

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSR
November 08, 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 811-10197

Nuveen California Dividend Advantage Municipal Fund 2

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

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: August 31

Date of reporting period: August 31, 2005

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT August 31, 2005

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC.
NPC

NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC.
NCL

NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND
NCU

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NAC

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NVX

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3
NZH

NUVEEN INSURED CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NKL

NUVEEN INSURED CALIFORNIA TAX-FREE ADVANTAGE MUNICIPAL FUND
NKX

Photo of: Man, woman and child at the beach.

Photo of: A child.

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

NOW YOU CAN RECEIVE YOUR
NUVEEN FUND REPORTS FASTER.

NO MORE WAITING.

SIGN UP TODAY TO RECEIVE NUVEEN FUND INFORMATION BY E-MAIL.

It only takes a minute to sign up for E-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready -- no more waiting for delivery by regular mail. Just click on the link within the

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

e-mail to see the report, and save it on your computer if you wish.

DELIVERY DIRECT TO
YOUR E-MAIL INBOX

IT'S FAST, EASY & FREE:

WWW.INVESTORDELIVERY.COM

if you get your Nuveen Fund dividends
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 12-month period covered by this report your Fund continued to provide you with monthly income free from federal and state income taxes, as well as with an attractive total return. For more details about the management strategy and performance of your Fund, please see the Portfolio Manager's Comments and Performance Overview sections of this report.

Given the continued strength of the California economy, some market commentators are speculating about whether longer-term interest rates will soon begin to rise substantially, mirroring the rise that has taken place in shorter-term rates. If longer-term rates do begin to rise significantly, some have suggested that this would be a signal to begin adjusting your holdings of fixed-income investments.

"IN FACT, A WELL-DIVERSIFIED PORTFOLIO MAY ACTUALLY HELP TO REDUCE YOUR OVERALL INVESTMENT RISK OVER THE LONG TERM."

Nobody knows what the market will do in the future or what investments will turn out to be tomorrow's best performers. But from our experience, we do know that a well-balanced portfolio, structured and carefully monitored with the help of a trusted investment professional, can be an important component in helping you achieve your long-term financial goals. In fact, a well-diversified portfolio may actually help to reduce your overall investment risk over the long term.

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

That is one reason why we believe that a municipal bond investment like your Fund can be an important building block in a comprehensive investment program designed to perform well in a variety of market conditions.

As an added convenience for you, I urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's expenses. Sign up is quick and easy - see the inside front cover of this report for instructions.

Earlier in 2005, The St. Paul Travelers Companies, Inc., which owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), sold a substantial portion of its stake in Nuveen. More recently, St. Paul sold the balance of its shares Nuveen Investments or to others. Please be assured that these transactions only affect Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering 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

October 15, 2005

Nuveen California Municipal Closed-End Exchange-Traded Funds
(NPC, NCL, NCU, NAC, NVX, NZH, NKL, NKX)

Portfolio Manager's
COMMENTS

Portfolio manager Scott Romans discusses the economic and municipal market environments, key investment strategies, and the Funds' annual performance. Scott, who joined Nuveen in 2000, has managed NCU, NAC, NVX, NZH, NKL and NKX since 2003. He assumed portfolio management responsibility for NPC and NCL in May 2005.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE ANNUAL REPORTING PERIOD ENDED AUGUST 31, 2005?

Between September 1, 2004 and August 31, 2005, the Federal Reserve implemented eight separate one-quarter-point increases in the closely-watched fed funds rate. These increases, which were aimed at controlling economic growth as well as the pace of inflation, raised this short-term target rate to 3.50% from 1.50%. (On September 20, 2005, following the close of this reporting period, the fed funds rate was increased by another 0.25% to 3.75%.) As the fed funds rate rose during this reporting period, shorter-term municipal market interest rates showed a corresponding increase.

At the same time, longer-term interest rates remained steady or slightly declined over this 12-month period. The yield on the benchmark 10-year U.S.

