texas, Combined Utility System Revenue Refunding Bonds, Series 1997, 5.125%, 11/15/20 - FSA Insured | 11/07 at 100 |
| 3,135 | Corpus Christi, Texas, Utility System Revenue Bonds, Series 2004, 5.250%, 7/15/20 - FSA Insured | 7/14 at 100 |
| 3,000 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.750%, 11/01/13 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| 3,735 | Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2003, 5.125%, 2/15/31 - FSA Insured | 2/13 at 100 |
| Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 1990: | | |
| 1,725 | 7.400%, 2/15/10 - AMBAC Insured | No Opt. C |
| 2,580 | 7.400%, 2/15/10 - AMBAC Insured | No Opt. C |
| 4,500 | Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.000%, 3/01/22 - FSA Insured | 3/11 at 100 |
| 4,685 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000A, 5.500%, 7/01/19 (Alternative Minimum Tax) - FSA Insured | 7/10 at 100 |
| 5,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/24 - FGIC Insured | 5/14 at 100 |
| 17,000 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2002A, 5.750%, 12/01/32 - FSA Insured | No Opt. C |
| 19,200 | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |

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| | | |
|--------|--|-------------|
| 6,000 | Laredo Community College District, Texas, Limited Tax General Obligation Bonds, Series 2001, 5.375%, 8/01/31 - AMBAC Insured | 8/10 at 100 |
| 22,045 | North Central Texas Health Facilities Development Corporation, Revenue Bonds, Children's Medical Center of Dallas, Series 2002, 5.250%, 8/15/32 - AMBAC Insured | 8/12 at 101 |
| 17,429 | Tarrant County Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Loan Multifamily Housing Revenue Bonds, Bardin Green Apartments Project, Series 2001, 6.600%, 9/20/42 | 3/12 at 105 |

UTAH - 0.8% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,655 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds, IHC Hospitals Inc., Series 1988A, 8.000%, 5/15/07 | 11/04 at 100 |
|-------|--|--------------|

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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- WASHINGTON - 11.1% (7.4% OF TOTAL INVESTMENTS) | | |
| \$ 10,730 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Refunding Bonds, Series 2001C, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 4,670 | Seattle Housing Authority, Washington, GNMA Collateralized Mortgage Loan Low Income Housing Assistance Revenue Bonds, RHF/Esperanza Apartments Project, Series 2000A, 6.125%, 3/20/42 (Alternative Minimum Tax) | 9/11 at 102 |
| 15,025 | Seattle Housing Authority, Washington, GNMA Collateralized Mortgage Loan Low Income Housing Assistance Revenue Bonds, Park Place Project, Series 2000A, 7.000%, 5/20/42 | 11/11 at 105 |
| 5,000 | Seattle, Washington, Municipal Light and Power Revenue Bonds, Series 2000, 5.250%, 12/01/21 - FSA Insured | 12/10 at 100 |
| 1,600 | Vancouver, Washington, Water and Sewerage Revenue Bonds, Series 2004, 5.250%, 6/01/14 - FGIC Insured | No Opt. C |
| 10,000 | Washington, General Obligation Refunding Bonds, Series R-2003A, 5.000%, 1/01/19 - MBIA Insured | 1/12 at 100 |
| 2,500 | Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |
| 11,750 | Washington State Public Power Supply System, Revenue | 7/08 at 102 |

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Refunding Bonds, Nuclear Project 1, Series 1998A,
5.125%, 7/01/17 - MBIA Insured

| | | |
|---|--|--------------|
| ----- | | |
| WEST VIRGINIA - 2.3% (1.5% OF TOTAL INVESTMENTS) | | |
| 12,845 | West Virginia Water Development Authority, Infrastructure Revenue Bonds, West Virginia Infrastructure and Jobs Development Council Program, Series 2000A, 5.500%, 10/01/39 - FSA Insured | 10/10 at 100 |
| ----- | | |
| WISCONSIN - 0.4% (0.2% OF TOTAL INVESTMENTS) | | |
| 2,180 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/26 - FSA Insured | 11/14 at 100 |
| ----- | | |
| \$ 947,209 | Total Long-Term Investments (cost \$849,599,816) - 150.8% | |
| ===== | | |
| SHORT-TERM INVESTMENTS - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 1,900 | California Statewide Community Development Authority, Certificates of Participation, John Muir/Mt. Diablo Health System, Variable Rate Demand Obligations, Series 1997, 1.650%, 8/15/27 - AMBAC Insured+ | |
| ----- | | |
| \$ 1,900 | Total Short-Term Investments (cost \$1,900,000) | |
| ===== | | |
| Total Investments (cost \$851,499,816) - 151.1% | | |
| ----- | | |
| Other Assets Less Liabilities - 1.5% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (52.6)% | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

* 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.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

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

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

See accompanying notes to financial statements.

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO)
 Portfolio of
 INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 15.5% (10.3% OF TOTAL INVESTMENTS) | |
| \$ 3,815 | Alabama Housing Finance Authority, GNMA Collateralized Multifamily Housing Revenue Refunding Bonds, Royal Hills Apartments, Series 1995F, 6.500%, 7/20/30 | 7/05 at 103 |
| 11,000 | Birmingham Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Health System Inc., Series 1995B, 5.875%, 11/15/20 - MBIA Insured | 5/05 at 102 |
| | Birmingham Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Health System Inc., Series 1996A: | |
| 7,465 | 5.875%, 11/15/19 - MBIA Insured | 11/06 at 102 |
| 1,750 | 5.875%, 11/15/26 - MBIA Insured | 11/06 at 102 |
| 11,175 | Hoover Board of Education, Alabama, Capital Outlay Tax Anticipation Warrants, Series 2001, 5.250%, 2/15/22 - MBIA Insured | 2/11 at 100 |
| | Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A: | |
| 25,825 | 5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured | 2/07 at 100 |
| 10,195 | 5.375%, 2/01/27 - FGIC Insured | 2/07 at 100 |
| | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A: | |
| 10,815 | 5.000%, 2/01/33 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 9,790 | 5.000%, 2/01/33 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 12,000 | 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 29,860 | 5.750%, 2/01/38 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 18,760 | Jefferson County, Alabama, Sewer Revenue Capitol Improvement Warrants, Series 2001A, 5.000%, 2/01/41 (Pre-refunded to 2/01/11) - FGIC Insured | 2/11 at 101 |
| | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002B: | |
| 2,500 | 5.125%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured | 8/12 at 100 |
| 2,500 | 5.125%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured | 8/12 at 100 |

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| | | | |
|--------|---|--|--------------|
| | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002D: | | |
| 425 | 5.000%, 2/01/38 (Pre-refunded to 8/01/12) - FGIC Insured | | 8/12 at 100 |
| 1,940 | 5.000%, 2/01/38 (Pre-refunded to 8/01/12) - FGIC Insured | | 8/12 at 100 |
| 14,800 | 5.000%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured | | 8/12 at 100 |
| 5,240 | Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 2003B, 5.000%, 2/01/41 (Pre-refunded to 2/01/11) - FGIC Insured | | 2/11 at 101 |
| 4,250 | Shelby County Board of Education, Alabama, General Obligation Refunding Warrants, Series 1995, 5.875%, 2/01/17 - AMBAC Insured | | 2/05 at 102 |
| ----- | | | |
| | ALASKA - 2.5% (1.7% OF TOTAL INVESTMENTS) | | |
| 11,245 | Alaska Housing Finance Corporation, General Mortgage Revenue Bonds, Series 1999A, 6.050%, 6/01/39 - MBIA Insured | | 6/09 at 100 |
| 11,460 | Alaska Housing Finance Corporation, Governmental Purpose Bonds, Series 1995A, 5.875%, 12/01/30 - MBIA Insured | | 12/05 at 102 |
| 2,680 | Alaska Housing Finance Corporation, Collateralized Veterans Mortgage Program Bonds, First Series 1999A-2, 6.250%, 6/01/39 (Alternative Minimum Tax) | | 12/09 at 100 |
| 3,190 | Alaska Housing Finance Corporation, Collateralized Veterans Mortgage Program Bonds, First Series 1999A-1, 6.150%, 6/01/39 | | 12/09 at 100 |
| 3,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured | | 7/08 at 100 |
| ----- | | | |
| | ARIZONA - 0.8% (0.5% OF TOTAL INVESTMENTS) | | |
| 1,000 | Maricopa County Union High School District 210, Phoenix, Arizona, General Obligation Bonds, Series 2004A, 5.000%, 7/01/22 - FSA Insured | | 7/14 at 100 |

Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| ----- | | |
| | ARIZONA (continued) | |
| \$ 6,770 | Pima County Industrial Development Authority, Arizona, | 1/05 at 101 |

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Lease Obligation Revenue Refunding Bonds, Tucson
 Electric Power Company, Series 1988A, 7.250%, 7/15/10 -
 FSA Insured

2,000 Yuma County Industrial Development Authority, Arizona,
 Hospital Revenue Bonds, Yuma Regional Medical Center,
 Series 2001, 5.500%, 8/01/20 (Pre-refunded to 8/01/11) -
 FSA Insured

 CALIFORNIA - 28.1% (18.7% OF TOTAL INVESTMENTS)

California Rural Home Mortgage Finance Authority, Single Family
 Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program,
 Series 1996A:

105 7.550%, 11/01/26 (Alternative Minimum Tax) No Opt. C
 85 7.750%, 5/01/27 (Alternative Minimum Tax) No Opt. C

4,500 California, General Obligation Bonds, Series 1998,
 5.000%, 10/01/19 - FGIC Insured 10/08 at 101

10,000 California Department of Veterans Affairs, Home Purchase
 Revenue Bonds, Series 2002A, 5.300%, 12/01/21 -
 AMBAC Insured 6/12 at 101

4,135 California Housing Finance Agency, Home Mortgage Revenue
 Bonds, Series 2000Y, 0.000%, 8/01/20 (Alternative
 Minimum Tax) - FSA Insured 11/10 at 55

California Department of Water Resources, Power Supply
 Revenue Bonds, Series 2002A:

30,000 5.375%, 5/01/17 - XLCA Insured 5/12 at 101
 35,000 5.375%, 5/01/18 - AMBAC Insured 5/12 at 101

20,000 Cucamonga County Water District, San Bernardino County,
 California, Certificates of Participation, Water Shares
 Purchase, Series 2000, 5.125%, 9/01/35 - FGIC Insured 9/11 at 101

5,000 Long Beach Bond Financing Authority, California, Lease
 Revenue Refunding Bonds, Long Beach Aquarium of the
 South Pacific, Series 2001, 5.250%, 11/01/30 -
 AMBAC Insured 11/11 at 101

20,000 Los Angeles Unified School District, California, General
 Obligation Bonds, Series 2003A, 5.000%, 7/01/21 -
 FSA Insured 7/13 at 100

9,000 Orange County, California, Refunding Recovery Bonds,
 Series 1995A, 5.750%, 6/01/15 - MBIA Insured 6/05 at 102

12,500 Orange County, California, Recovery Certificates of
 Participation, Series 1996A, 6.000%, 7/01/26 -
 MBIA Insured 7/06 at 102

6,205 Port of Oakland, California, Revenue Bonds, Series 2002L,
 5.000%, 11/01/22 (Alternative Minimum Tax) - FGIC Insured 11/12 at 100

Poway Redevelopment Agency, California, Tax Allocation
 Bonds, Paguay Redevelopment Project, Series 2001:

15,000 5.200%, 6/15/30 - AMBAC Insured 12/11 at 101
 5,000 5.125%, 6/15/33 - AMBAC Insured 12/11 at 101

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| | | |
|--------|--|-------------|
| 6,000 | Redlands Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2003, 5.000%, 7/01/26 - FSA Insured | 7/13 at 100 |
| 11,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/33 - MBIA Insured | 8/13 at 100 |
| 19,300 | Sacramento Power Authority, California, Revenue Bonds, Power Authority Cogeneration Project, Series 1995, 5.875%, 7/01/15 - MBIA Insured | 7/06 at 102 |
| 6,500 | Salinas, California, GNMA Collateralized Housing Facility Revenue Refunding Bonds, Villa Serra Project, Series 1994A, 6.600%, 7/20/30 | 1/05 at 102 |
| 10,000 | San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series, Issue 13B, 5.500%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |
| 13,710 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.250%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |
| 11,500 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Series 2001, 5.125%, 7/01/36 - AMBAC Insured | 7/11 at 100 |
| 66,685 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Senior Lien Toll Road Revenue Bonds, Series 1993, 0.000%, 1/01/21 | No Opt. C |
| 31,615 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: 5.250%, 1/15/30 - MBIA Insured | 1/07 at 102 |
| 21,500 | 0.000%, 1/15/32 - MBIA Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| CALIFORNIA (continued) | | |
| \$ 12,525 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/20 - MBIA Insured | 8/10 at 101 |
| 11,000 | Santa Ana Financing Authority, California, Lease Revenue Bonds, Police Administration and Housing Facility, Series 1994A, 6.250%, 7/01/24 - MBIA Insured | No Opt. C |
| ----- | | |
| COLORADO - 6.5% (4.3% OF TOTAL INVESTMENTS) | | |

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| | | |
|--------|--|--------------|
| 10,000 | Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/15 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| 10,545 | Denver, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 6,200 | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/33 - XLCA Insured | 12/13 at 100 |
| 35,995 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/23 - MBIA Insured | No Opt. C |
| 30,800 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35 - MBIA Insured | 9/10 at 102 |
| 11,800 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/15 - MBIA Insured | 9/10 at 74 |

DISTRICT OF COLUMBIA - 1.0% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 2,720 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990B, 7.100%, 12/01/24 (Alternative Minimum Tax) | 12/04 at 100 |
| | District of Columbia Water and Sewerage Authority, Subordinate Lien Public Utility Revenue Bonds, Series 2003: | |
| 5,000 | 5.125%, 10/01/24 - FGIC Insured | 10/13 at 100 |
| 5,000 | 5.125%, 10/01/25 - FGIC Insured | 10/13 at 100 |

FLORIDA - 5.7% (3.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 4,425 | Jacksonville Economic Development Commission, Florida, Healthcare Facilities Revenue Bonds, Mayo Clinic, Series 2001C, 5.500%, 11/15/36 - MBIA Insured | 11/12 at 100 |
| 1,505 | Lee County, Florida, Transportation Facilities Revenue Bonds, Series 2004B, 5.000%, 10/01/21 - AMBAC Insured | 10/14 at 100 |
| 35,920 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002A: | |
| 18,500 | 5.000%, 10/01/33 (Alternative Minimum Tax) - FSA Insured | 10/12 at 100 |
| 2,150 | 5.125%, 10/01/35 (Alternative Minimum Tax) - FSA Insured | 10/12 at 100 |
| 3,000 | Orange County, Florida, Revenue Refunding Bonds, Solid Waste Facility, Series 2003, 5.000%, 10/01/14 - MBIA Insured | 10/13 at 100 |
| | Plantation, Florida, Non-Ad Valorem Revenue Refunding and Improvement Bonds, Series 2003: | |
| 2,010 | 5.000%, 8/15/16 - FSA Insured | 8/13 at 100 |
| 2,110 | 5.000%, 8/15/17 - FSA Insured | 8/13 at 100 |

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2,225 5.000%, 8/15/18 - FSA Insured 8/13 at 100

 GEORGIA - 0.7% (0.5% OF TOTAL INVESTMENTS)

1,000 Atlanta, Georgia, Water and Wastewater Revenue Bonds, 11/14 at 100
 Series 2004, 5.000%, 11/01/22 - FSA Insured

Fulton County Development Authority, Georgia, Revenue Bonds,
 Georgia Tech Molecular Science Building, Series 2004:
 1,695 5.250%, 5/01/19 - MBIA Insured 5/14 at 100
 1,135 5.250%, 5/01/20 - MBIA Insured 5/14 at 100

5,000 Glynn-Brunswick Memorial Hospital Authority, Georgia, 8/06 at 102
 Revenue Bonds, Southeast Georgia Health Systems,
 Series 1996, 5.250%, 8/01/13 - MBIA Insured

 HAWAII - 2.0% (1.3% OF TOTAL INVESTMENTS)

24,250 Hawaii Department of Budget and Finance, Special Purpose 5/06 at 101
 Revenue Bonds, Hawaiian Electric Company Inc.,
 Series 1996A, 6.200%, 5/01/26 (Alternative Minimum
 Tax) - MBIA Insured

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
 Portfolio of INVESTMENTS October 31, 2004

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

 IDAHO - 0.3% (0.2% OF TOTAL INVESTMENTS)

| | | |
|----------|--|-------------|
| \$ 1,070 | Idaho Housing Agency, Single Family Mortgage Bonds, Senior Series 1994B-1, 6.750%, 7/01/22 | No Opt. C |
| 970 | Idaho Housing Agency, Single Family Mortgage Bonds, Senior Series 1994B-2, 6.900%, 7/01/26 (Alternative Minimum Tax) | No Opt. C |
| 1,150 | Idaho Housing Agency, Single Family Mortgage Bonds, Senior Series 1995B, 6.600%, 7/01/27 (Alternative Minimum Tax) | 1/05 at 102 |

 ILLINOIS - 8.5% (5.6% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 1,050 | Bedford Park Village, Illinois, General Obligation Bonds, Series 2004A, 5.250%, 12/15/20 - FSA Insured | 12/14 at 100 |
| 12,500 | Chicago, Illinois, General Airport Second Lien Revenue Refunding Bonds, O'Hare International Airport, Series 1993C, 5.000%, 1/01/18 - MBIA Insured | 1/05 at 101 |

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| | | | |
|--------|---|--|--------------|
| | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Refunding Bonds, O'Hare International Airport, Series 2001E: | | |
| 4,615 | 5.500%, 1/01/17 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 4,870 | 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 12,000 | Cook County, Illinois, General Obligation Refunding Bonds, Series 2003, 5.000%, 11/15/10 - MBIA Insured | | No Opt. C |
| 5,000 | DuPage and Will Counties Community School District 204 - Indian Prairie, Illinois, General Obligation Bonds, Series 2001, 5.000%, 12/30/15 - FGIC Insured | | 12/11 at 100 |
| 5,455 | Eastern Illinois University, Auxiliary Facilities System Revenue Bonds, Series 1989, 0.000%, 10/01/09 - MBIA Insured | | 4/05 at 76 |
| 10,000 | Illinois Development Finance Authority, Revenue Bonds, Provena Health, Series 1998A, 5.500%, 5/15/21 - MBIA Insured | | 5/08 at 101 |
| 2,095 | Illinois Educational Facilities Authority, Revenue Bonds, Robert Morris College, Series 2000, 5.800%, 6/01/30 - MBIA Insured | | 12/07 at 100 |
| 2,180 | Illinois Educational Facilities Authority, Revenue Bonds, DePaul University, Series 2000, 5.500%, 10/01/19 (Pre-refunded to 10/01/10) - AMBAC Insured | | 10/10 at 101 |
| 7,000 | Illinois Health Facilities Authority, Revenue Bonds, Hospital Sisters Services Inc. Obligated Group, Series 1998A, 5.000%, 6/01/18 - MBIA Insured | | 6/08 at 101 |
| 4,500 | Illinois Health Facilities Authority, Revenue Bonds, Alexian Brothers Health System, Series 1999, 5.000%, 1/01/19 - FSA Insured | | 1/09 at 101 |
| 22,410 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.125%, 2/01/27 - FGIC Insured | | 2/12 at 100 |
| 4,560 | Macon County, Illinois, Revenue Bonds, Millikin University, Series 1995, 6.250%, 10/01/16 (Pre-refunded to 10/01/05) - AMBAC Insured | | 10/05 at 100 |
| | Schaumburg, Illinois, General Obligation Bonds, Series 2004B: | | |
| 4,260 | 5.000%, 12/01/22 - FGIC Insured | | 12/14 at 100 |
| 2,365 | 5.000%, 12/01/23 - FGIC Insured | | 12/14 at 100 |

INDIANA - 3.7% (2.5% OF TOTAL INVESTMENTS)

| | | | |
|--------|--|--|-------------|
| 2,030 | Decatur Township-Marion County Multi-School Building Corporation, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/20 - FGIC Insured | | 7/13 at 100 |
| 11,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Daughters of Charity, Series 1993, 5.750%, 11/15/22 | | 5/06 at 100 |
| 4,035 | Indiana State Office Building Commission, Revenue Bonds, Indiana State Museum, Series 2004C, 5.250%, 7/01/15 - FGIC Insured | | No Opt. C |

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| | | |
|--------|--|-------------|
| 3,250 | Indianapolis Local Public Improvement Bond Bank, Indiana, Waterworks Project, Series 2002A, 5.250%, 7/01/33 - MBIA Insured | 7/12 at 100 |
| 20,000 | Indianapolis Local Public Improvement Bond Bank, Indiana, Series 1999E, 0.000%, 2/01/28 - AMBAC Insured | No Opt. C |
| 1,340 | Monroe-Gregg Grade School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 2004, 5.000%, 1/15/25 - FSA Insured | 1/14 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | INDIANA (continued) | |
| \$ 5,000 | Noblesville Redevelopment Authority, Indiana, Economic Development Lease Rental Bonds, Exit 10 Project, Series 2003, 5.000%, 1/15/28 - AMBAC Insured | 7/13 at 100 |
| 10,000 | Purdue University, Indiana, Student Fee Bonds, Series 2002O, 5.000%, 7/01/19 - MBIA Insured | 1/12 at 100 |
| 3,705 | Whitley County Middle School Building Corporation, Columbia City, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/16 - FSA Insured | 7/13 at 100 |
| ----- | | |
| | IOWA - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| 3,045 | Ames, Iowa, Hospital Revenue Refunding Bonds, Mary Greeley Medical Center, Series 2003, 5.000%, 6/15/15 - AMBAC Insured | 6/13 at 100 |
| ----- | | |
| | KANSAS - 0.7% (0.4% OF TOTAL INVESTMENTS) | |
| 1,055 | Butler County Unified School District 394, Kansas, General Obligation Bonds, Series 2004, 5.000%, 9/01/20 - FSA Insured | 9/14 at 100 |
| 2,055 | Kansas State Turnpike Authority, Revenue Bonds, Series 2004A2, 5.000%, 9/01/23 (WI, settling 11/18/04) - FSA Insured | 9/14 at 101 |
| 5,000 | University of Kansas Hospital Authority, Health Facilities Revenue Bonds, KU Health System, Series 1999A, 5.650%, 9/01/29 - AMBAC Insured | 9/09 at 100 |
| ----- | | |
| | KENTUCKY - 1.4% (0.9% OF TOTAL INVESTMENTS) | |