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Treasury note ended August 2005 at 4.02%, compared with 4.12% one year earlier. In the municipal market, with the yield on the Bond Buyer 25 Revenue Bond Index, a widely followed measure of longer-term municipal market rates, declined by approximately 25 basis points to 4.83% during this period. Together, the rise in shorter-term rates and decline in longer rates produced an overall flattening of the yield curve, which generally helped the performance of bonds with longer effective maturities while hindering the total return of bonds with shorter maturities or short call dates.

Despite a surge in energy prices over this reporting period, the ongoing national economic expansion managed to maintain fairly solid footing. After expanding at an annualized rate of 4.0% in the third quarter of 2004, the U.S. gross domestic product (GDP) grew by 3.3% (annualized) in the fourth quarter of 2004, 3.8% (annualized) in the first three months of 2005 and 3.3% (annualized) in the second quarter of 2005.

Over the 12 months ended August 31, 2005, municipal bond supply nationwide remained strong, with \$392.8 billion in new securities coming to market. A major factor behind the increase in supply was the flatter yield curve, which made advance refundings

4

economically attractive for many issuers. During January-August 2005, advance refundings were 62% higher than during the same period in 2004, as issuers sought to take advantage of the relatively low rates prevalent at the longer-end of the yield curve. (Advance refundings, also called pre-refundings, occur when an issuer sells new bonds and uses the proceeds to purchase U.S. Government securities that are pledged to discharge the remaining principal and interest payments of older, existing bonds. This process generally results in lower net borrowing costs for bond issuers and higher credit quality for the older bonds that are pre-refunded.)

HOW ABOUT ECONOMIC AND MARKET CONDITIONS IN CALIFORNIA?

During this reporting period, California's economy experienced continued job growth that outpaced the national rate. Gains in professional and business services, construction, leisure and hospitality, education and health services led the way, overshadowing small losses in the government sector and in natural resources and mining. As of August 2005, California's unemployment rate was 5.2%, down from 6.1% in August 2004. The state's recent economic expansion has led to strong growth in both personal and corporate income, which in turn generated higher tax revenues. While this revenue increase helped California reduce its budget deficit, the state continued to face a structural budget gap estimated at \$5 billion for fiscal 2006.

In July 2005, both Moody's and Fitch upgraded their ratings on California's general obligation debt--to A2 from A3 and to A from A-, respectively. (Standard and Poor's had upgraded its California GO rating to A from BBB in August 2004.) In announcing the upgrades, both Moody's and Fitch cited the improvements in revenue generation and the resolution of the state's liquidity problems following California's issuance of economic recovery bonds in May 2004.

For the 12 months ended August 2005, municipal issuance in California totaled \$49.8 billion, a decrease of 15% from the previous 12 months. Despite the decrease, California issuance continued to lead all states over this time period.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE CALIFORNIA FUNDS DURING THE 12

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

MONTHS ENDED AUGUST 31, 2005?

One of our top priorities during this reporting period was careful duration management. Duration is a measure of a bond's price sensitivity as interest rates change, with longer

5

duration bonds being more sensitive to changes and thereby presenting greater interest rate risk. Our duration management was tailored to meet the differing needs of the insured and uninsured Funds, as well as the needs of the older Funds that generally had more exposure to shorter duration bonds and the newer funds that typically had more bonds with longer durations.

Duration management became increasingly important for the uninsured Funds (NCU, NAC, NVX and NZH) during the first half of 2005, as the flattening yield curve over this period resulted in a dramatic rise in advance refundings. (The yield curve is said to flatten when shorter-term interest rates more closely approach the levels of longer-term interest rates.)

Advance refundings of bonds held by the Funds generally had an immediate, positive impact on their performances, as well as a shortening effect on the Funds' durations. In order to maintain the Funds' durations within our preferred strategic range, we sold some of our holdings with shorter durations, including short-dated pre-refunded bonds, bonds that were currently callable, and bonds priced to short calls, all of which tended to underperform in the interest rate environment of the past 12 months. This was especially true for NAC, one of the older Funds. The relatively newer NZH had fewer advance refundings and less need to adjust its portfolio to offset them.