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| | | |
|--|---|--------------|
| 3,870 | Kenton County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2004, 5.000%, 6/01/20 - MBIA Insured | 6/14 at 100 |
| 12,980 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.500%, 5/15/34 - MBIA Insured | 11/11 at 101 |
| ----- | | |
| LOUISIANA - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| 5,000 | De Soto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured | 9/09 at 102 |
| 3,025 | Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/22 - MBIA Insured | 11/14 at 100 |
| 6,895 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured | 12/05 at 103 |
| 3,000 | St. Charles Parish, Louisiana, Pollution Control Revenue Bonds, Louisiana Power and Light Company, Series 1991, 7.500%, 6/01/21 (Alternative Minimum Tax) - FSA Insured | 12/04 at 100 |
| ----- | | |
| MAINE - 0.2% (0.2% OF TOTAL INVESTMENTS) | | |
| 3,000 | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 2003B, 5.000%, 7/01/28 - FSA Insured | 7/13 at 100 |
| ----- | | |
| MASSACHUSETTS - 6.6% (4.4% OF TOTAL INVESTMENTS) | | |
| 22,500 | Massachusetts Development Finance Authority, Revenue Bonds, WGBH Educational Foundation, Series 2002A, 5.375%, 1/01/42 - AMBAC Insured | 1/12 at 101 |
| 8,400 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health Systems, Series 1995D, 6.000%, 10/01/13 - MBIA Insured | 10/05 at 102 |
| 1,180 | Massachusetts Housing Finance Agency, Housing Revenue Refunding Bonds, Series 1995A, 6.100%, 12/01/16 - MBIA Insured | 12/05 at 102 |
| 15,000 | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004, 5.250%, 1/01/23 - FGIC Insured | 1/14 at 100 |
| 33,315 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |
| 1,500 | University of Massachusetts Building Authority, Senior Lien Project Revenue Bonds, Series 2004-1, 5.375%, 11/01/20 - AMBAC Insured | 11/14 at 100 |

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MICHIGAN - 7.4% (4.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 6,000 | Detroit, Michigan, General Obligation Bonds, Series 2001A-1, 5.375%, 4/01/18 - MBIA Insured | 10/11 at 100 |
| 5,490 | Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured | No Opt. C |

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| MICHIGAN (continued) | | |
| | Detroit, Michigan, Sewerage Disposal System Revenue Bonds, Series 1999A: | |
| \$ 15,825 | 5.750%, 7/01/26 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 20,000 | 5.875%, 7/01/27 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| 8,700 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 1997A, 5.000%, 7/01/27 - MBIA Insured | 7/07 at 101 |
| 8,000 | Gaylord Community Schools, Otsego and Antrim Counties, Michigan, School Building and Site Refunding Bonds, Series 1992, 0.000%, 5/01/21 (Pre-refunded to 5/01/07) - MBIA Insured | 5/07 at 37 |
| | Grand Rapids Community College, Kent County, Michigan, General Obligation Refunding Bonds, Series 2003: | |
| 1,050 | 5.250%, 5/01/17 - AMBAC Insured | 5/13 at 100 |
| 1,085 | 5.250%, 5/01/20 - AMBAC Insured | 5/13 at 100 |
| 27,000 | Okemos Public School District, Ingham County, Michigan, School Building and Site Bonds, Series 1991I, 0.000%, 5/01/21 (Pre-refunded to 5/01/06) - MBIA Insured | 5/06 at 34 |
| 10,000 | Wayne County, Michigan, Limited Tax General Obligation Airport Hotel Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 2001A, 5.250%, 12/01/25 - MBIA Insured | 12/11 at 101 |
| 6,850 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/15 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |

MINNESOTA - 1.1% (0.7% OF TOTAL INVESTMENTS)

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| | | |
|--|--|--------------|
| 13,020 | St. Paul Housing and Redevelopment Authority, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Marian Center Project, Series 2001A, 3.870%, 6/20/43 | 12/11 at 102 |
| ----- | | |
| NEVADA - 7.1% (4.7% OF TOTAL INVESTMENTS) | | |
| 7,370 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 2004A-2, 5.125%, 7/01/25 - FGIC Insured | 7/14 at 100 |
| Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: | | |
| 15,000 | 5.625%, 1/01/34 - AMBAC Insured | 1/10 at 102 |
| 13,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 530 | Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1994B-1, 6.700%, 10/01/17 | 4/05 at 101 |
| 410 | Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1994B-2, 6.950%, 10/01/26 (Alternative Minimum Tax) | 4/05 at 101 |
| 40,285 | Reno, Nevada, Capital Improvement Revenue Bonds, Series 2002, 5.375%, 6/01/32 - FGIC Insured | 6/12 at 100 |
| 10,000 | Reno, Nevada, Senior Lien Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Series 2002, 5.125%, 6/01/27 - AMBAC Insured | 6/12 at 100 |
| ----- | | |
| NEW JERSEY - 1.2% (0.8% OF TOTAL INVESTMENTS) | | |
| Essex County Improvement Authority, New Jersey, Guaranteed Revenue Bonds, Project Consolidation, Series 2004: | | |
| 2,000 | 5.125%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| 2,250 | 5.125%, 10/01/22 - MBIA Insured | 10/14 at 100 |
| New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A: | | |
| 3,850 | 5.000%, 7/01/22 - MBIA Insured | 7/14 at 100 |
| 3,850 | 5.000%, 7/01/23 - MBIA Insured | 7/14 at 100 |
| 2,120 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2004E, 5.000%, 7/01/21 - FGIC Insured | 7/14 at 100 |
| ----- | | |
| NEW YORK - 7.5% (5.0% OF TOTAL INVESTMENTS) | | |
| 8,685 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.300%, 12/01/19 - FSA Insured | 6/08 at 101 |
| Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A: | | |
| 2,500 | 5.000%, 7/01/21 - FGIC Insured | 7/12 at 100 |
| 5,000 | 5.000%, 7/01/25 - FGIC Insured | 7/12 at 100 |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 15,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997A, 5.375%, 6/15/26 - FSA Insured | 6/06 at 101 |
| | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1996B: | |
| 3,520 | 5.750%, 6/15/26 (Pre-refunded to 6/15/06) - MBIA Insured | 6/06 at 101 |
| 6,480 | 5.750%, 6/15/26 - MBIA Insured | 6/06 at 101 |
| 5,000 | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 1996-7, 5.700%, 1/01/27 (Pre-refunded to 1/01/07) - MBIA Insured | 1/07 at 102 |
| 15,600 | Port Authority of New York and New Jersey, Consolidated Bonds, Ninety-Seventh Series, 6.650%, 1/15/23 (Alternative Minimum Tax) - FGIC Insured | 1/05 at 101 |
| | New York City Sales Tax Asset Receivable Corporation, New York, Local Government Assistance Corporation Dedicated Revenue Bonds, Series 2004A: | |
| 4,825 | 5.000%, 10/15/24 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |
| 1,665 | 5.000%, 10/15/25 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |
| 25,000 | Triborough Bridge and Tunnel Authority, New York, Subordinate Lien General Purpose Revenue Refunding Bonds, Series 2002E, 5.000%, 11/15/32 - MBIA Insured | 11/12 at 100 |
| ----- | | |
| | NORTH CAROLINA - 0.4% (0.3% OF TOTAL INVESTMENTS) | |
| 5,000 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/16 - FSA Insured | 1/13 at 100 |
| ----- | | |
| | OHIO - 3.8% (2.5% OF TOTAL INVESTMENTS) | |
| 2,650 | Cleveland State University, Ohio, General Receipts Bonds, Series 2004, 5.250%, 6/01/24 - FGIC Insured | 6/14 at 100 |
| 2,000 | Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2004, 5.250%, 12/01/25 - FSA Insured | 12/14 at 100 |
| 20,100 | Lucas County, Ohio, Hospital Revenue Bonds, ProMedica Healthcare Obligated Group, Series 1999, 5.375%, 11/15/39 - AMBAC Insured | 11/09 at 101 |
| 1,320 | Ohio Housing Finance Agency, GNMA Mortgage-Backed | 3/05 at 102 |

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Securities Program Residential Mortgage Revenue Bonds,
Series 1995A-2, 6.625%, 3/01/26 (Alternative Minimum Tax)

Ohio Air Quality Development Authority, Revenue Refunding Bonds,
JMG Funding Limited Partnership Project, Series 1994:
13,750 6.375%, 1/01/29 (Alternative Minimum Tax) - AMBAC Insured 4/05 at 102
8,000 6.375%, 4/01/29 (Alternative Minimum Tax) - AMBAC Insured 4/05 at 102

OKLAHOMA - 1.4% (0.9% OF TOTAL INVESTMENTS)

7,145 Oklahoma Housing Finance Agency, GNMA Collateralized No Opt. C
Single Family Mortgage Revenue Bonds, Series 1987A,
7.997%, 8/01/18 (Alternative Minimum Tax)
5,245 Oklahoma State Industries Authority, Revenue Bonds, 2/11 at 100
Oklahoma Medical Research Foundation, Series 2001,
5.250%, 2/01/21 - AMBAC Insured
4,880 University of Oklahoma, Student Housing Revenue Bonds, 7/14 at 100
Series 2004, 5.000%, 7/01/22 - AMBAC Insured

OREGON - 0.1% (0.1% OF TOTAL INVESTMENTS)

1,885 Oregon Housing and Community Services Department, 7/05 at 102
Single Family Mortgage Revenue Bonds, Series 1995A,
6.450%, 7/01/26 (Alternative Minimum Tax)

PUERTO RICO - 0.2% (0.1% OF TOTAL INVESTMENTS)

2,000 Puerto Rico Highway and Transportation Authority, 7/13 at 100
Transportation Revenue Bonds, Series 2003G,
5.250%, 7/01/19 - FGIC Insured

RHODE ISLAND - 1.9% (1.3% OF TOTAL INVESTMENTS)

2,195 Providence Housing Development Corporation, Rhode Island, 1/05 at 102
FHA-Insured Mortgage Revenue Refunding Bonds, Barbara
Jordan Apartments, Series 1994A, 6.750%, 7/01/25 -
MBIA Insured
20,475 Rhode Island Depositors Economic Protection Corporation, 2/11 at 100
Special Obligation Refunding Bonds, Series 1993B,
5.250%, 8/01/21 (Pre-refunded to 2/01/11) - MBIA Insured

Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2004

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

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| SOUTH CAROLINA - 3.7% (2.5% OF TOTAL INVESTMENTS) | | | |
|---|--------|--|--------------|
| \$ | 10,000 | Beaufort County, South Carolina, Tax Increment Bonds, New River Redevelopment Project, Series 2002, 5.000%, 6/01/27 - MBIA Insured | 12/12 at 100 |
| | | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1988A: | |
| | 9,190 | 0.000%, 1/01/13 (Pre-refunded to 7/01/09) - AMBAC Insured | 7/09 at 76 |
| | 4,855 | 0.000%, 1/01/13 - AMBAC Insured | No Opt. C |
| | | 0.000%, 1/01/13 - AMBAC Insured | No Opt. C |
| | | South Carolina JOBS Economic Development Authority, Hospital Revenue Bonds, Oconee Memorial Hospital Inc., Series 1995: | |
| | 3,000 | 6.150%, 3/01/15 - CONNIE LEE/AMBAC Insured | 3/05 at 102 |
| | 600 | 6.150%, 3/01/25 - CONNIE LEE/AMBAC Insured | 3/05 at 102 |
| | 8,000 | South Carolina Jobs Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company, Series 2002A, 5.200%, 11/01/27 - AMBAC Insured | 11/12 at 100 |
| | 10,000 | South Carolina Jobs Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company, Series 2002B, 5.450%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 100 |

| TENNESSEE - 0.5% (0.4% OF TOTAL INVESTMENTS) | | | |
|--|-------|--|-------------|
| | 6,455 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/18 (Alternative Minimum Tax) - FSA Insured | 3/11 at 100 |

| TEXAS - 18.7% (12.5% OF TOTAL INVESTMENTS) | | | |
|--|--------|---|--------------|
| | | Austin, Texas, General Obligation Bonds, Series 2002: | |
| | 2,150 | 5.375%, 9/01/18 - MBIA Insured | 9/12 at 100 |
| | 2,250 | 5.375%, 9/01/19 - MBIA Insured | 9/12 at 100 |
| | 22,650 | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Industries Inc., Series 1998C, 5.125%, 5/01/19 (Optional put 5/01/08) - AMBAC Insured | 5/08 at 102 |
| | 1,181 | Capital Area Housing Finance Corporation, Texas, FNMA Backed Single Family Mortgage Revenue Refunding Bonds, Series 2002A-2, 6.300%, 4/01/35 (Alternative Minimum Tax) - AMBAC Insured | 4/12 at 106 |
| | 11,460 | Dallas County Utility and Reclamation District, Texas, Unlimited Tax General Obligation Refunding Bonds, Series 1999B, 5.875%, 2/15/29 - AMBAC Insured | 2/05 at 100 |
| | 12,500 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Bonds, Series 2000A, 6.125%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/09 at 100 |
| | 25,000 | Harris County-Houston Sports Authority, Texas, Junior Lien | 11/11 at 100 |

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| | | | |
|--------|---|--|--------------|
| | Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | | |
| | Harris County, Texas, Toll Road Senior Lien Revenue Bonds, Series 1989: | | |
| 9,000 | 0.000%, 8/15/18 (Pre-refunded to 8/15/09) - AMBAC Insured | | 8/09 at 53 |
| 39,000 | 0.000%, 8/15/19 (Pre-refunded to 8/15/09) - AMBAC Insured | | 8/09 at 50 |
| 7,280 | 0.000%, 8/15/20 (Pre-refunded to 8/15/09) - AMBAC Insured | | 8/09 at 46 |
| 5,085 | 0.000%, 8/15/21 (Pre-refunded to 8/15/09) - AMBAC Insured | | 8/09 at 43 |
| 2,130 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/15 - MBIA Insured | | 11/13 at 100 |
| 6,570 | Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.375%, 3/01/19 - FSA Insured | | 3/11 at 100 |
| 4,170 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | | 7/10 at 100 |
| 8,225 | Houston, Texas, Airport System Subordinate Lien Revenue Refunding Bonds, Series 1997, 5.125%, 7/01/22 - FGIC Insured | | 7/07 at 100 |
| 17,500 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 5.250%, 9/01/33 - AMBAC Insured | | 9/11 at 100 |
| 12,826 | Houston Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Multifamily Housing Revenue Bonds, RRG Apartments Project, Series 2001, 6.350%, 3/20/42 | | 9/11 at 105 |
| | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A: | | |
| 4,000 | 5.250%, 5/15/24 - FGIC Insured | | 5/14 at 100 |
| 5,000 | 5.250%, 5/15/25 - MBIA Insured | | 5/14 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 23,865 | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.500%, 8/15/41 - AMBAC Insured | 8/11 at 100 |
| 8,205 | Lower Colorado River Authority, Texas, Revenue Refunding and Improvement Bonds, Series 2001A, 5.000%, 5/15/21 - MBIA Insured | 5/11 at 100 |
| | Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B: | |
| 3,205 | 5.500%, 10/01/18 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 3,375 | 5.500%, 10/01/19 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |

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| | | |
|-------|---|--------------|
| 7,205 | San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/11 at 101 |
| | Tarrant County Health Facilities Development Corporation, Texas, Revenue Bonds, Texas Health Resources System, Series 1997A: | |
| 2,900 | 5.250%, 2/15/22 - MBIA Insured | 2/08 at 102 |
| 6,500 | 5.000%, 2/15/26 - MBIA Insured | 2/08 at 101 |
| 8,715 | Texas Department of Housing and Community Affairs, Single Family Mortgage Revenue Bonds, Series 1996D, 6.250%, 9/01/28 (Alternative Minimum Tax) - MBIA Insured | 9/06 at 102 |
| 1,910 | Waco, Texas, Combined Tax and Revenue Certificates of Obligation, Series 2004, 5.000%, 2/01/21 - MBIA Insured | 2/14 at 100 |
| 1,840 | Ysleta Independent School District Public Facility Corporation, Texas, Lease Revenue Refunding Bonds, Series 2001, 5.375%, 11/15/24 - AMBAC Insured | 11/09 at 100 |

UTAH - 1.2% (0.8% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 2,000 | Clearfield City, Utah, Sales Tax Revenue Bonds, Series 2003, 5.000%, 7/01/28 - FGIC Insured | 7/13 at 100 |
| 10,000 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 2003A, 5.000%, 7/01/16 - FSA Insured | 7/13 at 100 |
| 2,915 | Utah Housing Finance Agency, FHA-Insured Section 8 Assisted Multifamily Housing Revenue Bonds, Series 1992A, 7.400%, 7/01/24 | 1/05 at 100 |
| 120 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1994D, 6.750%, 1/01/27 (Alternative Minimum Tax) | 1/05 at 102 |

VIRGINIA - 1.6% (1.1% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 1,035 | Loudoun County Industrial Development Authority, Virginia, Public Safety Facilities Lease Revenue Bonds, Series 2003A, 5.250%, 12/15/20 - FSA Insured | 6/14 at 100 |
| 4,840 | Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/19 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 101 |
| 4,265 | Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2004A, 5.000%, 10/01/20 - MBIA Insured | 10/14 at 100 |
| 10,000 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.375%, 7/01/36 - MBIA Insured | 7/11 at 100 |

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| WASHINGTON - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
|---|---|--------------|
| 4,000 | King County School District 414, Lake Washington, Washington, General Obligation Bonds, Series 2004, 5.000%, 12/01/15 - FSA Insured | 12/14 at 100 |
| 3,195 | Kitsap County, Washington, Limited Tax General Obligation Bonds, Series 2000, 5.500%, 7/01/25 - AMBAC Insured | 7/10 at 100 |
| 4,250 | Snohomish County Public Utility District 1, Washington, Generation System Revenue Bonds, Series 1989, 6.650%, 1/01/16 - FGIC Insured | 1/05 at 100 |
| 4,345 | Washington State Public Power Supply System, Nuclear Project 1 Revenue Refunding Bonds, Series 1997A, 5.125%, 7/01/17 - AMBAC Insured | 7/07 at 102 |

| WEST VIRGINIA - 0.8% (0.4% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| 10,000 | Harrison County Commission, West Virginia, Solid Waste Disposal Revenue Bonds, West Penn Power Company - Harrison Station, Series 1993B, 6.300%, 5/01/23 (Alternative Minimum Tax) - MBIA Insured | 11/04 at 101 |

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|---------------------|
| <hr/> | | |
| WISCONSIN - 3.9% (2.6% OF TOTAL INVESTMENTS) | | |
| \$ 680 | Wisconsin Housing and Economic Development Authority, Housing Revenue Bonds, Series 1992A, 6.850%, 11/01/12 - MBIA Insured | 1/05 at 100 |
| 2,890 | Wisconsin, General Obligation Bonds, Series 2004-3, 5.250%, 5/01/20 - FGIC Insured | 5/14 at 100 |
| 10,945 | Wisconsin, General Obligation Bonds, Series 2004-4, 5.000%, 5/01/20 - MBIA Insured | 5/14 at 100 |
| 15,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1997, 5.750%, 2/15/27 - MBIA Insured | 2/07 at 102 |
| 18,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care Inc., Series 1997, 5.250%, 8/15/17 - MBIA Insured | 8/07 at 102 |
| \$ 1,993,367 | Total Long-Term Investments (cost \$1,798,811,022) - 149.9% | |

| SHORT-TERM INVESTMENTS - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
|---|--|--|
|---|--|--|

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| | | |
|----------|--|--|
| 300 | | Burke County Development Authority, Georgia, Pollution Control Revenue Bonds, Oglethorpe Power Corporation - Vogtle Plant, Variable Rate Demand Obligations, Series 2001, 1.740%, 1/01/22 - AMBAC Insured+ |
| 4,600 | | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 1.700%, 12/01/15 - MBIA Insured+ |
| <hr/> | | |
| \$ 4,900 | | Total Short-Term Investments (cost \$4,900,000) |

=====
 Total Investments (cost \$1,803,711,022) - 150.3%

Other Assets Less Liabilities - 1.9%

Preferred Shares, at Liquidation Value - (52.2)%

Net Assets Applicable to Common Shares - 100%
 =====

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

* 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.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

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

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

See accompanying notes to financial statements.