The proceeds from the sale of these holdings were then reinvested in longer duration bonds, including zero coupon non-callable bonds, fixed-rate non-callable bonds, and 25- to 30-year bonds with at least 8-10 years of call protection. The longer durations of these bonds enabled us to counteract some of the duration shortening caused by the advance refundings and also contributed to the Funds' performance during this period. The purchase of these types of bonds also allowed us to improve the Funds' call protection.

In the insured Funds (NPC, NCL, NKL and NKX), we began this 12-month period by looking for value opportunities in insured, AAA rated bonds with about 20 years to maturity. As the period progressed, we began to extend our time horizon to the 30-year part of the yield curve in order to maintain the Funds' durations within our targeted range. This approach applied particularly to NPC and NCL, relatively older Funds that had shorter durations than the two newer Funds. As examples, we purchased insured, AAA

6

rated bonds issued by Oakland Unified School District and insured, AAA rated bonds issued by Riverside County for all four insured Funds. As with the uninsured Funds, we sold pre-refunded bonds and other securities with short durations to finance these longer duration purchases. During this period, we also worked to enhance and diversify the call exposure of all of the insured Funds by looking for bonds with at least 10 years of call protection.

In NKL and NKX, we continued to manage their durations through the use of

forward interest rate swaps, a type of derivative financial instrument. As discussed in our last shareholder report, in late 2004 we began using these swaps in an effort to reduce some of the interest rate risk in these two Funds. It is important to note that these hedges did not represent an attempt to profit from correctly predicting the timing and direction of interest rate movements. Instead, our sole objective was to reduce the duration of these Funds without having a negative impact on the Funds' income streams or common share dividends over the short term. The gain or loss from each Fund's hedging activity is reflected as an addition or subtraction to the Fund's net asset value (NAV) as the market value of each hedge fluctuates. Over the course of this reporting period, the hedges were effective in achieving their intended goal of helping to reduce the NAV volatility of these Funds. However, they also had negative impacts on each Fund's total return for the period because declining long-term interest rates caused the value of the hedges to decline as the value of each Fund's portfolio rose.

In the four uninsured Funds and in NKL and NKX, which are insured but can invest up to 20% of their assets in uninsured investment-grade quality securities, we also continued to emphasize maintaining some exposure to lower-rated credits. Some of these securities were pre-refunded during this period, enabling us to capture price gains. In addition, lower-rated bonds generally performed very well during this period. However, given increased demand, we did not find many attractive opportunities among lower rated securities during this period. One example of a lower-rated credit that did meet our purchase criteria during this period was a BBB+ rated issue by the California Statewide Community Development Authority for the Daughters of Charity Health System, which was added to NAC, NVX and NZH.

7

HOW DID THE FUNDS PERFORM?

Individual results for these Funds, as well as for comparative indexes and peer group averages, are presented in the accompanying table.

ANNUALIZED TOTAL RETURNS ON NET ASSET VALUE
For periods ended 8/31/05

UNINSURED FUNDS	1-YEAR	5-YEAR	10-YEAR
NCU	9.75%	8.66%	7.98%
NAC	9.41%	9.41%	NA
NVX	10.80%	NA	NA
NZH	10.69%	NA	NA
Lehman Brothers CA Tax-Exempt Bond Index1			
	5.67%	6.30%	6.50%
Lipper CA Municipal Debt Funds Average2			
	10.50%	7.80%	7.08%
INSURED FUNDS			

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

NPC	6.74%	7.77%	7.16%
NCL	7.42%	7.73%	7.52%
NKL	9.46%	NA	NA
NKX	9.84%	NA	NA
Lehman Brothers Insured CA Tax-Exempt Bond Index ³			
	6.24%	6.29%	6.40%
Lipper Insured CA Municipal Debt Funds Average ⁴			
	9.87%	7.28%	6.96%