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALASKA - 1.0% (0.6% OF TOTAL INVESTMENTS) | |
| \$ 2,890 | Alaska Housing Finance Corporation, Governmental Purpose Bonds, Series 1995A, 5.875%, 12/01/24 - MBIA Insured | 12/05 at 102 |
| ----- | | |
| | CALIFORNIA - 31.3% (21.0% OF TOTAL INVESTMENTS) | |
| | ABAG Finance Authority for Non-Profit Corporations, California, Insured Certificates of Participation, Children's Hospital Medical Center of Northern California, Series 1999: | |
| 6,750 | 5.875%, 12/01/19 - AMBAC Insured | 12/09 at 101 |
| 10,000 | 6.000%, 12/01/29 - AMBAC Insured | 12/09 at 101 |
| 4,755 | Antioch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 1999, 5.700%, 8/01/22 - AMBAC Insured | 8/09 at 101 |
| 3,250 | California Pollution Control Financing Authority, Remarketed Revenue Bonds, Pacific Gas and Electric Company, Series 1996A, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102 |
| 165 | Kern County Housing Authority, California, GNMA Guaranteed Tax-Exempt Mortgage Obligation Bonds, Series 1994A-I, 7.150%, 12/30/24 (Alternative Minimum Tax) | No Opt. C |
| 210 | Kern County Housing Authority, California, GNMA Guaranteed Tax-Exempt Mortgage Obligation Bonds, Series 1994A-III, 7.450%, 6/30/25 (Alternative Minimum Tax) | No Opt. C |
| 5,180 | La Verne-Grand Terrace Housing Finance Agency, California, Single Family Residential Mortgage Revenue Bonds, Series 1984A, 10.250%, 7/01/17 | No Opt. C |
| 11,080 | Lodi, California, Electric System Revenue Certificates of Participation, Series 1999B, 0.000%, 1/15/24 (Pre-refunded to 1/15/09) - MBIA Insured | 1/09 at 40 |
| 5,000 | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.400%, 8/01/25 - MBIA Insured | No Opt. C |
| 8,880 | Pomona, California, GNMA/FHLMC Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1990B, 7.500%, 8/01/23 | No Opt. C |
| 10,305 | San Bernardino, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1990A, 7.500%, 5/01/23 | No Opt. C |
| 14,755 | San Bernardino County, California, GNMA Mortgage-Backed Securities Program Single Family Home Mortgage Revenue Bonds, Series 1988A, 8.300%, 9/01/14 (Alternative Minimum Tax) | No Opt. C |

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| | | |
|-------|--|-------------|
| 4,300 | San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27A, 5.125%, 5/01/19 (Alternative Minimum Tax) - MBIA Insured | 5/11 at 100 |
| 2,000 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2004A, 5.250%, 8/01/19 - MBIA Insured | 8/14 at 100 |

COLORADO - 4.8% (3.2% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,500 | Adams and Arapahoe Counties Joint School District 28, Aurora, Colorado, General Obligation Bonds, Series 2003A, 5.125%, 12/01/21 - FSA Insured | 12/13 at 100 |
| 2,500 | Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2002E, 5.500%, 11/15/18 (Alternative Minimum Tax) - FGIC Insured | 11/12 at 100 |
| 6,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/29 - MBIA Insured | 9/10 at 102 |
| 1,310 | Sand Creek Metropolitan District, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/01/16 - XLCA Insured | 12/13 at 100 |
| 1,390 | Teller County School District RE-2, Woodland Park, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/01/22 - MBIA Insured | 12/14 at 100 |
| 1,000 | University of Colorado, Enterprise System Revenue Bonds, Series 2002A, 5.000%, 6/01/19 - FGIC Insured | 6/12 at 100 |

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|------------------------|
| <hr/> | | |
| FLORIDA - 3.5% (2.3% OF TOTAL INVESTMENTS) | | |
| \$ 1,500 | JEA, Florida, Water and Sewerage System Revenue Bonds, Series 2004A, 5.000%, 10/01/19 - FGIC Insured | 10/13 at 100 |
| 4,145 | Miami, Florida, General Obligation Bonds, Series 2002, 5.000%, 1/01/22 - MBIA Insured | 1/12 at 100 |
| 4,240 | Reedy Creek Improvement District, Florida, Utility Revenue Bonds, Series 2003-1, 5.250%, 10/01/17 - MBIA Insured | 10/13 at 100 |

GEORGIA - 5.1% (3.4% OF TOTAL INVESTMENTS)

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| | | |
|---|---|--------------|
| 8,000 | Fulton-DeKalb Hospital Authority, Georgia, Revenue Refunding Certificates, Series 2003, 5.250%, 1/01/16 - FSA Insured | 1/14 at 100 |
| 6,500 | Medical Center Hospital Authority, Georgia, Revenue Anticipation Certificates, Columbus Regional Healthcare System, Inc. Project, Series 1999, 5.500%, 8/01/25 - MBIA Insured | 8/09 at 102 |
| ----- | | |
| HAWAII - 3.8% (2.5% OF TOTAL INVESTMENTS) | | |
| 8,030 | Hawaii Department of Transportation, Airport System Revenue Refunding Bonds, Series 2000B, 6.500%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/10 at 101 |
| 2,250 | Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds, Hawaiian Electric Company Inc., Series 1999D, 6.150%, 1/01/20 (Alternative Minimum Tax) - AMBAC Insured | 1/09 at 101 |
| ----- | | |
| ILLINOIS - 20.3% (13.6% OF TOTAL INVESTMENTS) | | |
| 4,000 | Bridgeview, Illinois, General Obligation Bonds, Series 2002, 5.000%, 12/01/22 - FGIC Insured | 12/12 at 100 |
| 10,000 | Chicago, Illinois, General Obligation Refunding Bonds, Series 2000D, 5.500%, 1/01/35 - FGIC Insured | 1/10 at 101 |
| 8,200 | Chicago Board of Education, Illinois, General Obligation Lease Certificates, Series 1992A, 6.250%, 1/01/15 - MBIA Insured | No Opt. C |
| 23,110 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Elgin School District U46, Kane, Cook and DuPage Counties, Series 2002, 0.000%, 1/01/17 - FSA Insured | No Opt. C |
| 10,010 | Illinois Development Finance Authority, Revenue Bonds, Catholic Health Partners Services, Series 1995A, 5.300%, 2/15/18 - CONNIE LEE/AMBAC Insured | 2/05 at 102 |
| 10,150 | Onterie Center Housing Finance Corporation, Illinois, FHA-Insured Section 8 Assisted Mortgage Revenue Refunding Bonds, Onterie Center Project, Series 1992A, 7.050%, 7/01/27 - MBIA Insured | 1/05 at 101 |
| 3,225 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1992A, 9.000%, 6/01/09 - AMBAC Insured | No Opt. C |
| ----- | | |
| INDIANA - 4.6% (3.1% OF TOTAL INVESTMENTS) | | |
| 4,725 | Decatur Township-Marion County Multi-School Building Corporation, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/17 - FGIC Insured | 7/13 at 100 |
| 1,350 | Indiana State Office Building Commission, Revenue Bonds, | No Opt. C |

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| | | |
|----------|---|--------------|
| | Indiana State Museum, Series 2004C, 5.250%, 7/01/16 - FGIC Insured | |
| | Indiana University, Parking Facility Revenue Bonds, Series 2004: | |
| 1,015 | 5.250%, 11/15/19 - AMBAC Insured | 11/14 at 100 |
| 1,060 | 5.250%, 11/15/20 - AMBAC Insured | 11/14 at 100 |
| 1,100 | 5.250%, 11/15/21 - AMBAC Insured | 11/14 at 100 |
| 1,000 | Metropolitan School District Steuben County K-5 Building Corporation, Indiana, First Mortgage Bonds, Series 2003, 5.250%, 1/15/21 - FSA Insured | 7/14 at 102 |
| 1,315 | Monroe-Gregg Grade School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 2004, 5.000%, 7/15/18 - FSA Insured | 1/14 at 100 |
| 1,490 | North Lawrence Community Schools Building Corporation, Marion County, Indiana, First Mortgage Bonds, Series 2004, 5.000%, 7/15/19 - FSA Insured | 1/14 at 100 |
| ----- | | |
| | IOWA - 1.2% (0.8% OF TOTAL INVESTMENTS) | |
| 3,345 | Ames, Iowa, Hospital Revenue Refunding Bonds, Mary Greeley Medical Center, Series 2003, 5.000%, 6/15/17 - AMBAC Insured | 6/13 at 100 |
| ----- | | |
| | KENTUCKY - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| 6,500 | Kentucky State Property and Buildings Commission, Revenue Refunding Bonds, Project 72, Series 2001, 5.375%, 10/01/14 (Pre-refunded to 10/01/11) - MBIA Insured | 10/11 at 100 |
| ----- | | |
| | MARYLAND - 1.7% (1.1% OF TOTAL INVESTMENTS) | |
| \$ 5,000 | Maryland Transportation Authority, Airport Parking Revenue Bonds, Baltimore-Washington International Airport Passenger Facility, Series 2002B, 5.125%, 3/01/21 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
| ----- | | |
| | MASSACHUSETTS - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004: | |
| 1,000 | 5.250%, 1/01/21 - FGIC Insured | 1/14 at 100 |
| 1,000 | 5.250%, 1/01/24 - FGIC Insured | 1/14 at 100 |
| ----- | | |

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

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MICHIGAN - 3.6% (2.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 6,500 | Michigan Higher Education Student Loan Authority, Revenue Bonds, Series 2000 XII-T, 5.300%, 9/01/10 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 3,810 | Michigan Housing Development Authority, GNMA Collateralized Limited Obligation Multifamily Housing Revenue Bonds, Cranbrook Apartments, Series 2001A, 5.500%, 2/20/43 (Alternative Minimum Tax) | 8/12 at 102 |

MINNESOTA - 2.1% (1.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 4,860 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001B, 5.750%, 1/01/15 (Alternative Minimum Tax) - FGIC Insured | 1/11 at 100 |
| 1,085 | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured | 2/05 at 102 |

MISSOURI - 4.6% (3.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 7,495 | Jefferson County Industrial Development Authority, Missouri, Housing Revenue Bonds, Richardson Road Apartments Project, Series 1985, 11.000%, 12/15/15 (Pre-refunded to 8/15/07) | 8/07 at 100 |
| 2,000 | Missouri Western State College, Auxiliary System Revenue Bonds, Series 2003, 5.000%, 10/01/21 - MBIA Insured | 10/13 at 100 |
| 2,500 | St. Louis County Regional Convention and Sports Complex Authority, Missouri, Lease Revenue Bonds, Convention and Sports Facility Project, Series 2003B-1, 5.250%, 8/15/16 - AMBAC Insured | 8/13 at 100 |

NEVADA - 7.7% (5.2% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 10,000 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 2001B, 5.125%, 7/01/21 - FGIC Insured | 7/11 at 100 |
| 7,990 | Reno, Nevada, Senior Lien Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Series 2002, 5.250%, 6/01/41 - AMBAC Insured | 6/12 at 100 |
| 5,050 | Washoe County, Nevada, Gas and Water Facilities Remarketed Revenue Refunding Bonds, Sierra Pacific Power Company, Series 1987, 6.300%, 12/01/14 - AMBAC Insured | 1/05 at 101 |

NEW JERSEY - 1.1% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A: | |
| 1,200 | 5.000%, 7/01/22 - MBIA Insured | 7/14 at 100 |
| 1,200 | 5.000%, 7/01/23 - MBIA Insured | 7/14 at 100 |

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| | | |
|---|---|--------------|
| 800 | Rutgers State University, New Jersey, Certificates of Participation, Lower Georges Street University Redevelopment Associates LLC, Series 2004, 5.000%, 1/01/24 - AMBAC Insured | 1/14 at 100 |
| ----- | | |
| NEW YORK - 3.4% (2.3% OF TOTAL INVESTMENTS) | | |
| 10,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series 2002F, 5.250%, 11/15/27 - MBIA Insured | 11/12 at 100 |
| ----- | | |
| NORTH CAROLINA - 1.0% (0.7% OF TOTAL INVESTMENTS) | | |
| 3,100 | North Carolina Medical Care Commission, FHA-Insured Mortgage Revenue Bonds, Betsy Johnson Regional Hospital Project, Series 2003, 5.125%, 10/01/32 - FSA Insured | 10/13 at 100 |
| ----- | | |
| OKLAHOMA - 3.5% (2.4% OF TOTAL INVESTMENTS) | | |
| 1,510 | Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax) | No Opt. C |
| 5,440 | Sapulpa Municipal Authority, Oklahoma, Capital Improvement Revenue Refunding Bonds, Series 2000, 5.625%, 7/01/20 (Pre-refunded to 7/01/10) - FSA Insured | 7/10 at 101 |

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| OKLAHOMA (continued) | | |
| \$ 3,000 | Tulsa Industrial Authority, Oklahoma, GNMA Collateralized Multifamily Housing Revenue Bonds, Country Club of Woodland Hills Project, Series 1995, 6.250%, 11/01/27 | 11/05 at 103 |
| ----- | | |
| OREGON - 6.4% (4.3% OF TOTAL INVESTMENTS) | | |
| | Oregon Health Sciences University, Revenue Bonds, Series 2002A: | |
| 5,000 | 5.000%, 7/01/26 - MBIA Insured | 1/13 at 100 |
| 9,000 | 5.000%, 7/01/32 - MBIA Insured | 1/13 at 100 |

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| | | |
|---|---|--------------|
| 4,930 | Oregon Health, Housing, Educational and Cultural Facilities Authority, GNMA Mortgage-Backed Securities Program Assisted Living Project Revenue Bonds, Necanicum Village LLC, Series 2001A, 6.850%, 6/20/42 | 3/12 at 105 |
| ----- | | |
| PENNSYLVANIA - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 3,075 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/19 - FGIC Insured | 8/12 at 100 |
| ----- | | |
| PUERTO RICO - 0.8% (0.5% OF TOTAL INVESTMENTS) | | |
| 2,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2003AA, 5.500%, 7/01/17 - MBIA Insured | No Opt. C |
| ----- | | |
| TENNESSEE - 2.6% (1.7% OF TOTAL INVESTMENTS) | | |
| 2,055 | Memphis, Tennessee, Sanitary Sewerage System Revenue Bonds, Series 2004, 5.000%, 10/01/22 - FSA Insured | 10/14 at 100 |
| 5,000 | Metropolitan Government Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 6.000%, 11/15/30 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| ----- | | |
| TEXAS - 10.2% (6.8% OF TOTAL INVESTMENTS) | | |
| 160 | Corpus Christi Housing Finance Corporation, Texas, Single Family Mortgage Senior Revenue Refunding Bonds, Series 1991A, 7.700%, 7/01/11 - MBIA Insured | 1/05 at 100 |
| 12,500 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/09 at 100 |
| | North Harris County Regional Water Authority, Texas, Senior Water Revenue Bonds, Series 2003: | |
| 4,565 | 5.250%, 12/15/20 - FGIC Insured | 12/13 at 100 |
| 4,800 | 5.250%, 12/15/21 - FGIC Insured | 12/13 at 100 |
| 7,600 | San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/11 at 101 |
| ----- | | |
| WASHINGTON - 20.9% (14.0% OF TOTAL INVESTMENTS) | | |
| 5,000 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |

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| | | |
|--------|--|--------------|
| 1,570 | Clark County School District 101, Sedro-Woolley, Washington, General Obligation Bonds, Series 2002, 5.250%, 12/01/18 - FSA Insured | 12/12 at 100 |
| | King County School District 405, Bellevue, Washington, General Obligation Bonds, Series 2002: | |
| 12,060 | 5.000%, 12/01/19 - FGIC Insured | 12/12 at 100 |
| 12,785 | 5.000%, 12/01/20 - FGIC Insured | 12/12 at 100 |
| | Pierce County School District 343, Dieringer, Washington, General Obligation Refunding Bonds, Series 2003: | |
| 2,755 | 5.250%, 12/01/18 - FSA Insured | 6/13 at 100 |
| 2,990 | 5.250%, 12/01/19 - FSA Insured | 6/13 at 100 |
| 4,715 | Port of Seattle, Washington, Revenue Bonds, Series 2001B, 5.625%, 4/01/17 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 895 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C, 6.000%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 1,265 | Tacoma, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/18 - FGIC Insured | 12/12 at 100 |
| 4,200 | Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/20 - AMBAC Insured | 12/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | WASHINGTON (continued) | |
| \$ 5,000 | Washington, General Obligation Bonds, Series 2001C, 5.250%, 1/01/26 - FSA Insured | 1/11 at 100 |
| 6,990 | Washington State Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 1, Series 1998A, 5.125%, 7/01/17 - MBIA Insured | 7/08 at 102 |
| ----- | | |
| \$ 434,930 | Total Long-Term Investments (cost \$427,284,412) - 149.4% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 0.1% (0.1% OF TOTAL INVESTMENTS) | |
| 300 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 1.700%, 12/01/15 - MBIA Insured+ | |
| ----- | | |
| \$ 300 | Total Short-Term Investments (cost \$300,000) | |
| ===== | | |
| | Total Investments (cost \$427,584,412) - 149.5% | |
| ----- | | |
| | Other Assets Less Liabilities - 2.3% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (51.8)% | |
| ----- | | |

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Net Assets Applicable to Common Shares - 100%

=====

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * 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.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Insured Premium Income Municipal Fund 2 (NPX)
 Portfolio of
 INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ALABAMA - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| | Jefferson County, Alabama, General Obligation Warrants, Series 2004A: | |
| \$ 1,500 | 5.000%, 4/01/21 - MBIA Insured | 4/14 at 100 |
| 1,395 | 5.000%, 4/01/22 - MBIA Insured | 4/14 at 100 |
| 1,040 | 5.000%, 4/01/23 - MBIA Insured | 4/14 at 100 |
| ----- | | |
| | ARKANSAS - 1.9% (1.3% OF TOTAL INVESTMENTS) | |
| 7,745 | Arkansas Development Finance Authority, State Facility Revenue Bonds, Donaghey Plaza Project, Series 2004, 5.250%, 6/01/25 - FSA Insured | 6/14 at 100 |

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| | | |
|-------|---|--------------|
| 2,000 | University of Arkansas, Fayetteville, Revenue Bonds, UAMS Campus, Series 2004B, 5.000%, 11/01/27 (WI, settling 11/18/04) - MBIA Insured | 11/14 at 100 |
|-------|---|--------------|

CALIFORNIA - 14.6% (9.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 31,200 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/34 - MBIA Insured | 1/10 at 24 |
| 6,850 | Orange County, California, Recovery Certificates of Participation, Series 1996A, 6.000%, 7/01/26 - MBIA Insured | 7/06 at 102 |
| 15,000 | Orange County Sanitation District, California, Certificates of Participation, Series 2003, 5.250%, 2/01/30 - FGIC Insured | 8/13 at 100 |
| 10,000 | Orange County Water District, California, Revenue Certificates of Participation, Series 2003B, 5.000%, 8/15/34 - MBIA Insured | 8/13 at 100 |
| 1,435 | Pasadena Area Community College District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 6/01/22 - FGIC Insured | 6/13 at 100 |
| 1,940 | Riverside, California, Certificates of Participation, Series 2003, 5.000%, 9/01/20 - AMBAC Insured | 9/13 at 100 |
| 13,000 | Sacramento City Financing Authority, California, Capital Improvement Revenue Bonds, Solid Waste and Redevelopment Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured | 12/09 at 102 |
| 2,000 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2004A, 5.250%, 8/01/19 - MBIA Insured | 8/14 at 100 |
| | San Leandro Housing Finance Corporation, California, FHA-Insured Section 8 Assisted Mortgage Revenue Bonds, Ashland Village Apartments, Series 1993A: | |
| 1,010 | 6.550%, 1/01/12 - MBIA Insured | 1/05 at 100 |
| 5,100 | 6.650%, 1/01/25 - MBIA Insured | 1/05 at 100 |
| 12,500 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured | 5/13 at 100 |

COLORADO - 11.6% (7.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,940 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Adams School District 12 - Pinnacle School, Series 2003, 5.250%, 6/01/23 - XLCA Insured | 6/13 at 100 |
| 3,405 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Classical Academy, Series 2003, 5.250%, 12/01/23 - XLCA Insured | 12/13 at 100 |
| | Colorado Health Facilities Authority, Revenue Bonds, | |

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| | | |
|--------|---|--------------|
| | Poudre Valley Health Care Inc., Series 1999A: | |
| 2,480 | 5.625%, 12/01/19 - FSA Insured | 12/09 at 101 |
| 3,500 | 5.750%, 12/01/23 - FSA Insured | 12/09 at 101 |
| 6,100 | Denver School District 1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/01/18 - FSA Insured | 12/13 at 100 |
| 12,955 | Denver, Colorado, Airport System Revenue Bonds, Series 1995A, 5.600%, 11/15/20 - MBIA Insured | 11/05 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | COLORADO (continued) | |
| | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A: | |
| \$ 9,670 | 5.000%, 12/01/19 - XLCA Insured | 12/13 at 100 |
| 17,495 | 5.000%, 12/01/33 - XLCA Insured | 12/13 at 100 |
| 1,325 | El Paso County, Colorado, Certificates of Participation, Detention Facility Project, Series 2002B, 5.000%, 12/01/27 - AMBAC Insured | 12/12 at 100 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| 3,140 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990C-4, 6.350%, 12/01/24 (Alternative Minimum Tax) | 12/04 at 102 |
| ----- | | |
| | FLORIDA - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 4,000 | Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Bonds, Series 2003J, 5.000%, 6/01/22 - AMBAC Insured | 6/13 at 101 |
| ----- | | |
| | GEORGIA - 3.1% (2.1% OF TOTAL INVESTMENTS) | |
| 4,000 | Cobb County Development Authority, Georgia, Parking Revenue Bonds, Kennesaw State University Project, Series 2004, 5.000%, 7/15/24 (WI, settling 11/10/04) - MBIA Insured | 7/14 at 100 |
| | Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A: | |
| 1,775 | 5.000%, 11/01/21 - MBIA Insured | 11/13 at 100 |
| 2,580 | 5.000%, 11/01/22 - MBIA Insured | 11/13 at 100 |
| 4,500 | South Fulton Municipal Regional Water and Sewerage Authority, Georgia, Water and Sewerage Revenue Bonds, Series 2003, 5.000%, 1/01/33 - MBIA Insured | 1/13 at 100 |