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

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

For the 12 months ended August 31, 2005, the total returns on NAV for all four of the uninsured Funds exceeded the return on the Lehman Brothers California Tax-Exempt Bond Index. NVX and NZH also outperformed the average return for the Lipper California Fund peer group, while NCU and NAC trailed this measure. Among the insured Funds, all four Funds outperformed the return on the Lehman Brothers Insured California Tax-Exempt Bond Index. All of the Funds trailed the average return for the Lipper Insured California Fund peer group.

- 1 The Lehman Brothers California Tax-Exempt Bond Index is an unleveraged, unmanaged index comprising a broad range of investment-grade California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Lipper California 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, 16 funds; and 10 years, 14 funds. Fund and Lipper returns assume reinvestment of dividends.
- 3 The Lehman Brothers Insured California Tax-Exempt Bond Index is an unleveraged, unmanaged index containing a broad range of insured California municipal bonds. Results for the Lehman index do not reflect any expenses.
- 4 The Lipper Insured California Municipal Debt Funds average is calculated using the returns of all closed-end exchange-traded funds in its category for each period as follows: 1 year, 13 funds; 5 years, 8 funds; and 10 years, 6 funds. Fund and Lipper returns assume reinvestment of dividends.

One of the primary factors benefiting the 12-month performance of these Funds relative to that of the unleveraged Lehman Brothers indexes was the Funds' use of financial leverage. While leveraging can add volatility to a Fund's NAV and

share price, especially during periods when interest rates rise, this strategy can also provide opportunities for additional income and total return for common shareholders when short-term interest rates remain relatively low and long-term rates fall or remain relatively constant.

As noted earlier, the municipal market yield curve flattened over the course of this 12-month period as longer-term interest rates declined as short-term rates rose. Since falling bond yields mean rising bond prices, longer maturity bonds generally performed better over this time than securities with shorter maturities. Relatively greater exposure to the longer end of the yield curve helped the performances of NVX and NZH during this period, while the performances of NPC and NCL were hindered by their relatively greater exposure to the shorter end of the yield curve. One of the intended results of the duration management strategy discussed earlier is to more closely align the yield curve positioning of all of these Funds in the future.

The uninsured Funds (NCU, NAC, NVX, and NZH) as well as NKL and NKX, which can invest up to 20% of their portfolios in uninsured bonds, also benefited from their allocations of lower-quality bonds during this period, with bonds rated BBB and lower and non-rated bonds generally outperforming other credit quality sectors. Among the lower-rated bonds making significant contributions to these six Funds' total returns for this period were bonds backed by the 1998 master tobacco settlement agreement. Some of these California tobacco bonds posted annual returns of more than 20% over this 12-month time horizon as the litigation environment improved and increased demand drove tobacco bond prices higher. As of August 31, 2005, tobacco bonds represented approximately 3% to 6% of the portfolios of NCU, NAC, NVX and NZH. Bonds issued by Golden State Tobacco Securitization Corporation, which made up approximately 2% of the portfolios of NKL and NKX, were the top performing credits in both of these Funds for the period. Neither NPC nor NCL held any uninsured tobacco bonds - another reason for their relatively smaller total returns over this period.

9

Another factor affecting the Funds' performances during this period was the amount and timing of advance refundings within their portfolios. Generally, a bond that was advance refunded tended to benefit from an immediate price increase as its credit quality was upgraded (because the bond is now backed by U.S. Government securities). However, that same bond - now priced as a high quality issue to a shorter final maturity - might then have underperformed lower quality issues and issues with longer final maturities over the balance of the reporting period. Therefore, the size of the holding, the credit quality benefit caused by the pre-refunding and the amount of time remaining before the end of the reporting period all had an impact on the overall performance of a pre-refunded bond.

Generally, the older Funds experienced more advance refundings over this period than the newer Funds, largely because of differences in the interest rate environments at the times these Funds were initially introduced. Among the insured Funds, approximately 12% of NCL's holdings and more than 9% of NPC were pre-refunded as of August 31, 2005, while NKL and NKX had 5% and 2%, respectively, of their portfolios advance refunded. Overall, bonds that were pre-refunded during the period tended to help these Funds' total return over this period. This was especially true of bonds issued by California Health Facilities Financing Authority for Cedars-Sinai Medical Center, which were held by NCU, NAC, NKL and NKX.

Conversely, significant holdings of bonds that had been pre-refunded/escrowed-to-maturity in prior periods acted as a drag on the performance of NPC,

which held 30% of its portfolio in refunded bonds as of August 31, 2005. In addition, NCU experienced calls on some of its higher-yielding multifamily housing bonds, which impacted the income component of the Fund's total return.

10

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF AUGUST 31, 2005?

We continued to believe that maintaining strong credit quality was an important requirement. As of August 31, 2005, the four uninsured Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 65% in NZH, 66% in NAC and 70% in NVX and NCU. NPC and NCL continued to be 100% invested in insured and/or U.S. guaranteed securities, while NKL and NKX, which can invest up to 20% of their assets in uninsured investment-grade quality securities, had allocated 81% and 82% of their portfolios, respectively, to insured bonds as of August 31, 2005.

On August 31, 2005, potential call exposure for the period from September 2005 through the end of 2006 ranged from 0% in NZH and NKL to 3% in NAC, 4% in NVX and NKX, 8% in NCU, 11% in NPC and 16% in NCL. The number of actual bond calls in all of these Funds depends largely on future market interest rates.

11

Dividend and Share Price
INFORMATION

Each of the Funds in this report uses leverage to enhance opportunities for additional income for common shareholders. 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 lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. However, when short-term interest rates rise, as they did during this reporting period, the Funds' borrowing costs also rise. While leveraging still provided benefits for common shareholders over this 12-month period, the extent of these benefits was reduced. In addition, older Funds such as NPC, NCL and NCU had a greater number of older, higher-yielding bonds that matured or were called during this period, and the proceeds from these bonds were reinvested in the current lower-yield environment, thereby reducing their income streams. The decline in interest rates at the longer end of the yield curve during this period also had an impact on the newest Funds such as NKL and NKX, which had fewer opportunities to build reserves. These factors combined to produce one monthly dividend reduction in NPC, NCU and NKL, two in NCL, and three in NKX over the 12-month period ended August 31, 2005. The dividends of NAC, NVX and NZH remained stable throughout this reporting period.

In addition, due to normal portfolio activity, common shareholders of the following Funds received capital gains and net ordinary income distributions at the end of December 2004 as follows:

	LONG-TERM CAPITAL GAINS (PER SHARE)	ORDINARY INCOME (PER SHARE)
NPC	\$0.1157	\$0.0557

NAC	\$0.0464	\$ --
NKL	\$0.0426	\$0.0072

The relatively large distributions from NPC represented an important part of this Fund's total return for this period. For the most part, this distribution was generated by bond calls or by sales of appreciated securities. The proceeds of these calls or sales then were reinvested in bonds paying lower, current interest rates. This had a slight negative impact on the Fund's earning power and was a minor factor in the dividend reduction noted above.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of August 31, 2005, all of the Funds in this report except NKX had positive UNII balances for both financial statement and tax purposes. NKX had a positive UNII balance for tax purposes and a negative UNII balance for financial statement purposes.