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| | | |
|---|---|--------------|
| 3,000 | Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2002, 5.200%, 10/01/22 - AMBAC Insured | 10/12 at 101 |
| ----- | | |
| HAWAII - 7.9% (5.3% OF TOTAL INVESTMENTS) | | |
| 2,375 | Hawaii County, Hawaii, General Obligation Bonds, Series 2003A, 5.000%, 7/15/19 - FSA Insured | 7/13 at 100 |
| Hawaii Department of Transportation, Airport System Revenue Refunding Bonds, Series 2000B: | | |
| 6,105 | 6.100%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/10 at 101 |
| 9,500 | 6.625%, 7/01/17 (Alternative Minimum Tax) - FGIC Insured | 7/10 at 101 |
| 20,000 | Hawaii Department of Budget and Finance, Special Purpose Revenue Refunding Bonds, Hawaiian Electric Company Inc., Series 2000, 5.700%, 7/01/20 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 101 |
| ----- | | |
| IDAHO - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| 1,050 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1998E, 5.450%, 7/01/18 (Alternative Minimum Tax) - AMBAC Insured | 1/08 at 101 |
| ----- | | |
| ILLINOIS - 14.1% (9.4% OF TOTAL INVESTMENTS) | | |
| 2,500 | Aurora, Illinois, Kane, DuPage, Kendall and Will Counties, General Obligation Bonds, Series 1996, 5.800%, 1/01/14 (Pre-refunded to 1/01/05) - MBIA Insured | 1/05 at 100 |
| 25,585 | Chicago, Illinois, General Obligation Refunding Bonds, Series 1996B, 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 8,370 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1996A, 5.625%, 1/01/17 - MBIA Insured | 1/07 at 101 |
| Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1994A: | | |
| 280 | 6.100%, 1/01/08 (Alternative Minimum Tax) - MBIA Insured | 1/05 at 101 |
| 710 | 6.250%, 1/01/14 (Alternative Minimum Tax) - MBIA Insured | 1/05 at 101 |
| 8,235 | Chicago, Illinois, General Airport Second Lien Revenue Refunding Bonds, O'Hare International Airport, Series 1994A, 6.375%, 1/01/15 - MBIA Insured | 1/05 at 102 |
| 4,115 | Chicago Park District, Illinois, Limited Tax General Obligation Park Bonds, Series 2001C, 5.500%, 1/01/18 - FGIC Insured | 7/11 at 100 |
| 9,680 | Illinois Educational Facilities Authority, Revenue Bonds, Columbia College, Series 1998, 5.000%, 12/01/20 - MBIA Insured | 6/08 at 100 |
| 1,950 | Illinois Health Facilities Authority, Revenue Refunding Bonds, SSM Healthcare System, Series 1992AA, 6.550%, 6/01/14 - MBIA Insured | No Opt. C |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| | Illinois Health Facilities Authority, Revenue Bonds, Lutheran General Health System, Series 1993A: | |
| \$ 4,000 | 6.125%, 4/01/12 - FSA Insured | No Opt. C |
| 5,000 | 6.250%, 4/01/18 - FSA Insured | No Opt. C |
| 455 | Peoria, Moline and Freeport, Illinois, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1995A, 7.600%, 4/01/27 (Alternative Minimum Tax) | 10/05 at 105 |
| ----- | | |
| | INDIANA - 3.1% (2.1% OF TOTAL INVESTMENTS) | |
| | Hamilton County Public Building Corporation, Indiana, First Mortgage Bonds, Series 2004: | |
| 2,105 | 5.000%, 8/01/23 - FSA Insured | 8/14 at 100 |
| 2,215 | 5.000%, 8/01/24 - FSA Insured | 8/14 at 100 |
| 4,655 | Hamilton Southeastern Consolidated School Building Corporation, Hamilton County, Indiana, First Mortgage Bonds, Series 2004, 5.000%, 7/15/15 - FSA Insured | 1/14 at 100 |
| 1,625 | Hammond Multi-School Building Corporation, Lake County, Indiana, First Mortgage Revenue Bonds, Series 2003B, 5.000%, 1/15/21 - FGIC Insured | 7/13 at 100 |
| 5,285 | Logansport School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/22 - FGIC Insured | 7/11 at 100 |
| ----- | | |
| | KANSAS - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 2,300 | Butler County Unified School District 394, Kansas, General Obligation Bonds, Series 2004, 5.000%, 9/01/21 - FSA Insured | 9/14 at 100 |
| 1,500 | Kansas State Turnpike Authority, Revenue Bonds, Series 2004A2, 5.000%, 9/01/27 (WI, settling 11/18/04) - FSA Insured | 9/14 at 101 |
| 70 | Olathe-Labette County, Kansas, GNMA Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1994A-I, 8.100%, 8/01/23 (Alternative Minimum Tax) | 2/05 at 105 |
| ----- | | |
| | KENTUCKY - 0.4% (0.3% OF TOTAL INVESTMENTS) | |

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| | | |
|--|---|---------------------|
| 7,000 | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000B, 0.000%, 10/01/28 - MBIA Insured | No Opt. C |
| ----- | | |
| MASSACHUSETTS - 4.1% (2.8% OF TOTAL INVESTMENTS) | | |
| 4,910 | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.500%, 11/01/15 - MBIA Insured | No Opt. C |
| 3,000 | Massachusetts Development Finance Authority, Revenue Bonds, WGBH Educational Foundation, Series 2002A, 5.750%, 1/01/42 - AMBAC Insured | No Opt. C |
| 2,600 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Simmons College, Series 2003F, 5.000%, 10/01/33 - FGIC Insured | 10/13 at 100 |
| 2,475 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 48, 6.350%, 6/01/26 (Alternative Minimum Tax) - MBIA Insured | 6/06 at 102 |
| 1,630 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 53, 6.150%, 12/01/29 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 102 |
| | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004: | |
| 3,650 | 5.250%, 1/01/22 - FGIC Insured | 1/14 at 100 |
| 2,000 | 5.250%, 1/01/24 - FGIC Insured | 1/14 at 100 |
| ----- | | |
| MICHIGAN - 2.9% (1.9% OF TOTAL INVESTMENTS) | | |
| 4,705 | Grand Valley State University, Michigan, General Revenue Bonds, Series 2000, 5.250%, 12/01/20 - FGIC Insured | 12/10 at 100 |
| 10,000 | Michigan Housing Development Authority, Rental Housing Revenue Bonds, Series 1997A, 6.000%, 4/01/16 (Alternative Minimum Tax) - AMBAC Insured | 4/07 at 102 |
| ----- | | |
| MINNESOTA - 1.3% (0.8% OF TOTAL INVESTMENTS) | | |
| 6,600 | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured | 2/05 at 102 |
| ----- | | |
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | |
| MISSOURI - 1.7% (1.1% OF TOTAL INVESTMENTS) | | |

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| | | | |
|----|-------|---|--------------|
| \$ | 1,000 | Hazelwood Industrial Development Authority, Missouri, GNMA Collateralized Project Multifamily Housing Revenue Refunding Bonds, Lakes Apartments Project, Series 1996, 6.000%, 9/20/16 | 9/06 at 102 |
| | 4,500 | Kansas City Land Clearance Redevelopment Authority, Missouri, Lease Revenue Bonds, Municipal Auditorium and Muehlebach Hotel Redevelopment Projects, Series 1995A, 5.900%, 12/01/18 - FSA Insured | 12/05 at 102 |
| | 1,000 | Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Capital Improvements, Series 1996B, 5.750%, 1/15/14 - AMBAC Insured | 1/06 at 101 |
| | 1,030 | Missouri Housing Development Commission, Multifamily Housing Revenue Bonds, Brookstone Village Apartments, Series 1996A, 6.000%, 12/01/16 (Alternative Minimum Tax) - FSA Insured | 12/06 at 102 |
| | 1,250 | Missouri Western State College, Auxiliary System Revenue Bonds, Series 2003, 5.000%, 10/01/33 - MBIA Insured | 10/13 at 100 |

NEVADA - 8.8% (5.9% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|--|--------------|
| | 3,280 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 2004A-2, 5.125%, 7/01/24 - FGIC Insured | 7/14 at 100 |
| | 5,000 | Clark County, Nevada, Industrial Development Revenue Bonds, Nevada Power Company Project, Series 1992A, 6.700%, 6/01/22 (Alternative Minimum Tax) - FGIC Insured | 12/04 at 100 |
| | 5,000 | Clark County, Nevada, Industrial Development Revenue Bonds, Southwest Gas Corporation, Series 2000C, 5.950%, 12/01/38 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 102 |
| | | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: | |
| | 5,000 | 0.000%, 1/01/27 - AMBAC Insured | No Opt. C |
| | 5,500 | 5.625%, 1/01/32 - AMBAC Insured | 1/10 at 102 |
| | | Las Vegas Convention and Visitors Authority, Nevada, Revenue Bonds, Series 1999: | |
| | 2,695 | 5.750%, 7/01/15 - AMBAC Insured | 7/09 at 101 |
| | 6,035 | 5.750%, 7/01/16 - AMBAC Insured | 7/09 at 101 |
| | 6,500 | 5.750%, 7/01/17 - AMBAC Insured | 7/09 at 101 |
| | 3,535 | 5.750%, 7/01/18 - AMBAC Insured | 7/09 at 101 |
| | 4,000 | 6.000%, 7/01/19 - AMBAC Insured | 7/09 at 101 |

NEW JERSEY - 2.4% (1.6% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|--------------|
| | | Essex County Improvement Authority, New Jersey, Guaranteed Revenue Bonds, Project Consolidation, Series 2004: | |
| | 2,000 | 5.125%, 10/01/21 - MBIA Insured | 10/14 at 100 |
| | 2,250 | 5.125%, 10/01/22 - MBIA Insured | 10/14 at 100 |
| | 1,560 | Mount Olive Township Board of Education, Morris County, New Jersey, General Obligation Bonds, Series 2004, | 1/15 at 100 |

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| | | | |
|-------|--|--|-------------|
| | 5.000%, 1/15/22 (WI, 11/09/04) - MBIA Insured | | |
| | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A: | | |
| 1,475 | 5.000%, 7/01/22 - MBIA Insured | | 7/14 at 100 |
| 1,475 | 5.000%, 7/01/23 - MBIA Insured | | 7/14 at 100 |
| 3,075 | New Jersey Transit Corporation, Refunding Certificates of Participation, Series 2003, 5.500%, 10/01/15 - FSA Insured | | No Opt. C |

NEW MEXICO - 0.5% (0.3% OF TOTAL INVESTMENTS)

| | | | |
|-------|---|--|-------------|
| | New Mexico Finance Authority, Public Project Revolving Revenue Bonds, Series 2004C: | | |
| 1,415 | 5.000%, 6/01/22 - AMBAC Insured | | 6/14 at 100 |
| 1,050 | 5.000%, 6/01/24 - AMBAC Insured | | 6/14 at 100 |

NEW YORK - 12.9% (8.6% OF TOTAL INVESTMENTS)

| | | | |
|-------|--|--|-------------|
| 1,755 | Nassau County, New York, General Obligation Improvement Bonds, Series 2000E, 6.000%, 3/01/16 (Pre-refunded to 3/01/10) - FSA Insured | | 3/10 at 100 |
| 2,265 | Nassau County, New York, General Obligation Improvement Bonds, Series 2000F, 7.000%, 3/01/14 (Pre-refunded to 3/01/10) - FSA Insured | | 3/10 at 100 |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | NEW YORK (continued) | |
| \$ 7,500 | Nassau Health Care Corporation, New York, County Guaranteed Revenue Bonds, Series 1999, 5.750%, 8/01/29 (Pre-refunded to 8/01/09) - FSA Insured | 8/09 at 102 |
| 4,000 | New York City, New York, General Obligation Bonds, Fiscal Series 1995E, 8.000%, 8/01/05 - MBIA Insured | No Opt. C |
| 7,900 | New York City, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18 - FSA Insured | 3/06 at 101 |
| 7,000 | New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 - FGIC Insured | 6/09 at 101 |
| | Dormitory Authority of the State of New York, Insured Revenue Bonds, New Island Hospital, Series 1999B: | |

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| | | |
|-------|--|--------------|
| 3,400 | 5.750%, 7/01/19 - MBIA Insured | 7/09 at 101 |
| 5,750 | 6.000%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 9,095 | New York State Housing Finance Agency, Mortgage Revenue Refunding Bonds, Housing Project, Series 1996A, 6.125%, 11/01/20 - FSA Insured | 5/06 at 102 |
| 2,500 | New York State Medical Care Facilities Finance Agency, FHA-Insured Mortgage Revenue Bonds, New York and Presbyterian Hospital, Series 1994A, 6.800%, 8/15/24 (Pre-refunded to 2/15/05) - AMBAC Insured | 2/05 at 102 |
| 2,750 | New York State Thruway Authority, Highway and Bridge Trust Fund Bonds, Second General, Series 2004, 5.000%, 4/01/15 - MBIA Insured | 4/14 at 100 |
| 5,000 | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 1996-7, 5.700%, 1/01/27 (Pre-refunded to 1/01/07) - FSA Insured | 1/07 at 102 |
| | New York City Sales Tax Asset Receivable Corporation, New York, Local Government Assistance Corporation Dedicated Revenue Bonds, Series 2004A: | |
| 3,225 | 5.000%, 10/15/24 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |
| 1,665 | 5.000%, 10/15/25 (WI, settling 11/04/04) - MBIA Insured | 10/14 at 100 |

NORTH DAKOTA - 3.8% (2.5% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 10,715 | Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.600%, 6/01/21 - FSA Insured | 6/10 at 101 |
| 8,000 | North Dakota, Student Loan Trust Revenue Bonds, Series 2000B, 5.850%, 12/01/25 (Alternative Minimum Tax) - AMBAC Insured | 12/10 at 100 |

OHIO - 0.1% (0.1% OF TOTAL INVESTMENTS)

| | | |
|-----|---|--------------|
| 700 | Shaker Heights, Ohio, General Obligation Bonds, Series 2003, 5.250%, 12/01/26 - AMBAC Insured | 12/13 at 100 |
|-----|---|--------------|

OKLAHOMA - 1.1% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| | Oklahoma City Airport Trust, Oklahoma, Junior Lien Tax Exempt Bonds, Twenty Seventh Series 2000A: | |
| 1,320 | 5.125%, 7/01/20 - FSA Insured | 7/10 at 100 |
| 4,040 | 5.250%, 7/01/21 - FSA Insured | 7/10 at 100 |

OREGON - 3.2% (2.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | Portland, Oregon, Airport Way Urban Renewal and Redevelopment Bonds, Series 2000A: | |
| 4,405 | 5.700%, 6/15/17 - AMBAC Insured | 6/10 at 101 |
| 3,665 | 5.750%, 6/15/18 - AMBAC Insured | 6/10 at 101 |

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| | | |
|-------|--|-------------|
| 4,265 | 5.750%, 6/15/19 - AMBAC Insured | 6/10 at 101 |
| 1,375 | 5.750%, 6/15/20 - AMBAC Insured | 6/10 at 101 |
| 1,520 | Portland Housing Authority, Oregon, Multifamily Housing Revenue Bonds, Lovejoy Station Apartments, Series 2000, 6.000%, 7/01/33 (Alternative Minimum Tax) - MBIA Insured | 7/10 at 100 |

PENNSYLVANIA - 10.3% (6.9% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 12,620 | Allegheny County Hospital Development Authority, Pennsylvania, Insured Revenue Bonds, West Penn Allegheny Health System, Series 2000A, 6.500%, 11/15/30 - MBIA Insured | 11/10 at 102 |
| 9,485 | Berks County Municipal Authority, Pennsylvania, Hospital Revenue Bonds, Reading Hospital and Medical Center, Series 1999, 6.000%, 11/01/19 (Pre-refunded to 11/01/09) - FSA Insured | 11/09 at 102 |

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

PENNSYLVANIA (continued)

| | | |
|----------|---|--------------|
| \$ 1,000 | Luzerne County Industrial Development Authority, Exempt Facilities Revenue Refunding Bonds, Pennsylvania Gas and Water Company Project, Series 1994A, 7.000%, 12/01/17 (Alternative Minimum Tax) (Pre-refunded to 12/01/04) - AMBAC Insured | 12/04 at 102 |
| | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1: | |
| 5,235 | 5.000%, 9/01/24 - FSA Insured | 9/14 at 100 |
| 3,000 | 5.000%, 9/01/25 - FSA Insured | 9/14 at 100 |
| | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 1997A: | |
| 2,360 | 5.125%, 8/01/27 - AMBAC Insured | 8/07 at 102 |
| 10,370 | 5.125%, 8/01/27 - AMBAC Insured | 8/07 at 102 |
| 2,500 | Seneca Valley School District, Butler County, Pennsylvania, General Obligation Bonds, Series 2004, 5.125%, 1/01/23 - FGIC Insured | 7/14 at 100 |
| 3,650 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/29 - FSA Insured | 6/13 at 100 |

PUERTO RICO - 0.8% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 4,000 | Puerto Rico Municipal Finance Agency, Series 2002A, 5.250%, 8/01/17 - FSA Insured | 8/12 at 100 |
|-------|---|-------------|

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| | | |
|---|--|--------------|
| ----- | | |
| SOUTH CAROLINA - 1.0% (0.7% OF TOTAL INVESTMENTS) | | |
| 5,000 | South Carolina Public Service Authority, Revenue Bonds, Santee Cooper Electric System, Series 2004A, 5.000%, 1/01/20 - AMBAC Insured | 1/14 at 100 |
| ----- | | |
| TEXAS - 15.3% (10.3% OF TOTAL INVESTMENTS) | | |
| Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Industries Inc., Series 1998C: | | |
| 10,000 | 5.125%, 5/01/19 - AMBAC Insured | 5/08 at 102 |
| 9,000 | 5.125%, 11/01/20 (Optional put 11/01/08) - AMBAC Insured | 11/08 at 102 |
| Corpus Christi, Texas, Utility System Revenue Bonds, Series 2004: | | |
| 3,475 | 5.000%, 7/15/22 - FSA Insured | 7/14 at 100 |
| 3,645 | 5.000%, 7/15/23 - FSA Insured | 7/14 at 100 |
| 12,500 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/09 at 100 |
| 3,895 | Denton, Texas, Utility System Revenue Bonds, Series 2000A, 5.625%, 12/01/19 - FSA Insured | 12/10 at 100 |
| 4,485 | Lower Colorado River Authority, Texas, Contract Revenue Refunding Bonds, Transmission Services Corporation, Series 2003B, 5.000%, 5/15/21 - FSA Insured | 5/12 at 100 |
| 10,000 | Lower Colorado River Authority, Texas, Contract Revenue Refunding Bonds, Transmission Services Corporation, Series 2003C, 5.000%, 5/15/33 - AMBAC Insured | 5/13 at 100 |
| 4,151 | Panhandle Regional Housing Finance Corporation, Texas, GNMA Collateralized Multifamily Housing Mortgage Revenue Bonds, Renaissance of Amarillo Apartments, Series 2001A, 6.650%, 7/20/42 | 7/12 at 105 |
| Tarrant County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Cook Children's Healthcare System, Series 2000A: | | |
| 6,725 | 5.750%, 12/01/17 - FSA Insured | 12/10 at 101 |
| 7,500 | 5.750%, 12/01/24 - FSA Insured | 12/10 at 101 |
| 2,300 | Texas State University System, Financing Revenue Refunding Bonds, Series 2002, 5.000%, 3/15/18 - FSA Insured | 3/12 at 100 |
| ----- | | |
| UTAH - 3.2% (2.2% OF TOTAL INVESTMENTS) | | |
| 8,600 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 2003A, 5.000%, 7/01/18 - FSA Insured | 7/13 at 100 |
| 2,385 | Mountain Regional Water Special Service District, Utah, Water Revenue Bonds, Series 2003, 5.000%, 12/15/33 - MBIA Insured | 12/13 at 100 |

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5,525 Utah Transit Authority, Sales Tax Revenue Bonds, 12/12 at 100
 Series 2002A, 5.000%, 6/15/24 - FSA Insured

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | VERMONT - 0.3% (0.2% OF TOTAL INVESTMENTS) | |
| \$ 1,320 | Vermont Educational and Health Buildings Financing Agency, Revenue Bonds, Fletcher Allen Health Care Inc., Series 2000A, 6.000%, 12/01/23 - AMBAC Insured | 12/10 at 101 |
| ----- | | |
| | VIRGINIA - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| | Loudoun County Industrial Development Authority, Virginia, Public Safety Facilities Lease Revenue Bonds, Series 2003A: | |
| 1,150 | 5.250%, 12/15/22 - FSA Insured | 6/14 at 100 |
| 500 | 5.250%, 12/15/23 - FSA Insured | 6/14 at 100 |
| 2,250 | Virginia Housing Development Authority, Multifamily Housing Bonds, Series 1997B, 6.050%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured | 1/08 at 102 |
| ----- | | |
| | WASHINGTON - 7.0% (4.7% OF TOTAL INVESTMENTS) | |
| 10,000 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 1,370 | Clark County School District 101, La Center, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/22 - FSA Insured | 12/12 at 100 |
| 5,230 | Douglas County Public Utility District 1, Washington, Revenue Bonds, Wells Hydroelectric, Series 1999A, 6.125%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| 3,485 | Grant County Public Utility District 2, Washington, Priest Rapids Hydroelectric Development Revenue Bonds, Second Series 1996B, 5.900%, 1/01/21 (Alternative Minimum Tax) - MBIA Insured | 1/06 at 102 |
| | Tacoma, Washington, General Obligation Bonds, Series 2004: | |
| 1,545 | 5.000%, 12/01/19 - MBIA Insured | 12/14 at 100 |
| 1,620 | 5.000%, 12/01/20 - MBIA Insured | 12/14 at 100 |
| 1,695 | 5.000%, 12/01/21 - MBIA Insured | 12/14 at 100 |

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| | | |
|--|--|--------------|
| 6,200 | Washington, General Obligation Various Purpose Bonds, Series 2003A, 5.000%, 7/01/20 - FGIC Insured | 7/12 at 100 |
| 3,950 | Washington State Healthcare Facilities Authority, Revenue Bonds, Swedish Health Services, Series 1998, 5.125%, 11/15/22 - AMBAC Insured | 11/08 at 101 |
| ----- | | |
| WEST VIRGINIA - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| 8,000 | Pleasants County, West Virginia, Pollution Control Revenue Bonds, Monongahela Power Company Pleasants Station Project, Series 1995C, 6.150%, 5/01/15 - AMBAC Insured | 5/05 at 102 |
| ----- | | |
| WISCONSIN - 6.6% (4.4% OF TOTAL INVESTMENTS) | | |
| 1,000 | Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/21 - FSA Insured | 11/14 at 100 |
| 7,000 | La Crosse, Wisconsin, Resource Recovery Revenue Refunding Bonds, Northern States Power Company Project, Series 1996, 6.000%, 11/01/21 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 12,750 | Milwaukee County, Wisconsin, Airport Revenue Bonds, Series 2000A, 5.750%, 12/01/25 (Alternative Minimum Tax) - FGIC Insured | 12/10 at 100 |
| 6,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Sinai Samaritan Medical Center Inc., Series 1996, 5.750%, 8/15/16 - MBIA Insured | 8/06 at 102 |
| 5,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1995, 6.125%, 8/15/13 - AMBAC Insured | 8/05 at 102 |
| ----- | | |
| \$ 780,971 | Total Long-Term Investments (cost \$752,518,775) - 149.5% | |
| ===== | | |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | |
|---|---|--|
| ----- | | |
| SHORT-TERM INVESTMENTS - 0.2% (0.1% OF TOTAL INVESTMENTS) | | |
| \$ 855 | Montgomery County Public Building Authority, Tennessee, Tennessee County Loan Pool Program Bonds, Variable Rate Demand Obligations, Series 2002, 1.750%, 4/01/32+ | |
| ----- | | |
| \$ 855 | Total Short-Term Investments (cost \$855,000) | |
| ===== | | |
| Total Investments (cost \$753,373,775) - 149.7% | | |
| ----- | | |
| Other Assets Less Liabilities - 0.1% | | |
| ----- | | |

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Preferred Shares, at Liquidation Value - (49.8)%

 Net Assets Applicable to Common Shares - 100%
 =====

All of the bonds in the portfolio, excluding temporary investments in short-term municipal securities, are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

* 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.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

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

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

See accompanying notes to financial statements.

Nuveen Insured Dividend Advantage Municipal Fund (NVG)
 Portfolio of

INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | ALABAMA - 4.3% (2.9% OF TOTAL INVESTMENTS) | |
| \$ 5,310 | Athens, Alabama, Water and Sewerage Revenue Warrants, Series 2002, 5.300%, 5/01/32 - MBIA Insured | 5/12 at 101 |
| 3,045 | Hoover, Alabama, General Obligation Bonds, Series 2003, 5.000%, 3/01/20 - MBIA Insured | 3/12 at 101 |
| 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |

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| | | |
|---|---|--------------|
| ----- | | |
| ALASKA - 3.4% (2.3% OF TOTAL INVESTMENTS) | | |
| 15,000 | Alaska, International Airport System Revenue Bonds, Series 2002B, 5.250%, 10/01/27 - AMBAC Insured | 10/12 at 100 |
| ----- | | |
| ARIZONA - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 5,000 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured (PLG1) | 7/12 at 100 |
| ----- | | |
| CALIFORNIA - 9.8% (6.7% OF TOTAL INVESTMENTS) | | |
| 8,890 | California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.400%, 12/01/14 (Alternative Minimum Tax) | 12/08 at 101 |
| 3,200 | California, Various Purpose General Obligation Bonds, Series 2000, 5.250%, 9/01/17 - MBIA Insured | 9/10 at 100 |
| 10,000 | California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/23 - MBIA Insured | No Opt. C |
| 3,000 | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| 7,935 | Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.300%, 4/01/32 - AMBAC Insured | 4/12 at 100 |
| 1,000 | Los Angeles Convention and Exhibition Center Authority, California, Certificates of Participation, Series 1985, 9.000%, 12/01/20 (Pre-refunded to 12/01/05) | 12/05 at 100 |
| 7,500 | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured | 7/08 at 101 |
| 2,320 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001P, 5.250%, 8/15/18 - FSA Insured | 8/11 at 100 |
| ----- | | |
| COLORADO - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 1,580 | Gunnison Watershed School District RE1J, Gunnison and Saguache Counties, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/01/15 - FSA Insured | No Opt. C |
| | Sand Creek Metropolitan District, Colorado, General Obligation Bonds, Series 2004: | |
| 1,095 | 5.000%, 12/01/13 - XLCA Insured | No Opt. C |
| 1,170 | 5.000%, 12/01/14 - XLCA Insured | 12/13 at 100 |

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| FLORIDA - 15.9% (10.8% OF TOTAL INVESTMENTS) | | |
|--|---|--------------|
| | Florida Municipal Loan Council, Revenue Bonds, Series 2003B: | |
| 2,305 | 5.250%, 12/01/17 - MBIA Insured | 12/13 at 100 |
| 1,480 | 5.250%, 12/01/18 - MBIA Insured | 12/13 at 100 |
| 11,600 | Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds, Series 2002B, 5.125%, 10/01/21 (Alternative Minimum Tax) - FSA Insured | 10/12 at 100 |
| 6,000 | JEA, Florida, Water and Sewerage System Revenue Bonds, Series 2002A, 5.500%, 10/01/41 - MBIA Insured | 4/07 at 100 |
| 8,155 | Lee County, Florida, Solid Waste System Revenue Refunding Bonds, Series 2001, 5.625%, 10/01/13 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 100 |
| 15,000 | Miami-Dade County School Board, Florida, Certificates of Participation, Series 2003A, 5.000%, 8/01/27 (Mandatory put 8/01/08) - MBIA Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| FLORIDA (continued) | | |
| | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002: | |
| \$ 7,165 | 5.625%, 10/01/15 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 5,600 | 5.750%, 10/01/16 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 10,000 | 5.125%, 10/01/21 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 2,000 | 5.250%, 10/01/22 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |

| GEORGIA - 0.6% (0.4% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 1,000 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/22 - FSA Insured | 11/14 at 100 |
| 1,695 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.500%, 6/01/32 (Alternative Minimum Tax) | 12/11 at 100 |

| ILLINOIS - 13.9% (9.4% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 10,000 | Bolingbrook, Illinois, General Obligation Bonds, Series 2002A, 5.375%, 1/01/38 - FGIC Insured | 1/12 at 100 |
| 5,000 | Chicago, Illinois, General Obligation Refunding Bonds, Series 2001A, 5.500%, 1/01/38 - MBIA Insured | 1/11 at 101 |

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| | | | |
|--------|---|--|--------------|
| | Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001C: | | |
| 4,250 | 5.500%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 4,485 | 5.500%, 1/01/17 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 4,730 | 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 2,930 | 5.500%, 1/01/19 (Alternative Minimum Tax) - AMBAC Insured | | 1/11 at 101 |
| 3,000 | Chicago, Illinois, General Airport Third Lien Revenue Refunding Bonds, O'Hare International Airport, Series 2002A, 5.750%, 1/01/17 (Alternative Minimum Tax) - MBIA Insured | | 1/12 at 100 |
| 12,765 | Chicago, Illinois, Revenue Bonds, Skyway Toll Bridge, Series 1996, 5.500%, 1/01/23 - MBIA Insured | | 1/07 at 102 |
| 4,000 | Cicero, Cook County, Illinois, General Obligation Corporate Purpose Bonds, Series 2002, 5.000%, 12/01/21 - MBIA Insured | | 12/12 at 101 |
| 1,500 | DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003C, 5.250%, 10/01/22 - FSA Insured | | 10/13 at 100 |
| 5,000 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.250%, 4/01/23 - FSA Insured | | 4/12 at 100 |
| 2,700 | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001A, 5.000%, 8/15/20 (Pre-refunded to 8/15/11) - AMBAC Insured | | 8/11 at 100 |

INDIANA - 16.5% (11.2% OF TOTAL INVESTMENTS)

| | | | |
|--------|--|--|-------------|
| 3,380 | Evansville, Indiana, Sewerage Works Revenue Refunding Bonds, Series 2003A, 5.000%, 7/01/20 - AMBAC Insured | | 7/13 at 100 |
| | Indiana Bond Bank, Special Program Bonds, Hendricks County Redevelopment District, Series 2002D: | | |
| 2,500 | 5.375%, 4/01/23 - AMBAC Insured | | 4/12 at 100 |
| 7,075 | 5.250%, 4/01/26 - AMBAC Insured | | 4/12 at 100 |
| 7,000 | 5.250%, 4/01/30 - AMBAC Insured | | 4/12 at 100 |
| 10,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Marion General Hospital, Series 2002, 5.250%, 7/01/32 - AMBAC Insured | | 7/12 at 100 |
| 25,000 | Indianapolis Local Public Improvement Bond Bank, Indiana, Waterworks Project, Series 2002A, 5.250%, 7/01/33 - MBIA Insured | | 7/12 at 100 |
| | New Albany-Floyd County School Building Corporation, Indiana, First Mortgage Bonds, Series 2002: | | |
| 2,500 | 5.750%, 7/15/17 - FGIC Insured | | 7/12 at 100 |
| 3,810 | 5.750%, 7/15/20 - FGIC Insured | | 7/12 at 100 |
| | Northern Wells Community School Building Corporation, Wells County, Indiana, First Mortgage Bonds, Series 2001: | | |
| 420 | 5.250%, 1/15/19 - FGIC Insured | | 7/12 at 100 |
| 430 | 5.250%, 7/15/19 - FGIC Insured | | 7/12 at 100 |
| 1,675 | 5.400%, 7/15/23 - FGIC Insured | | 7/12 at 100 |
| 6,960 | Valparaiso Middle School Building Corporation, Indiana, | | 1/13 at 100 |

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First Mortgage Refunding Bonds, Series 2002,
5.000%, 7/15/24 - MBIA Insured

2,490 Whitley County Middle School Building Corporation, 7/13 at 100
Columbia City, Indiana, First Mortgage Bonds, Series 2003,
5.000%, 1/15/18 - FSA Insured

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Nuveen Insured Dividend Advantage Municipal Fund (NVG) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | LOUISIANA - 0.7% (0.5% OF TOTAL INVESTMENTS) | |
| \$ 3,085 | New Orleans, Louisiana, General Obligation Refunding Bonds, Series 2002, 5.125%, 9/01/21 - MBIA Insured | 9/12 at 100 |
| ----- | | |
| | MASSACHUSETTS - 3.5% (2.4% OF TOTAL INVESTMENTS) | |
| 5,000 | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2004B, 5.000%, 8/01/22 - AMBAC Insured | 8/14 at 100 |
| 10,000 | Massachusetts, Special Obligation Refunding Notes, Federal Highway Grant Anticipation Note Program, Series 2003A, 5.000%, 12/15/13 - FSA Insured | No Opt. C |
| ----- | | |
| | MICHIGAN - 2.4% (1.7% OF TOTAL INVESTMENTS) | |
| 10,000 | Detroit, Michigan, Sewerage Disposal System Revenue Bonds, Series 1999A, 5.750%, 7/01/26 (Pre-refunded to 1/01/10) - FGIC Insured | 1/10 at 101 |
| ----- | | |
| | MISSOURI - 2.3% (1.6% OF TOTAL INVESTMENTS) | |
| 1,600 | St. Louis County Pattonville R3 School District, Missouri, General Obligation Bonds, Series 2004, 5.250%, 3/01/19 - FSA Insured | 3/14 at 100 |
| 8,735 | St. Louis, Missouri, Airport Revenue Bonds, Airport Development Program, Series 2001A, 5.250%, 7/01/31 - MBIA Insured | 7/11 at 100 |
| ----- | | |
| | NEBRASKA - 0.5% (0.3% OF TOTAL INVESTMENTS) | |
| | Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series 2003A: | |

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| | | |
|-------|-------------------------------|-------------|
| 1,000 | 5.250%, 4/01/20 - FSA Insured | 4/13 at 100 |
| 1,000 | 5.250%, 4/01/21 - FSA Insured | 4/13 at 100 |

 NEVADA - 4.2% (2.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 9,810 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.000%, 6/15/21 - MBIA Insured | 6/12 at 100 |
| 8,750 | Truckee Meadows Water Authority, Nevada, Water Revenue Bonds, Series 2001A, 5.250%, 7/01/34 - FSA Insured | 7/11 at 100 |

 NEW JERSEY - 1.1% (0.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | Bernards Township School District, Somerset County, New Jersey, General Obligation Bonds, Series 2004: | |
| 2,345 | 5.000%, 1/01/15 - FGIC Insured | 1/14 at 100 |
| 2,465 | 5.000%, 1/01/16 - FGIC Insured | 1/14 at 100 |

 NEW YORK - 2.2% (1.5% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 10,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series 2002A, 5.000%, 11/15/30 - FSA Insured | 11/12 at 100 |
|--------|---|--------------|

 NORTH CAROLINA - 0.6% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 2,435 | North Carolina Medical Care Commission, FHA-Insured Mortgage Revenue Bonds, Betsy Johnson Regional Hospital Project, Series 2003, 5.375%, 10/01/24 - FSA Insured | 10/13 at 100 |
|-------|--|--------------|

 OREGON - 4.5% (3.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,725 | Clackamas County School District 62, Oregon City, Oregon, General Obligation Bonds, Series 2004, 5.000%, 6/15/15 - FSA Insured | 6/14 at 100 |
| | Oregon, General Obligation Veterans Welfare Bonds, Series 82: | |
| 7,690 | 5.375%, 12/01/31 | 12/11 at 100 |
| 3,585 | 5.500%, 12/01/42 | 12/11 at 100 |
| 1,615 | Oregon Department of Administrative Services, State Lottery Revenue Bonds, Series 2004A, 5.000%, 4/01/17 - FSA Insured | 4/14 at 100 |
| 2,085 | Salem-Keizer School District 24J, Marion County, Oregon, General Obligation Bonds, Series 2004, 5.000%, 6/15/18 - FSA Insured | 6/14 at 100 |

 PENNSYLVANIA - 4.9% (3.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-----------|
| 4,500 | Allegheny County, Pennsylvania, Airport Revenue Refunding | No Opt. C |
|-------|---|-----------|

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Bonds, Pittsburgh International Airport, Series 1997A,
5.750%, 1/01/13 (Alternative Minimum Tax) -
MBIA Insured (PLG2)

5,000 Pennsylvania Higher Educational Facilities Authority, 7/08 at 100
Revenue Bonds, University of Pennsylvania, Series 1998,
5.500%, 7/15/38 - MBIA Insured

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | PENNSYLVANIA (continued) | |
| \$ 1,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Lycoming College, Series 2003-AA2, 5.250%, 11/01/16 - RAAI Insured | 11/13 at 100 |
| | Philadelphia, Pennsylvania, General Obligation Bonds, Series 2003A: | |
| 3,090 | 5.250%, 2/15/14 - XLCA Insured | 2/13 at 100 |
| 1,000 | 5.250%, 2/15/15 - XLCA Insured | 2/13 at 100 |
| | Philadelphia Municipal Authority, Pennsylvania, Lease Revenue Bonds, Series 2003B: | |
| 3,540 | 5.250%, 11/15/16 - FSA Insured | 11/13 at 100 |
| 2,000 | 5.250%, 11/15/18 - FSA Insured | 11/13 at 100 |
| 1,000 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/23 - FSA Insured | 6/13 at 100 |
| ----- | | |
| | SOUTH CAROLINA - 0.8% (0.4% OF TOTAL INVESTMENTS) | |
| | Greenville, South Carolina, Tax Increment Revenue Improvement Bonds, Series 2003: | |
| 1,000 | 5.500%, 4/01/17 - MBIA Insured | 4/13 at 100 |
| 2,300 | 5.000%, 4/01/21 - MBIA Insured | 4/13 at 100 |
| ----- | | |
| | TENNESSEE - 9.0% (6.1% OF TOTAL INVESTMENTS) | |
| 10,000 | Memphis and Shelby County Sports Authority Inc., Tennessee, Revenue Bonds, Memphis Arena, Series 2002A, 5.125%, 11/01/28 - AMBAC Insured | 11/12 at 100 |
| 10,000 | Memphis and Shelby County Sports Authority Inc., Tennessee, Revenue Bonds, Memphis Arena, Series 2002B, 5.125%, 11/01/29 - AMBAC Insured | 11/12 at 100 |
| | Memphis, Tennessee, Sanitary Sewerage System Revenue Bonds, Series 2004: | |
| 1,495 | 5.000%, 10/01/19 - FSA Insured | 10/14 at 100 |
| 1,455 | 5.000%, 10/01/20 - FSA Insured | 10/14 at 100 |

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| | | |
|---|---|--------------|
| 1,955 | 5.000%, 10/01/21 - FSA Insured | 10/14 at 100 |
| 15,195 | Tennessee State School Bond Authority, Higher Educational Facilities Second Program Bonds, Series 2002A, 5.250%, 5/01/32 - FSA Insured | 5/12 at 100 |
| ----- | | |
| TEXAS - 26.9% (18.2% OF TOTAL INVESTMENTS) | | |
| 3,500 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.750%, 11/01/13 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| 10,000 | Gainesville Hospital District, Texas, Limited Tax General Obligation Bonds, Series 2002, 5.375%, 8/15/32 - MBIA Insured | 8/11 at 100 |
| 3,645 | Galveston, Texas, General Obligation Refunding Bonds, Series 2001A, 5.250%, 5/01/21 - AMBAC Insured | No Opt. C |
| Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003: | | |
| 2,240 | 5.000%, 11/15/16 - MBIA Insured | 11/13 at 100 |
| 2,355 | 5.000%, 11/15/17 - MBIA Insured | 11/13 at 100 |
| 13,000 | Houston Area Water Corporation, Texas, Contract Revenue Bonds, Northeast Water Purification Plant, Series 2002, 5.125%, 3/01/32 - FGIC Insured | 3/12 at 100 |
| 2,500 | Houston Higher Education Finance Corporation, Texas, Revenue Bonds, Rice University, Series 1999A, 5.375%, 11/15/29 | 11/09 at 101 |
| 1,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/24 - FGIC Insured | 5/14 at 100 |
| 4,345 | San Antonio, Texas, Water System Senior Lien Revenue Refunding Bonds, Series 2002, 5.500%, 5/15/17 - FSA Insured | 5/12 at 100 |
| 9,145 | Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund II, Series 2002A-1, 5.250%, 12/01/22 (Alternative Minimum Tax) | 6/12 at 100 |
| 6,710 | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) | 7/11 at 100 |
| Texas Public Finance Authority, Revenue Bonds, Texas Southern University Financing System, Series 2002: | | |
| 3,520 | 5.125%, 11/01/20 - MBIA Insured | 5/12 at 100 |
| 3,520 | 5.125%, 11/01/21 - MBIA Insured | 5/12 at 100 |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|---|--------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 8,725 | Texas Department of Housing and Community Affairs, Single Family Mortgage Bonds, Series 2002B, 5.550%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured | 3/12 at 100 |
| | Texas Student Housing Authority, Revenue Bonds, Austin Project, Senior Series 2001A: | |
| 9,400 | 5.375%, 1/01/23 - MBIA Insured | 1/12 at 102 |
| 11,665 | 5.500%, 1/01/33 - MBIA Insured | 1/12 at 102 |
| 5,000 | Texas Water Development Board, Senior Lien State Revolving Fund Revenue Bonds, Series 1999B, 5.250%, 7/15/17 | 1/10 at 100 |
| | Williamson County, Texas, General Obligation Bonds, Series 2002: | |
| 3,500 | 5.200%, 2/15/21 - FSA Insured | 2/12 at 100 |
| 3,000 | 5.250%, 2/15/22 - FSA Insured | 2/12 at 100 |
| 7,340 | 5.250%, 2/15/23 - FSA Insured | 2/12 at 100 |
| 5,000 | 5.250%, 2/15/25 - FSA Insured | 2/12 at 100 |
| ----- | | |
| | WASHINGTON - 14.1% (9.5% OF TOTAL INVESTMENTS) | |
| 7,675 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2002A, 5.500%, 7/01/15 - MBIA Insured | 7/12 at 100 |
| 6,600 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Columbia Generating Station, Series 2002B, 5.350%, 7/01/18 - FSA Insured | 7/12 at 100 |
| 3,200 | King County School District 414, Lake Washington, Washington, General Obligation Bonds, Series 2004, 5.000%, 12/01/16 - FSA Insured | 12/14 at 100 |
| 2,500 | Port of Seattle, Washington, Revenue Refunding Bonds, Series 2002D, 5.750%, 11/01/15 (Alternative Minimum Tax) - FGIC Insured | 11/12 at 100 |
| 2,200 | Everett School District 2, Snohomish County, Washington, General Obligation Bonds, Series 2003B, 5.000%, 6/01/17 - FSA Insured | 12/13 at 100 |
| 3,255 | Thurston and Pierce Counties School District, Washington, General Obligation Bonds, Yelm Community Schools, Series 2003, 5.250%, 12/01/16 - FSA Insured | 6/13 at 100 |
| | Washington State Economic Development Finance Authority, Wastewater Revenue Bonds, LOTT Project, Series 2002: | |
| 2,000 | 5.500%, 6/01/17 - AMBAC Insured | 6/12 at 100 |
| 4,325 | 5.125%, 6/01/22 - AMBAC Insured | 6/12 at 100 |
| 15,000 | Washington State Healthcare Facilities Authority, Revenue Bonds, Harrison Memorial Hospital, Series 1998, 5.000%, 8/15/28 - AMBAC Insured | 8/13 at 102 |

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| | | |
|--------|---|--------------|
| 10,000 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.125%, 10/01/31 - AMBAC Insured | 10/11 at 100 |
| 5,170 | Whitman County School District 267, Pullman, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/20 - FSA Insured | 6/12 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| <p style="text-align: center;">WISCONSIN - 3.8% (2.6% OF TOTAL INVESTMENTS)</p> | | |
| \$ 4,570 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2002E, 5.250%, 9/01/22 (Alternative Minimum Tax) | 3/12 at 100 |
| 11,950 | Wisconsin, Transportation Revenue Refunding Bonds, Series 2002-1, 5.125%, 7/01/18 - AMBAC Insured | 7/12 at 100 |
| <p style="text-align: left;">\$ 649,655 Total Long-Term Investments (cost \$652,877,253) - 147.9%</p> | | |
| <p style="text-align: center;">Other Assets Less Liabilities - 1.6%</p> | | |
| <p style="text-align: center;">Preferred Shares, at Liquidation Value - (49.5)%</p> | | |
| <p style="text-align: center;">Net Assets Applicable to Common Shares - 100%</p> | | |

START HERE

FORWARD SWAP TRANSACTIONS OUTSTANDING AT OCTOBER 31, 2004:

| | NOTIONAL AMOUNT | EFFECTI DA |
|--|-----------------|---------------|
| Agreement with JPMorgan dated July 1, 2004, to pay semi-annually the notional amount multiplied by 5.805% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offer Rate). | \$16,800,000 | 2/02/ |
| Agreement with Morgan Stanley dated July 15, 2004, to pay semi-annually the notional amount multiplied by 5.717% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offer Rate). | 9,000,000 | 1/14/ |
| Agreement with JPMorgan dated July 28, 2004, to pay quarterly the notional amount multiplied by 4.495% (annualized) and receive quarterly the notional amount multiplied by the daily arithmetic average of the weekly BMA (Bond Market Association) Municipal Swap Index for the quarter. | 8,500,000 | 12/13/ |

At least 80% of the Fund's net assets are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- * 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.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- (PLG1) Portion of security, with an aggregate market value of \$740,082, has been pledged to collateralize the net payment obligations under forward swap contracts.
- (PLG2) Portion of security, with an aggregate market value of \$1,977,360, has been pledged to collateralize the net payment obligations under forward swap contracts.

See accompanying notes to financial statements.

Nuveen Insured Tax-Free Advantage Municipal Fund (NEA)
Portfolio of
INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ALABAMA - 8.3% (5.5% OF TOTAL INVESTMENTS) | | |
| \$ 5,655 | Colbert County-Northwest Health Care Authority, Alabama, Revenue Bonds, Helen Keller Hospital, Series 2003, | 6/13 at 101 |

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| | | |
|--------|---|--------------|
| | 5.750%, 6/01/27 | |
| 3,100 | Huntsville Healthcare Authority, Alabama, Revenue Bonds, Series 1998A, 5.400%, 6/01/22 - MBIA Insured | 5/12 at 102 |
| 6,280 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002D, 5.000%, 2/01/32 (Pre-refunded to 8/01/12) - FGIC Insured | 8/12 at 100 |
| 1,750 | Montgomery, Alabama, General Obligation Warrants, Series 2003, 5.000%, 5/01/21 - AMBAC Insured | 5/12 at 101 |
| 4,500 | Sheffield, Alabama, Electric Revenue Warrants, Series 2003, 5.500%, 7/01/29 - AMBAC Insured | 7/13 at 100 |
| ----- | | |
| | ARIZONA - 3.8% (2.5% OF TOTAL INVESTMENTS) | |
| 10,000 | Maricopa County Pollution Control Corporation, Arizona, Revenue Bonds, Arizona Public Service Company - Palo Verde Project, Series 2002A, 5.050%, 5/01/29 - AMBAC Insured | 11/12 at 100 |
| ----- | | |
| | CALIFORNIA - 28.9% (18.9% OF TOTAL INVESTMENTS) | |
| 13,500 | California, General Obligation Refunding Bonds, Series 2002, 5.250%, 4/01/30 - XLCA Insured | 4/12 at 100 |
| 7,500 | California, General Obligation Bonds, Series 2004, 5.000%, 4/01/31 - AMBAC Insured | 4/14 at 100 |
| 26,300 | California State Public Works Board, Lease Revenue Bonds, Department of General Services, Capital East End, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured (PLG) | 12/12 at 100 |
| 2,910 | Cathedral City, California, Public Financing Authority, Tax Allocation Bonds, Housing Set-Aside, Series 2002D, 5.000%, 8/01/26 - MBIA Insured | 8/12 at 102 |
| 2,500 | Irvine, California, Public Facilities and Infrastructure Authority, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/23 - AMBAC Insured | 3/05 at 103 |
| 4,000 | Montara Sanitary District, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/28 - FGIC Insured | 8/11 at 101 |
| | Plumas County, California, Certificates of Participation, Capital Improvement Program, Series 2003A: | |
| 1,130 | 5.250%, 6/01/19 - AMBAC Insured | 6/13 at 101 |
| 1,255 | 5.250%, 6/01/21 - AMBAC Insured | 6/13 at 101 |
| 1,210 | Redding, California, Joint Power Financing Authority Lease Revenue Bonds, Capital Projects, Series 2003A, 5.000%, 3/01/23 - AMBAC Insured | 3/13 at 100 |
| 3,750 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/28 - MBIA Insured | 8/13 at 100 |

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| | | |
|-------|---|-------------|
| 1,500 | San Diego Community College District, California, General Obligation Bonds, Series 2003A, 5.000%, 5/01/28 - FSA Insured | 5/13 at 100 |
| 3,000 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 - MBIA Insured | 8/10 at 101 |
| 1,055 | Turlock Irrigation District, California, Certificates of Participation, Series 2003A, 5.000%, 1/01/28 - MBIA Insured | 1/13 at 100 |
| 6,300 | University of California, Revenue Bonds, Multi-Purpose Projects, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured | 5/13 at 100 |

 COLORADO - 3.8% (2.5% OF TOTAL INVESTMENTS)

| | | |
|--|--|--------------|
| Bowles Metropolitan District, Colorado, General Obligation Bonds, Series 2003: | | |
| 4,300 | 5.500%, 12/01/23 - FSA Insured | 12/13 at 100 |
| 3,750 | 5.500%, 12/01/28 - FSA Insured | 12/13 at 100 |
| 1,450 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2004, 5.250%, 8/15/24 - XLCA Insured | 8/14 at 100 |

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

 FLORIDA - 1.1% (0.8% OF TOTAL INVESTMENTS)

| | | |
|----------|---|-------------|
| \$ 3,000 | Pinellas County Health Facilities Authority, Florida, Revenue Bonds, Baycare Health System, Series 2003, 5.500%, 11/15/27 | 5/13 at 100 |
|----------|---|-------------|

 GEORGIA - 1.4% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 3,825 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Second Indenture Series 2002, 5.000%, 7/01/32 - MBIA Insured | 1/13 at 100 |
|-------|--|-------------|

 ILLINOIS - 3.9% (2.6% OF TOTAL INVESTMENTS)

| | | |
|--|---|--------------|
| Cook County School District No. 100, Berwyn South, Illinois, General Obligation Refunding Bonds, Series 2003B: | | |
| 905 | 5.250%, 12/01/21 (Pre-refunded to 12/01/13) - FSA Insured | 12/13 at 100 |
| 405 | 5.250%, 12/01/21 - FSA Insured | 12/13 at 100 |
| Cook County School District No. 145, Arbor Park, Illinois, General Obligation Bonds, Series 2004: | | |
| 3,285 | 5.125%, 12/01/20 - FSA Insured | 12/14 at 100 |
| 2,940 | 5.125%, 12/01/23 - FSA Insured | 12/14 at 100 |

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| | | |
|--|---|--------------|
| 2,500 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 5.250%, 7/01/23 | 7/13 at 100 |
| ----- | | |
| INDIANA - 8.9% (5.8% OF TOTAL INVESTMENTS) | | |
| 2,500 | Evansville, Indiana, Sewerage Works Revenue Refunding Bonds, Series 2003A, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at 100 |
| 2,190 | Indiana Bond Bank, Common School Fund Advance Purchase Funding Bonds, Series 2003B, 5.000%, 8/01/19 - MBIA Insured | 8/13 at 100 |
| 1,000 | Indiana University, Student Fee Revenue Bonds, Series 2003O, 5.000%, 8/01/22 - FGIC Insured | 8/13 at 100 |
| | IPS Multi-School Building Corporation, Indiana, First Mortgage Bonds, Series 2003: | |
| 11,020 | 5.000%, 7/15/19 - MBIA Insured | 7/13 at 100 |
| 6,000 | 5.000%, 7/15/20 - MBIA Insured | 7/13 at 100 |
| ----- | | |
| KANSAS - 2.4% (1.6% OF TOTAL INVESTMENTS) | | |
| 6,250 | Kansas Development Finance Authority, Revenue Bonds, Board of Regents, Scientific Research and Development Facilities Projects, Series 2003C, 5.000%, 10/01/22 - AMBAC Insured | 4/13 at 102 |
| ----- | | |
| KENTUCKY - 0.5% (0.3% OF TOTAL INVESTMENTS) | | |
| | Kentucky State Property and Buildings Commission, Revenue Refunding Bonds, Project 77, Series 2003: | |
| 340 | 5.000%, 8/01/23 - MBIA Insured | 8/13 at 100 |
| 985 | 5.000%, 8/01/23 - MBIA Insured | 8/13 at 100 |
| ----- | | |
| LOUISIANA - 2.3% (1.5% OF TOTAL INVESTMENTS) | | |
| 5,785 | New Orleans, Louisiana, General Obligation Refunding Bonds, Series 2002, 5.300%, 12/01/27 - FGIC Insured | 12/12 at 100 |
| ----- | | |
| MASSACHUSETTS - 4.9% (3.2% OF TOTAL INVESTMENTS) | | |
| 9,000 | Massachusetts Bay Transportation Authority, Senior Sales Tax Revenue Refunding Bonds, Series 2002A, 5.000%, 7/01/27 - FGIC Insured | 7/12 at 100 |
| 1,125 | Massachusetts Development Finance Authority, Revenue Bonds, Middlesex School, Series 2003, 5.125%, 9/01/23 | 9/13 at 100 |
| 3,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |

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| MICHIGAN - 12.0% (7.8% OF TOTAL INVESTMENTS) | | |
|--|---|-------------|
| 6,130 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2003A, 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100 |
| 4,465 | Detroit, Michigan, Senior Lien Water Supply System Revenue Refunding Bonds, Series 2003C, 5.000%, 7/01/22 - MBIA Insured | 7/13 at 100 |
| 955 | Grand Rapids Community College, Kent County, Michigan, General Obligation Refunding Bonds, Series 2003, 5.250%, 5/01/18 - AMBAC Insured | 5/13 at 100 |

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Nuveen Insured Tax-Free Advantage Municipal Fund (NEA) (continued)
Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| <hr/> | | |
| MICHIGAN (continued) | | |
| \$ 10,800 | Michigan Strategic Fund, Limited Obligation Resource Recovery Revenue Refunding Bonds, Detroit Edison Company, Series 2002D, 5.250%, 12/15/32 - XLCA Insured | 12/12 at 100 |
| 2,250 | Romulus Community Schools, Wayne County, Michigan, General Obligation Refunding Bonds, Series 2001, 5.250%, 5/01/25 | 5/11 at 100 |
| 6,500 | Wayne County, Michigan, Limited Tax General Obligation Airport Hotel Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 2001A, 5.000%, 12/01/30 - MBIA Insured | 12/11 at 101 |
| <hr/> | | |
| MISSOURI - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| Clay County Public School District No. 53, Liberty, Missouri, General Obligation Bonds, Series 2004: | | |
| 1,325 | 5.250%, 3/01/23 - FSA Insured | 3/14 at 100 |
| 1,500 | 5.250%, 3/01/24 - FSA Insured | 3/14 at 100 |
| <hr/> | | |
| MONTANA - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| 4,105 | Forsyth, Rosebud County, Montana, Pollution Control Revenue Refunding Bonds, Puget Sound Energy, Series 2003A, 5.000%, 3/01/31 - AMBAC Insured | 3/13 at 101 |

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| | | |
|---|---|-------------|
| NEBRASKA - 1.9% (1.2% OF TOTAL INVESTMENTS) | | |
| 5,000 | Lincoln, Nebraska, Sanitary Sewer System Revenue Refunding Bonds, Series 2003, 5.000%, 6/15/28 - MBIA Insured | 6/13 at 100 |

| | | |
|---|--|-------------|
| NEVADA - 0.9% (0.6% OF TOTAL INVESTMENTS) | | |
| 2,315 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 2001B, 5.200%, 7/01/31 - FGIC Insured | 7/11 at 100 |

| | | |
|---|--|-------------|
| NEW MEXICO - 1.4% (0.9% OF TOTAL INVESTMENTS) | | |
| 1,975 | New Mexico State University, Revenue Bonds, Series 2004: 5.000%, 4/01/19 - AMBAC Insured | 4/14 at 100 |
| 1,530 | 5.000%, 4/01/23 - AMBAC Insured | 4/14 at 100 |

| | | |
|---|--|--------------|
| NEW YORK - 9.4% (6.2% OF TOTAL INVESTMENTS) | | |
| 25,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series 2002F, 5.000%, 11/15/31 - MBIA Insured | 11/12 at 100 |

| | | |
|---|--|--------------|
| NORTH CAROLINA - 3.3% (2.2% OF TOTAL INVESTMENTS) | | |
| 8,700 | North Carolina Medical Care Commission, Revenue Bonds, Maria Parham Medical Center, Series 2003, 5.375%, 10/01/33 - RAAI Insured | 10/13 at 100 |

| | | |
|---|--|-------------|
| OREGON - 3.9% (2.6% OF TOTAL INVESTMENTS) | | |
| 9,350 | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.000%, 7/01/32 - MBIA Insured | 1/13 at 100 |
| 1,000 | Sunrise Water Authority, Oregon, Water Revenue Bonds, Series 2004, 5.000%, 3/01/19 - FSA Insured | 3/14 at 100 |

| | | |
|---|---|-------------|
| PENNSYLVANIA - 8.7% (5.7% OF TOTAL INVESTMENTS) | | |
| 3,000 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, St. Luke's Hospital of Bethlehem, Series 2003, 5.375%, 8/15/33 | 8/13 at 100 |
| 2,000 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fourth Series 1998, 5.000%, 8/01/32 - FSA Insured | 8/13 at 100 |
| | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 1997A: | |

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| | | |
|--------|---|-------------|
| 925 | 5.125%, 8/01/27 - AMBAC Insured | 8/07 at 102 |
| 4,075 | 5.125%, 8/01/27 - AMBAC Insured | 8/07 at 102 |
| 13,000 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/33 - FSA Insured | 6/13 at 100 |

SOUTH CAROLINA - 7.3% (4.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 5,000 | Florence County, South Carolina, Hospital Revenue Bonds, McLeod Regional Medical Center Project, Series 2004A, 5.250%, 11/01/23 - FSA Insured | 11/14 at 100 |
|-------|---|--------------|

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

SOUTH CAROLINA (continued)

| | | |
|----------|---|--------------|
| | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2003: | |
| \$ 3,000 | 5.000%, 12/01/22 | 12/13 at 100 |
| 1,785 | 5.000%, 12/01/23 | 12/13 at 100 |
| 1,365 | Myrtle Beach, South Carolina, Water and Sewer System Revenue Refunding Bonds, Series 2003, 5.375%, 3/01/19 - FGIC Insured | 3/13 at 100 |
| 8,000 | South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2002A, 5.000%, 10/01/33 - AMBAC Insured | 10/12 at 100 |

TEXAS - 13.1% (8.5% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 7,975 | Fort Bend Independent School District, Fort Bend County, Texas, General Obligation Bonds, Series 2000, 5.000%, 8/15/25 | 8/10 at 100 |
| 12,500 | Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2003, 5.125%, 2/15/31 - FSA Insured | 2/13 at 100 |
| 5,515 | Houston, Texas, General Obligation Refunding Bonds, Series 2002, 5.250%, 3/01/20 - MBIA Insured | 3/12 at 100 |
| 2,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/25 - MBIA Insured | 5/14 at 100 |
| 5,850 | Katy Independent School District, Harris, Fort Bend and Waller Counties, Texas, General Obligation Bonds, Series 2002A, 5.125%, 2/15/18 | 2/12 at 100 |

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VIRGINIA - 0.6% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,500 | Hampton, Virginia, Revenue Bonds, Convention Center Project, Series 2002, 5.125%, 1/15/28 - AMBAC Insured | 1/13 at 100 |
|-------|---|-------------|

 WASHINGTON - 9.2% (6.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,945 | Broadway Office Properties, King County, Washington, Lease Revenue Bonds, Washington Project, Series 2002, 5.000%, 12/01/31 - MBIA Insured | 12/12 at 100 |
|-------|--|--------------|

| | | |
|-------|---|-------------|
| 5,250 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002C, 5.125%, 7/01/33 - AMBAC Insured | 7/12 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 2,135 | Kitsap County Consolidated Housing Authority, Washington, Revenue Bonds, Bremerton Government Center Project, Series 2003, 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 1,935 | Pierce County School District 343, Dieringer, Washington, General Obligation Refunding Bonds, Series 2003, 5.250%, 12/01/17 - FSA Insured | 6/13 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 9,670 | Washington, General Obligation Bonds, Series 2003D, 5.000%, 12/01/21 - MBIA Insured | 6/13 at 100 |
|-------|---|-------------|

 WEST VIRGINIA - 1.3% (0.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-----------|
| 3,000 | West Virginia State Building Commission, Lease Revenue Refunding Bonds, Regional Jail Project, Series 1998A, 5.375%, 7/01/21 - AMBAC Insured | No Opt. C |
|-------|--|-----------|

 WISCONSIN - 6.7% (4.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,190 | Sun Prairie Area School District, Dane County, Wisconsin, General Obligation Bonds, Series 2004C, 5.250%, 3/01/24 - FSA Insured | 3/14 at 100 |
|-------|---|-------------|

| | | |
|-------|---|-------------|
| 4,750 | Wisconsin Health and Educational Facilities Authority, Revenue Refunding Bonds, Wausau Hospital Inc., Series 1998A, 5.125%, 8/15/20 - AMBAC Insured | 8/08 at 102 |
|-------|---|-------------|

| | | |
|-------|--|-----------|
| 3,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Meriter Hospital Inc., Series 1992A, 6.000%, 12/01/22 - FGIC Insured | No Opt. C |
|-------|--|-----------|

| | | |
|-------|---|-------------|
| 3,600 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33 | 8/13 at 100 |
|-------|---|-------------|

| | | |
|-------|--|-------------|
| 4,605 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2003A, 5.875%, 9/01/33 | 9/13 at 100 |
|-------|--|-------------|

 \$ 397,220 Total Long-Term Investments (cost \$398,499,338) - 152.5%
 =====

Nuveen Insured Tax-Free Advantage Municipal Fund (NEA) (continued)
 Portfolio of INVESTMENTS October 31, 2004

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) |
|---------------------------|--|
| ----- | |
| | SHORT-TERM INVESTMENTS - 0.2% (0.1% OF TOTAL INVESTMENTS) |
| \$ 500 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 1.700%, 12/01/15 - MBIA Insured+ |
| \$ 500 | Total Short-Term Investments (cost \$500,000) |
| ----- | |
| | Total Investments (cost \$398,999,338) - 152.7% |
| | Other Assets Less Liabilities - 0.0% |
| | Preferred Shares, at Liquidation Value - (52.7)% |
| | Net Assets Applicable to Common Shares - 100% |
| ===== | |

FORWARD SWAP TRANSACTIONS OUTSTANDING AT OCTOBER 31, 2004:

| | NOTIONAL AMOUNT | EFFECTIVE DATE |
|---|-----------------|----------------|
| ----- | | |
| Agreement with Morgan Stanley dated June 7, 2004, to pay semi-annually the notional amount multiplied by 5.990% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offer Rate). | \$10,000,000 | 12/09/04 |
| Agreement with Morgan Stanley dated June 9, 2004, to pay semi-annually the notional amount multiplied by 6.009% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offer Rate). | 30,000,000 | 12/13/04 |
| Agreement with JPMorgan dated June 23, 2004, to pay semi-annually the notional amount multiplied by 5.932% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offer Rate). | 14,500,000 | 1/14/05 |
| ----- | | |

At least 80% of the Fund's net assets are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio

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Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- * 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.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.
- (PLG) Portion of security, with an aggregate market value of \$7,743,937, has been pledged to collateralize the net payment obligations under forward swap contracts.

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES October 31, 2004

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|---|-----------------------------|---------------------------------|------------------------------------|---|
| ----- | | | | |
| ASSETS | | | | |
| Investments, at market value (cost \$851,499,816, \$1,803,711,022, \$427,584,412, \$753,373,775, \$652,877,253 and \$398,999,338, respectively) | \$913,993,645 | \$1,958,213,345 | \$464,337,798 | \$807,548,666 |
| Cash | 498,671 | 37,340 | 44,529 | 503,334 |

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| | | | | |
|---|---------------|-----------------|---------------|---------------|
| Receivables: | | | | |
| Interest | 12,312,152 | 29,957,929 | 7,608,762 | 13,837,994 |
| Investments sold | 394,750 | 7,528,748 | 35,000 | 2,127,753 |
| Other assets | 61,096 | 103,013 | 26,179 | 52,389 |
| ----- | | | | |
| Total assets | 927,260,314 | 1,995,840,375 | 472,052,268 | 824,070,136 |
| ----- | | | | |
| LIABILITIES | | | | |
| Payable for investments | | | | |
| purchased | 3,491,779 | 11,335,115 | -- | 14,698,220 |
| Forward swaps, at value | -- | -- | -- | -- |
| Accrued expenses: | | | | |
| Management fees | 482,017 | 1,014,387 | 250,528 | 423,168 |
| Other | 196,785 | 383,862 | 103,533 | 298,604 |
| Preferred share dividends payable | 62,118 | 121,821 | 31,720 | 53,064 |
| ----- | | | | |
| Total liabilities | 4,232,699 | 12,855,185 | 385,781 | 15,473,056 |
| ----- | | | | |
| Preferred shares, at liquidation value | 318,000,000 | 680,000,000 | 161,000,000 | 268,900,000 |
| ----- | | | | |
| Net assets applicable to | | | | |
| Common shares | \$605,027,615 | \$1,302,985,190 | \$310,666,487 | \$539,697,080 |
| ===== | | | | |
| Common shares outstanding | 38,177,064 | 81,138,036 | 19,411,049 | 37,353,512 |
| ===== | | | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | | | | |
| | \$ 15.85 | \$ 16.06 | \$ 16.00 | \$ 14.45 |
| ===== | | | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | | |
| ----- | | | | |
| Common shares, \$.01 par value | | | | |
| per share | \$ 381,771 | \$ 811,380 | \$ 194,110 | \$ 373,535 |
| Paid-in surplus | 532,667,962 | 1,128,874,275 | 269,330,311 | 491,941,519 |
| Undistributed (Over-distribution of) net investment income | 7,235,743 | 16,469,788 | 2,607,073 | 5,255,974 |
| Accumulated net realized gain (loss) from investments | 2,248,310 | 2,327,424 | 1,781,607 | (12,048,839) |
| Net unrealized appreciation (depreciation) of investments and forward swap transactions | 62,493,829 | 154,502,323 | 36,753,386 | 54,174,891 |
| ----- | | | | |
| Net assets applicable to Common shares | \$605,027,615 | \$1,302,985,190 | \$310,666,487 | \$539,697,080 |
| ===== | | | | |
| Authorized shares: | | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 | Unlimited |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Year Ended October 31, 2004

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|--|-----------------------------|---------------------------------|------------------------------------|---|
| INVESTMENT INCOME | \$48,352,195 | \$99,777,574 | \$23,666,324 | \$40,937,786 |
| EXPENSES | | | | |
| Management fees | 5,711,518 | 12,010,312 | 2,959,435 | 5,008,357 |
| Preferred shares - auction fees | 797,177 | 1,704,656 | 403,603 | 674,091 |
| Preferred shares - dividend disbursing agent fees | 50,138 | 70,191 | 30,082 | 50,138 |
| Shareholders' servicing agent fees and expenses | 106,673 | 174,875 | 42,475 | 61,798 |
| Custodian's fees and expenses | 182,510 | 384,772 | 95,776 | 165,507 |
| Directors'/Trustees' fees and expenses | 21,495 | 50,053 | 9,126 | 18,284 |
| Professional fees | 39,508 | 76,587 | 21,936 | 27,438 |
| Shareholders' reports - printing and mailing expenses | 78,298 | 189,807 | 42,487 | 76,625 |
| Stock exchange listing fees | 16,077 | 32,564 | 11,889 | 15,374 |
| Investor relations expense | 71,147 | 160,308 | 41,185 | 51,410 |
| Portfolio insurance expense | 27,841 | 49,080 | -- | 642 |
| Other expenses | 51,297 | 86,349 | 30,736 | 34,152 |
| Total expenses before custodian fee credit and expense reimbursement | 7,153,679 | 14,989,554 | 3,688,730 | 6,183,816 |
| Custodian fee credit | (15,674) | (20,382) | (13,538) | (22,524) |
| Expense reimbursement | -- | -- | -- | -- |
| Net expenses | 7,138,005 | 14,969,172 | 3,675,192 | 6,161,292 |
| Net investment income | 41,214,190 | 84,808,402 | 19,991,132 | 34,776,494 |
| REALIZED AND UNREALIZED GAIN FROM INVESTMENTS | | | | |
| Net realized gain from investments | 2,202,219 | 2,845,723 | 1,804,462 | 4,743,922 |
| Change in net unrealized appreciation (depreciation) of investments | 5,112,646 | 13,606,844 | 5,140,974 | 3,531,341 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | -- | -- | -- |
| Net gain from investments | 7,314,865 | 16,452,567 | 6,945,436 | 8,275,263 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | | |
| From net investment income | (2,891,716) | (6,198,825) | (1,461,536) | (2,517,974) |
| From accumulated net realized gains | | | | |

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| | | | | |
|---|--------------|--------------|--------------|--------------|
| from investments | (114,034) | (149,437) | (26,521) | -- |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (3,005,750) | (6,348,262) | (1,488,057) | (2,517,974) |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | \$45,523,305 | \$94,912,707 | \$25,448,511 | \$40,533,783 |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS

| | INSURED QUALITY (NQI) | |
|--|-----------------------|---------------------|
| | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 |
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 41,214,190 | \$ 41,802,300 |
| Net realized gain from investments | 2,202,219 | 1,876,810 |
| Change in net unrealized appreciation (depreciation) of investments | 5,112,646 | (4,019,790) |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | -- |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (2,891,716) | (2,683,380) |
| From accumulated net realized gains from investments | (114,034) | (433,290) |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | 45,523,305 | 36,542,650 |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (38,923,489) | (37,979,530) |
| From accumulated net realized gains from investments | (1,766,378) | (4,511,580) |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (40,689,867) | (42,491,110) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 2,092,259 | 2,555,270 |
| Preferred shares offering costs | -- | -- |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common | | |

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| | | |
|---|---------------|--------------|
| shares from capital share transactions | 2,092,259 | 2,555,27 |
| Net increase (decrease) in net assets applicable to Common shares | 6,925,697 | (3,393,18 |
| Net assets applicable to Common shares at the beginning of year | 598,101,918 | 601,495,09 |
| Net assets applicable to Common shares at the end of year | \$605,027,615 | \$598,101,91 |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 7,235,743 | \$ 7,882,00 |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (continued)

| | PREMIER INSURED INCOME (NIF) | |
|---|---------------------------------|---------------------|
| | YEAR ENDED 10/31/04 | YE END 10/31/ |
| OPERATIONS | | |
| Net investment income | \$ 19,991,132 | \$ 20,369,0 |
| Net realized gain from investments | 1,804,462 | 398,3 |
| Change in net unrealized appreciation (depreciation) of investments | 5,140,974 | 2,116,0 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | -- | |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (1,461,536) | (1,427,4 |
| From accumulated net realized gains from investments | (26,521) | (66,2 |
| Net increase in net assets applicable to Common shares from operations | 25,448,511 | 21,389,6 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (18,972,928) | (18,862,6 |
| From accumulated net realized gains from investments | (373,855) | (674,6 |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (19,346,783) | (19,537,2 |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 653,067 | 937,9 |
| Preferred shares offering costs | -- | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 653,067 | 937,9 |
| Net increase (decrease) in net assets applicable to Common shares | 6,754,795 | 2,790,3 |

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| | | |
|---|---------------|-------------|
| Net assets applicable to Common shares at the beginning of year | 303,911,692 | 301,121,3 |
| Net assets applicable to Common shares at the end of year | \$310,666,487 | \$303,911,6 |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 2,607,073 | \$ 3,050,4 |

See accompanying notes to financial statements.

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| | INSURED DIVIDEND ADVANTAGE (NVG) | |
|---|-------------------------------------|---------------------|
| | YEAR ENDED 10/31/04 | YE END 10/31/ |
| OPERATIONS | | |
| Net investment income | \$ 30,289,838 | \$ 30,822,8 |
| Net realized gain from investments | 3,840,906 | 2,261,4 |
| Change in net unrealized appreciation (depreciation) of investments | 11,761,364 | 2,080,1 |
| Change in net unrealized appreciation (depreciation) of forward swap transactions | (2,750,245) | |
| Distributions to Preferred Shareholders: | | |
| From net investment income | (2,131,112) | (1,986,9 |
| From accumulated net realized gains from investments | (140,030) | (389,2 |
| Net increase in net assets applicable to Common shares from operations | 40,870,721 | 32,788,2 |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (27,722,483) | (27,721,2 |
| From accumulated net realized gains from investments | (2,127,005) | (3,132,7 |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (29,849,488) | (30,854,0 |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | (1,5 |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | |
| Preferred shares offering costs | (108) | 3,0 |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | (108) | 1,4 |
| Net increase (decrease) in net assets applicable to Common shares | 11,021,125 | 1,935,6 |
| Net assets applicable to Common shares at the beginning of year | 459,368,046 | 457,432,3 |

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| | | |
|---|---------------|-------------|
| Net assets applicable to Common shares at the end of year | \$470,389,171 | \$459,368,0 |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 2,707,005 | \$ 2,280,6 |

See accompanying notes to financial statements.

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Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Insured Quality Municipal Fund, Inc. (NQI), Nuveen Insured Municipal Opportunity Fund, Inc. (NIO), Nuveen Premier Insured Municipal Income Fund, Inc. (NIF), Nuveen Insured Premium Income Municipal Fund 2 (NPX), Nuveen Insured Dividend Advantage Municipal Fund (NVG) and Nuveen Insured Tax-Free Advantage Municipal Fund (NEA). Common shares of Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) are traded on the New York Stock Exchange while Common shares of Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Prior to the commencement of operations of Insured Tax-Free Advantage (NEA), the Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. and the recording of the organization expenses (\$11,500) and their reimbursement by Nuveen Investments, LLC, also a wholly owned subsidiary of Nuveen Investments, Inc.

Each Fund seeks to provide current income exempt from regular federal income tax, and in the case of Insured Tax-Free Advantage (NEA) the alternative minimum tax applicable to individuals, by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities.

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

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate,

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the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2004, Insured Quality (NQI), Insured Opportunity (NIO) and Insured Premium Income 2 (NPX) had outstanding when-issued purchase commitments of \$3,491,779, \$9,056,334, and \$14,698,220, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

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

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, and in the case of Insured Tax-Free Advantage (NEA) the alternative minimum tax applicable to individuals, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2004, have been designated Exempt Interest Dividends. Net realized capital gains and ordinary income distributions made by the Funds are subject to federal taxation.

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Dividends and Distributions to Common Shareholders

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

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

Preferred Shares

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The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in more than one Series. The dividend rate on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable weekly at the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) |
|-------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| ----- | | | | | |
| Number of shares: | | | | | |
| Series M | 2,600 | 4,000 | -- | 2,080 | 3,160 |
| Series T | 2,600 | 4,000 | -- | 2,200 | 3,080 |
| Series W | 2,600 | 4,000 | 840 | 2,080 | -- |
| Series W2 | -- | 3,200 | -- | -- | -- |
| Series TH | 2,320 | 4,000 | 2,800 | 2,200 | 3,080 |
| Series TH2 | -- | 4,000 | -- | -- | -- |
| Series F | 2,600 | 4,000 | 2,800 | 2,196 | -- |
| ----- | | | | | |
| Total | 12,720 | 27,200 | 6,440 | 10,756 | 9,320 |
| ===== | | | | | |

Insured Tax-Free Advantage (NEA) issued the Preferred shares listed above on January 17, 2003.

Insurance

Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) invest in municipal securities which are either covered by insurance or are backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest.

Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA) invest at least 80% of their net assets (including net assets applicable to Preferred shares) in municipal securities that are covered by insurance. Each Fund may also invest up to 20% of its net assets (including net assets applicable to Preferred shares) in municipal securities which are either (i) backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

Each insured municipal security is covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance. Such insurance does not guarantee the market value of the municipal securities or the value of the Funds' Common shares. Original Issue Insurance and Secondary Market Insurance remain in effect as long as the municipal securities covered thereby remain outstanding and the insurer remains in business, regardless of whether the Funds ultimately dispose of such municipal securities. Consequently, the market value of the municipal securities covered by Original Issue Insurance or Secondary Market Insurance may reflect value attributable to the insurance. Portfolio Insurance, in contrast, is effective only while the municipal securities are held by the Funds. Accordingly, neither the prices used in determining the

market value of the underlying municipal securities nor the Common share net asset value of the Funds include value, if any, attributable to the Portfolio Insurance. Each policy of the Portfolio Insurance does, however, give the Funds the right to obtain permanent insurance with respect to the municipal security covered by the Portfolio Insurance policy at the time of its sale.

Forward Swap Transactions

The Funds may invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net earnings. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment. The amount of the payment obligation is based on the notional or nominal amount of the forward swap contract. The Funds may close out a contract prior to the effective date. When a forward swap is terminated, it does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash. Each Fund intends to, but is not obligated to, terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment. To minimize such credit risk, all counterparties are required to segregate collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to segregate assets of the Funds

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Notes to FINANCIAL STATEMENTS (continued)

as collateral with a value approximately equal to the amount of the unrealized loss. The Funds help reduce the credit risks associated with forward swap transactions 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 swap counterparties.

Custodian Fee Credit

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

Offering Costs

Nuveen Investments, LLC has agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share for Insured Tax-Free Advantage (NEA). Insured Tax-Free Advantage's (NEA) share of Common share offering costs (\$440,201) was recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Insured Tax-Free Advantage (NEA) in connection with the offering of Preferred shares (\$3,084,842) were recorded as a reduction to paid-in surplus.

Indemnifications

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

Use of Estimates

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

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

| | INSURED QUALITY (NQI) | | INSURED OPPORTUNITY (NIO) | | PREMIER IN INCOME (|
|---|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|
| | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/04 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/04 |
| Common shares: | | | | | |
| Shares sold | -- | -- | -- | -- | -- |
| Shares issued to shareholders due to reinvestment of distributions | 126,022 | 156,328 | 77,090 | -- | 39,908 |
| | 126,022 | 156,328 | 77,090 | -- | 39,908 |
| Preferred shares sold | -- | -- | -- | -- | -- |

| | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) | INSUR TAX-FREE ADVA |
|--|-----------------------------------|-------------------------------------|------------------------|
| | YEAR | YEAR | YEAR |

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| | ENDED 10/31/04 | ENDED 10/31/03 | ENDED 10/31/04 | ENDED 10/31/03 | ENDED 10/31/04 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| ----- | | | | | |
| Common shares: | | | | | |
| Shares sold | -- | -- | -- | -- | -- |
| Shares issued to shareholders due to reinvestment of distributions | 60,649 | 38,904 | -- | -- | 5,076 |
| | 60,649 | 38,904 | -- | -- | 5,076 |
| ===== | | | | | |
| Preferred shares sold | -- | -- | -- | -- | -- |
| ===== | | | | | |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended October 31, 2004, were as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) |
|----------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Purchases | \$79,125,934 | \$153,213,327 | \$61,689,322 | \$125,998,157 | \$73,502,496 |
| Sales and maturities | 76,297,734 | 152,768,857 | 61,082,770 | 108,397,342 | 76,960,805 |
| ===== | | | | | |

4. INCOME TAX INFORMATION

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

At October 31, 2004, the cost of investments was as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INS DIVI ADVAN (|
|---------------------|-----------------------------|---------------------------------|---------------------------------------|---|---------------------------|
| Cost of investments | \$851,183,584 | \$1,803,021,761 | \$427,537,899 | \$753,351,254 | \$652,781 |
| ===== | | | | | |

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2004, were as follows:

PREMIER INSURED INSURE

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| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | INSURED INCOME (NIF) | PREMIUM INCOME 2 (NPX) | DIVIDEND ADVANTAGE (NVG) |
|---|-----------------------------|---------------------------------|----------------------------|------------------------------|--------------------------------|
| Gross unrealized: | | | | | |
| Appreciation | \$62,931,512 | \$156,056,876 | \$36,938,531 | \$54,522,909 | \$43,609,633 |
| Depreciation | (121,451) | (865,292) | (138,632) | (325,497) | (715,866) |
| Net unrealized appreciation of investments | \$62,810,061 | \$155,191,584 | \$36,799,899 | \$54,197,412 | \$42,893,767 |

The tax components of undistributed net investment income and net realized gains at October 31, 2004, were as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) |
|---|-----------------------------|---------------------------------|---------------------------------------|---|
| Undistributed net tax-exempt income * | \$10,089,309 | \$21,953,357 | \$4,174,273 | \$7,983,324 |
| Undistributed net ordinary income ** | 425,383 | -- | 801,863 | -- |
| Undistributed net long-term capital gains | 1,941,207 | 2,848,599 | 979,744 | -- |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2004, paid on November 1, 2004.

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

Notes to
FINANCIAL STATEMENTS (continued)

The tax character of distributions paid during the fiscal years ended October 31, 2004 and October 31, 2003, was designated for purposes of the dividends paid deduction as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) |
|---|-----------------------------|---------------------------------|---------------------------------------|---|---|
| 2004 | | | | | |
| Distributions from net tax-exempt income | \$41,497,482 | \$84,945,305 | \$20,407,082 | \$35,184,856 | \$29,829,269 |
| Distributions from net | | | | | |

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| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) |
|--|-----------------------------|---------------------------------|---------------------------------------|---|---|
| ordinary income ** | 264,316 | 78,388 | -- | -- | 2,266,382 |
| Distributions from net long-term capital gains | 1,880,412 | 2,507,561 | 400,376 | -- | 1,939 |
| ----- | | | | | |
| 2003 | | | | | |
| ----- | | | | | |
| Distributions from net tax-exempt income | \$40,502,631 | \$84,020,174 | \$20,270,539 | \$34,382,914 | \$29,729,306 |
| Distributions from net ordinary income ** | 538,152 | 410,238 | 22,665 | -- | 3,522,076 |
| Distributions from net long-term capital gains | 4,406,720 | 11,032,247 | 740,863 | -- | -- |
| ----- | | | | | |

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

*** For the period November 21, 2002 (commencement of operations) through October 31, 2003.

At October 31, 2004, Insured Premium Income 2 (NPX) had an unused capital loss carryforward of \$12,018,781 available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforward will expire in 2008.

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

As approved by the Board of Directors/Trustees, effective August 1, 2004, a complex-wide management fee structure was adopted for all funds sponsored by the Adviser and its affiliates. This fee structure separates each fund's management fee into two components - a complex-level component, based on the aggregate amount of all funds assets managed by the Adviser and its affiliates, and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser and its affiliates. Under no circumstances will this pricing structure result in a fund paying management fees at a rate higher than would otherwise have been applicable had the complex-wide management fee structure not been implemented. As a consequence of this new management fee structure, the funds' effective management fees were reduced by approximately .006% as of November 30, 2004.

Effective August 1, 2004, the annual fund-level fee, payable monthly, for each of the Funds is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

INSURED QUALITY (NQI)
INSURED OPPORTUNITY (NIO)
PREMIER INSURED INCOME (NIF)

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| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED PREMIUM INCOME 2 (NPX) 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 net assets over \$5 billion | .3750 |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED DIVIDEND ADVANTAGE (NVG) INSURED TAX-FREE ADVANTAGE (NEA) 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 net assets over \$2 billion | .3750 |

Effective August 1, 2004, the annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as follows:

| COMPLEX-LEVEL ASSETS (1) | COMPLEX-LEVEL FEE RATE |
|--|------------------------|
| For the first \$55 billion | .2000% |
| For the next \$1 billion | .1800 |
| For the next \$1 billion | .1600 |
| For the next \$3 billion | .1425 |
| For the next \$3 billion | .1325 |
| For the next \$3 billion | .1250 |
| For the next \$5 billion | .1200 |
| For the next \$5 billion | .1175 |
| For the next \$15 billion | .1150 |
| For Managed Assets over \$91 billion (2) | .1400 |

(1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.

(2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

Each Fund paid through July 31, 2004, an annual management fee, payable monthly, at the rates set forth below, which were based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

INSURED QUALITY (NQI)

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| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED OPPORTUNITY (NIO) PREMIER INSURED INCOME (NIF) INSURED PREMIUM INCOME 2 (NPX) MANAGEMENT FEE RATE |
|--|--|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

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Notes to
FINANCIAL STATEMENTS (continued)

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | INSURED DIVIDEND ADVANTAGE (NVG) INSURED TAX-FREE ADVANTAGE (NEA) MANAGEMENT FEE RATE |
|--|---|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

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

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

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=====

* From the commencement of operations.

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

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

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

* From the commencement of operations.

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

6. SUBSEQUENT EVENTS - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2004, to shareholders of record on November 15, 2004, as follows:

| | INSURED QUALITY (NQI) | INSURED OPPORTUNITY (NIO) | PREMIER INSURED INCOME (NIF) | INSURED PREMIUM INCOME 2 (NPX) | INSURED DIVIDEND ADVANTAGE (NVG) | A |
|--------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|---|
| Dividend per share | \$.0845 | \$.0810 | \$.0815 | \$.0730 | \$.0775 | |

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

Investment Operations

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| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total |
|---|--|-----------------------------|---|---|---|---------|
| INSURED QUALITY (NQI) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | \$15.72 | \$1.08 | \$.20 | \$ (.08) | \$ -- | \$ 1.20 |
| 2003 | 15.87 | 1.10 | (.05) | (.07) | (.01) | .97 |
| 2002 | 15.78 | 1.12 | .03 | (.11) | (.01) | 1.03 |
| 2001 | 14.51 | 1.18 | 1.20 | (.26) | -- | 2.12 |
| 2000 | 13.95 | 1.20 | .60 | (.34) | -- | 1.46 |
| INSURED OPPORTUNITY (NIO) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 15.89 | 1.05 | .20 | (.08) | -- | 1.17 |
| 2003 | 15.83 | 1.06 | .17 | (.07) | (.01) | 1.15 |
| 2002 | 15.72 | 1.15 | .03 | (.11) | (.01) | 1.06 |
| 2001 | 14.64 | 1.17 | 1.04 | (.26) | -- | 1.95 |
| 2000 | 14.25 | 1.21 | .39 | (.33) | -- | 1.27 |
| PREMIER INSURED INCOME (NIF) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 15.69 | 1.03 | .36 | (.08) | -- | 1.31 |
| 2003 | 15.59 | 1.05 | .13 | (.07) | -- | 1.11 |
| 2002 | 15.55 | 1.14 | (.05) | (.11) | -- | .98 |
| 2001 | 14.66 | 1.18 | .85 | (.26) | -- | 1.77 |
| 2000 | 14.25 | 1.20 | .43 | (.33) | -- | 1.30 |
| INSURED PREMIUM INCOME 2 (NPX) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 14.24 | .93 | .23 | (.07) | -- | 1.09 |
| 2003 | 14.17 | .96 | .03 | (.06) | -- | .93 |
| 2002 | 13.94 | .99 | .16 | (.10) | -- | 1.05 |
| 2001 | 13.05 | 1.01 | .86 | (.23) | -- | 1.64 |
| 2000 | 12.40 | .99 | .66 | (.29) | -- | 1.36 |
| INSURED DIVIDEND ADVANTAGE (NVG) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 15.41 | 1.02 | .42 | (.07) | -- | 1.37 |
| 2003 | 15.35 | 1.03 | .15 | (.07) | (.01) | 1.10 |
| 2002 (a) | 14.33 | .55 | 1.10 | (.05) | -- | 1.60 |
| INSURED TAX-FREE ADVANTAGE (NEA) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2004 | 14.54 | .99 | .21 | (.07) | -- | 1.13 |
| 2003 (b) | 14.33 | .82 | .42 | (.05) | -- | 1.19 |

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| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Total Returns Based on Market Value** | Base o Commo Share Ne Asse Valu |
|-------------------------------------|--|---|---------------------------|---|--|
| ===== | | | | | |
| INSURED QUALITY (NQI) | | | | | |
| ----- | | | | | |
| Year Ended 10/31: | | | | | |
| 2004 | \$ -- | \$15.85 | \$16.0000 | 4.37% | 7.9 |
| 2003 | -- | 15.72 | 16.3900 | 12.92 | 6.2 |
| 2002 | -- | 15.87 | 15.5500 | 10.82 | 6.8 |
| 2001 | -- | 15.78 | 14.9200 | 15.53 | 14.9 |
| 2000 | -- | 14.51 | 13.6875 | 10.94 | 10.8 |
| INSURED OPPORTUNITY (NIO) | | | | | |
| ----- | | | | | |
| Year Ended 10/31: | | | | | |
| 2004 | -- | 16.06 | 16.0500 | 9.47 | 7.6 |
| 2003 | -- | 15.89 | 15.6400 | 10.22 | 7.5 |
| 2002 | -- | 15.83 | 15.2100 | 9.80 | 7.0 |
| 2001 | -- | 15.72 | 14.7400 | 19.84 | 13.6 |
| 2000 | -- | 14.64 | 13.0625 | 5.06 | 9.2 |
| PREMIER INSURED INCOME (NIF) | | | | | |
| ----- | | | | | |
| Year Ended 10/31: | | | | | |
| 2004 | -- | 16.00 | 15.6400 | 7.55 | 8.6 |
| 2003 | -- | 15.69 | 15.5100 | 7.84 | 7.2 |
| 2002 | -- | 15.59 | 15.3300 | 6.84 | 6.5 |
| 2001 | -- | 15.55 | 15.2500 | 19.97 | 12.4 |
| 2000 | -- | 14.66 | 13.5000 | 9.92 | 9.4 |
| INSURED PREMIUM INCOME 2 (NPX) | | | | | |
| ----- | | | | | |
| Year Ended 10/31: | | | | | |
| 2004 | -- | 14.45 | 14.1100 | 6.42 | 7.8 |
| 2003 | -- | 14.24 | 14.1200 | 8.84 | 6.7 |
| 2002 | -- | 14.17 | 13.7700 | 6.32 | 7.8 |
| 2001 | -- | 13.94 | 13.7500 | 29.46 | 12.8 |
| 2000 | -- | 13.05 | 11.2500 | 4.35 | 11.3 |
| INSURED DIVIDEND ADVANTAGE (NVG) | | | | | |
| ----- | | | | | |
| Year Ended 10/31: | | | | | |
| 2004 | -- | 15.78 | 14.8900 | 7.61 | 9.1 |
| 2003 | -- | 15.41 | 14.8100 | 6.10 | 7.3 |
| 2002 (a) | (.11) | 15.35 | 14.9600 | 2.84 | 10.4 |
| INSURED TAX-FREE ADVANTAGE (NEA) | | | | | |
| ----- | | | | | |

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Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|------|-----|
| 2004 | .01 | 14.75 | 14.9100 | 7.41 | 8.0 |
| 2003 (b) | (.20) | 14.54 | 14.7900 | 3.87 | 6.9 |

Ratios/Supplemental Data

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

INSURED QUALITY (NQI)

Year Ended 10/31:

| | | | | |
|------|------------|-------|-------|-------|
| 2004 | \$ 605,028 | 1.19% | 6.88% | 1.19% |
| 2003 | 598,102 | 1.20 | 6.93 | 1.20 |
| 2002 | 601,495 | 1.23 | 7.22 | 1.21 |
| 2001 | 596,999 | 1.24 | 7.72 | 1.23 |
| 2000 | 549,120 | 1.24 | 8.48 | 1.23 |

INSURED OPPORTUNITY (NIO)

Year Ended 10/31:

| | | | | |
|------|-----------|------|------|------|
| 2004 | 1,302,985 | 1.16 | 6.59 | 1.16 |
| 2003 | 1,288,087 | 1.17 | 6.67 | 1.16 |
| 2002 | 1,283,353 | 1.20 | 7.42 | 1.19 |
| 2001 | 1,274,659 | 1.21 | 7.69 | 1.20 |
| 2000 | 1,186,701 | 1.20 | 8.47 | 1.20 |

PREMIER INSURED
INCOME (NIF)

Year Ended 10/31:

| | | | | |
|------|---------|------|------|------|
| 2004 | 310,666 | 1.21 | 6.53 | 1.20 |
| 2003 | 303,912 | 1.22 | 6.66 | 1.21 |
| 2002 | 301,121 | 1.25 | 7.40 | 1.23 |
| 2001 | 299,654 | 1.26 | 7.79 | 1.24 |
| 2000 | 282,544 | 1.26 | 8.37 | 1.24 |

INSURED PREMIUM
INCOME 2 (NPX)

Year Ended 10/31:

| | | | | |
|------|---------|------|------|------|
| 2004 | 539,697 | 1.16 | 6.52 | 1.16 |
| 2003 | 530,975 | 1.17 | 6.68 | 1.16 |
| 2002 | 527,800 | 1.20 | 7.13 | 1.19 |
| 2001 | 519,296 | 1.22 | 7.39 | 1.20 |
| 2000 | 486,009 | 1.22 | 7.87 | 1.20 |

INSURED DIVIDEND
ADVANTAGE (NVG)

Year Ended 10/31:

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| | | | | |
|----------|---------|-------|-------|------|
| 2004 | 470,389 | 1.15 | 6.09 | .70 |
| 2003 | 459,368 | 1.17 | 6.22 | .72 |
| 2002 (a) | 457,432 | 1.10* | 5.71* | .61* |

INSURED TAX-FREE
ADVANTAGE (NEA)

| | | | | |
|-------------------|---------|-------|-------|------|
| ----- | | | | |
| Year Ended 10/31: | | | | |
| 2004 | 273,112 | 1.20 | 6.24 | .71 |
| 2003 (b) | 269,112 | 1.12* | 5.52* | .65* |
| ===== | | | | |

Preferred Shares at End of Period

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

INSURED QUALITY (NQI)

| | | | |
|-------------------|-----------|----------|----------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2004 | \$318,000 | \$25,000 | \$72,565 |
| 2003 | 318,000 | 25,000 | 72,021 |
| 2002 | 318,000 | 25,000 | 72,287 |
| 2001 | 318,000 | 25,000 | 71,934 |
| 2000 | 318,000 | 25,000 | 68,170 |

INSURED OPPORTUNITY (NIO)

| | | | |
|-------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2004 | 680,000 | 25,000 | 72,904 |
| 2003 | 680,000 | 25,000 | 72,356 |
| 2002 | 680,000 | 25,000 | 72,182 |
| 2001 | 680,000 | 25,000 | 71,862 |
| 2000 | 680,000 | 25,000 | 68,629 |

PREMIER INSURED
INCOME (NIF)

| | | | |
|-------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2004 | 161,000 | 25,000 | 73,240 |
| 2003 | 161,000 | 25,000 | 72,191 |
| 2002 | 161,000 | 25,000 | 71,758 |
| 2001 | 161,000 | 25,000 | 71,530 |
| 2000 | 161,000 | 25,000 | 68,873 |

INSURED PREMIUM
INCOME 2 (NPX)

| | | | |
|-------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2004 | 268,900 | 25,000 | 75,176 |
| 2003 | 268,900 | 25,000 | 74,365 |
| 2002 | 268,900 | 25,000 | 74,070 |
| 2001 | 268,900 | 25,000 | 73,280 |
| 2000 | 268,900 | 25,000 | 70,185 |

INSURED DIVIDEND
ADVANTAGE (NVG)

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| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2004 | 233,000 | 25,000 | 75,471 |
| 2003 | 233,000 | 25,000 | 74,288 |
| 2002 (a) | 233,000 | 25,000 | 74,081 |

INSURED TAX-FREE
ADVANTAGE (NEA)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2004 | 144,000 | 25,000 | 72,415 |
| 2003 (b) | 144,000 | 25,000 | 71,721 |

- * Annualized.
- ** Total Investment Return 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. Total Return 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. Total returns are not annualized.
- *** After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) For the period March 25, 2002 (commencement of operations) through October 31, 2002.
- (b) For the period November 21, 2002 (commencement of operations) through October 31, 2003.

See accompanying notes to financial statements.

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Board Members
AND OFFICERS

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

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

BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS:

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| | | | |
|--|---|------|--|
| Timothy R. Schwertfeger (1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Trustee | 1994 | Chairman and Director (since 1996) of N Inc. and Nuveen Investments, LLC; Direc Chairman (since 1996) of Nuveen Advisor Institutional Advisory Corp.; Chairman 1997) of Nuveen Asset Management Inc.; 1996) of Institutional Capital Corporat Director (since 1999) of Rittenhouse As Chairman of Nuveen Investments Advisers |
|--|---|------|--|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | |
|--|--------------|------|---|
| Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Private Investor and Management Consult |
|--|--------------|------|---|

| | | | |
|--|--------------|------|---|
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1993 | Retired (1989) as Senior Vice President Trust Company; Director, Community Advi Highland Park and Highwood, United Way Shore (since 2002). |
|--|--------------|------|---|

| | | | |
|---|--------------|------|--|
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director and Fire & Casualty Company; formerly Direc Bank of Chicago; formerly, President an Officer, SCI Financial Group, Inc., a r services firm. |
|---|--------------|------|--|

| | | | |
|---|--------------|------|---|
| William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2004 | Dean and Distinguished Professor of Fin Business at the University of Connectic previously Senior Vice President and Di at the Federal Reserve Bank of Chicago Director, Credit Research Center at Geo Director of Xerox Corporation (since 20 |
|---|--------------|------|---|

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

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|--------------|------|---|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Senior Partner and Chief Operating Offi Group, Vice President, Miller-Valentine company; Chair, Miami Valley Hospital; Development Coalition; formerly, Member Advisory Board, National City Bank, Day Business Advisory Council, Cleveland Fe |
|---|--------------|------|---|

| | | | |
|---------------------|--------------|------|---|
| Judith M. Stockdale | Board member | 1997 | Executive Director, Gaylord and Dorothy |
|---------------------|--------------|------|---|

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12/29/47
 333 W. Wacker Drive
 Chicago, IL 60606

Foundation (since 1994); prior thereto,
 Great Lakes Protection Fund (from 1990

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

 OFFICERS OF THE FUNDS:

| | | | |
|--|------------------------------------|------|--|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice Assistant General Counsel of Nuveen Inv Managing Director (since 2002), General Assistant Secretary, formerly, Vice Pre Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assista Associate General Counsel, formerly, Vi (since 2000), of Nuveen Asset Managemen Director (since 2004) and Assistant Sec of Nuveen Investments Inc.; Assistant S Investment Management Company, LLC (sin President and Assistant Secretary of Nu Advisers Inc. (since 2002); Managing Di General Counsel and Assistant Secretary Asset Management, Inc. (since 2003); Ch Financial Analyst. |
|--|------------------------------------|------|--|

| | | | |
|---|----------------|------|---|
| Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2004 | Vice President (since 2002), formerly, (since 1999) of Nuveen Investments, LLC Financial Analyst. |
|---|----------------|------|---|

| | | | |
|---|--|------|--|
| Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 2000 | Vice President (since 2002), formerly, President (since 2000), previously, Ass Investments, LLC. |
|---|--|------|--|

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Board Members
 AND OFFICERS (CONTINUED)

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

 OFFICERS OF THE FUNDS (CONTINUED):

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| | | | |
|---|----------------------------------|------|--|
| Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 1999 | Vice President of Nuveen Investments, LLC prior thereto, Assistant Vice President and Treasurer of Nuveen Investments (1999); Vice President and Treasurer of Nuveen Institutional Advisory Corp. (since 2002) and of Nuveen Investments (2002); Assistant Treasurer of NWQ Investment Company, LLC (since 2002); Vice President of Nuveen Rittenhouse Asset Management, Inc. Chartered Financial Analyst. |
| Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 2000 | Vice President (since 2002) and Assistant Secretary (since 1998); formerly, Assistant Vice President of Nuveen Investments, LLC; Vice President and Assistant Secretary (since 1998), formerly Vice President of Nuveen Advisory Corp. Institutional Advisory Corp. |
| Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1998 | Managing Director (since 2004) formerly of Nuveen Investments, LLC; Managing Director (formerly, Vice President (since 1998) of Nuveen Institutional Advisory Corp. and Nuveen Institutional Advisory Corp. |
| William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1995 | Managing Director (since 2002) of Nuveen Investments, LLC; Managing Director (since 2001), formerly of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. (since 1995); Managing Director of Nuveen Rittenhouse Asset Management Inc. (since 2001); Vice President of Nuveen Investment Advisers Inc. (since 2002); Chartered Financial Analyst. |
| Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | Vice President (since 1993) and Funds Controller of Nuveen Investments, LLC; formerly, Vice President and Funds Controller (1998-2003) of Nuveen Investments, LLC; Certified Public Accountant. |

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

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|--|--|------|--|
| James D. Grassi 4/13/56 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Chief Compliance Officer | 2004 | Vice President and Deputy Director of Nuveen Investments, LLC (since August 2004) of Nuveen Investments, LLC; formerly, Vice President of Nuveen Investments Advisers Inc., Nuveen Rittenhouse Asset Management Inc., Nuveen Advisory Corp., Nuveen Institutional Advisory Corp. and Rittenhouse Asset Management, Inc.; formerly, Senior Attorney (1994-July 2004), The Northern Trust Company. |
|--|--|------|--|

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| | | | |
|---|--|------|--|
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I LLC, previously Assistant Vice Presiden prior thereto, Associate of Nuveen Inve Certified Public Accountant. |
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999), previously President (since 1993) of Nuveen Invest |
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.; Assistant Investments, Inc. and (since 1997) Nuve Inc.; Vice President (since 2000), Assi Assistant General Counsel (since 1998) Management, Inc.; Vice President and As Nuveen Investments Advisers Inc. (since Secretary of NWQ Investment Management (since 2002). |
| Edward F. Neild, IV 7/7/65 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1996 | Managing Director (since 2002) of Nuveen Managing Director (since 1997), formerl (since 1996) of Nuveen Advisory Corp. a Advisory Corp.; Managing Director of Nu Inc. (since 1999). Chartered Financial |

- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.
- (2) Board members serve an indefinite term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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Reinvest Automatically
EASILY AND CONVENIENTLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS

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DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on the dividends or distributions awaiting reinvestment. Because the market price may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

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

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

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

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

Other Useful
INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments and (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the most recent 12-month period ended June 30, 2004, are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's web site at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

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

LEVERAGE-ADJUSTED DURATION: Duration is a measure of the sensitivity of a bond or bond fund's value to changes when interest rates change. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Jack B. Evans

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William C. Hunter
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

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

CUSTODIAN
State Street Bank & Trust
Boston, MA

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

(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common or preferred stock, where applicable, in the future at such times and in such amounts as is deemed advisable. No shares were purchased during the period ended October 31, 2004. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Nuveen Investments:
SERVING Investors
For GENERATIONS

Photo of: 2 women looking at a photo album.

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

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

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

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Managing \$100 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

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

Learn more
about Nuveen Funds at
WWW.NUVEEN.COM/ETF

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

Logo: NUVEEN Investments

EAN-D-1004D

ITEM 2. CODE OF ETHICS.

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

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR. Mr. Evans has served as the registrant's audit committee financial expert from July 26, 2004 to the end of the reporting period on October 31, 2004.

Prior to July 26, 2004, William E. Bennett, who was "independent" for purposes of Item 3 of Form N-CSR, served as the audit committee financial expert. Although Mr. Bennett served as the audit committee financial expert during the reporting period, he unexpectedly resigned from the Board effective April 30, 2004. Accordingly for this reporting period, the registrant did not have a designated "audit committee financial expert" from May 1, 2004 to July 26, 2004.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr.

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Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

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

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP entered into on or after May 6, 2003, the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| FISCAL YEAR ENDED | AUDIT FEES BILLED TO FUND | AUDIT-RELATED FEES BILLED TO FUND | TAX BILLED |
|--|---------------------------|-----------------------------------|------------|
| October 31, 2004 | \$ 20,940 | \$ 0 | \$ 4, |
| Percentage approved pursuant to pre-approval exception | N/A | 0% | |
| October 31, 2003 | \$ 18,130 | \$ 0 | \$ |
| Percentage approved | N/A | 0% | |

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pursuant to
pre-approval
exception

The above "Tax Fees" were billed for professional services for tax advice, tax compliance and tax planning.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE
ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Advisory Corp. ("NAC" or the "Adviser"), and any entity controlling, controlled by or under common control with NAC ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The table also shows the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| FISCAL YEAR ENDED | AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | TAX FEES BILLED ADVISED AND AFFILIATED FUND SERVICE PROVIDERS |
|---|---|--|
| October 31, 2004 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% |
| October 31, 2003 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | N/A | N/A |

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed

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during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP independence.

| FISCAL YEAR ENDED | TOTAL NON-AUDIT FEES BILLED TO FUND | TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND) | TOTAL BILLE AFFILI PROVI E |
|-------------------|--|---|--|
| October 31, 2004 | \$ 6,835 | \$ 0 | |
| October 31, 2003 | \$ 2,837 | \$ 0 | |

Audit Committee Pre-Approval Policies and Procedures. Generally, the audit committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans and William J. Schneider.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Schedule I in Item 1.

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, the Adviser would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the

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instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable at this time.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

In the event of a vacancy on the Board, the nominating and governance committee receives suggestions from various sources, including shareholders, as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Vice President for Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The nominating and governance committee sets appropriate standards and requirements for nominations for new directors or trustees and reserves the right to interview all candidates and to make the final selection of any new directors or trustees.

ITEM 11. CONTROLS AND PROCEDURES.

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

ITEM 12. EXHIBITS.

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

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

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under

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the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a) (3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

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

(Registrant) Nuveen Insured Dividend Advantage Municipal Fund

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

Jessica R. Droeger
Vice President and Secretary

Date: January 6, 2005

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

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(Principal Executive Officer)

Date: January 6, 2005

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

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

Date: January 6, 2005

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