At the end of the reporting period, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

	8/31/05 PREMIUM/DISCOUNT	12-MONTH AVERAGE PREMIUM/DISCOUNT
NPC	-1.91%	-2.54%
NCL	-1.83%	-1.19%
NCU	-4.39%	-6.32%
NAC	+0.56%	-3.81%
NVX	-2.82%	-7.29%
NZH	-5.36%	-8.86%
NKL	-5.12%	-5.40%
NKX	-5.21%	-3.58%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	70%
U.S. Guaranteed	30%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Sep	0.077
Oct	0.077
Nov	0.077
Dec	0.077
Jan	0.077
Feb	0.077
Mar	0.074
Apr	0.074
May	0.074
Jun	0.074
Jul	0.074
Aug	0.074

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	15.96
	15.91
	15.68
	15.7
	15.68
	15.63
	15.65
	15.94
	15.88
	15.8
	15.8
	15.89
	15.84
	15.76
	15.95
	15.94
	15.78
	15.95
	15.95
	15.99
	16.01
	15.93
	15.84
	15.88
	15.88
	15.75
	15.89
	16.1
	16.1
	15.82
	15.85
	15.68
	15.64

15.62
15.69
15.73
15.72
15.75
15.73
15.71
15.69
15.69
15.6
15.8
15.74
15.75
15.62
15.46
15.48
15.25
15.1
15.19
15.3
15.29
15.3
15.31
15.44
15.4
15.44
15.54
15.53
15.42
15.33
15.23
15.16
15.24
15.33
15.36
15.49
15.43
15.65
15.25
15.18
15.2
15.26
15.82
15.8
15.85
15.44
15.44
15.49
15.7
15.8
15.99
16.06
16.1
16.05
16.25
16.38
16.41
16.15
16.27
16.27
16.23
16.23

16.19
16.21
16.17
16.22
16.24
16.27
16.39
16.28
16.28
16.57
16.56
16.3
16.41
16.45
16.43
16.5
16.57
16.56
16.45
16.45
16.57
16.49
16.49
16.4
16.54
16.47
16.57
16.58
16.46
16.41
16.32
16.26
16.24
16.24
16.04
15.77
15.65
15.35
15.16
14.99
14.97
15.01
15
15.01
15.01
15.13
15.23
15.1
15.14
15.1
15.19
15.16
15.3
15.18
15.2
15.08
15.01
15.09
15.1
14.95
14.95
14.99

14.98
14.97
15.07
15.05
15.06
15.08
15.08
15.05
15.12
15.17
15.17
15.17
15.3
15.32
15.43
15.35
15.25
15.43
15.44
15.35
15.49
15.39
15.33
15.35
15.42
15.45
15.59
16
15.78
15.75
15.9
15.63
15.67
15.8
15.94
15.93
15.89
15.94
15.82
15.79
15.84
15.9
15.9
15.73
15.79
15.79
15.7
15.68
15.72
15.62
15.63
15.6
15.66
15.7
15.7
15.69
15.64
15.71
15.72
15.79
15.79
15.79

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

	15.91
	15.94
	15.96
	16.1
	16.12
	15.86
	15.93
	16.04
	16.04
	16.04
	16.04
	16.39
	16.39
	16.45
	16.25
	16.59
	16.8
	16.5
	16.47
	16.28
	16.1
	16.06
	16.31
	16.19
	16.14
	15.93
	15.86
	15.89
	15.89
	15.96
	15.87
	15.86
	15.88
	15.96
	15.81
8/31/05	15.9

FUND SNAPSHOT

Common Share Price	\$15.90
Common Share Net Asset Value	\$16.21
Premium/(Discount) to NAV	-1.91%
Market Yield	5.58%
Taxable-Equivalent Yield ¹	8.52%
Net Assets Applicable to Common Shares (\$000)	\$104,510
Average Effective Maturity on Securities (Years)	16.05
Leverage-Adjusted Duration	7.97

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/19/92)

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

	ON SHARE PRICE	ON NAV
1-Year	7.58%	6.74%
5-Year	8.27%	7.77%
10-Year	8.47%	7.16%

SECTORS

(as a % of total investments)

U.S. Guaranteed	30.0%
Tax Obligation/General	22.4%
Tax Obligation/Limited	16.5%
Water and Sewer	15.7%
Education and Civic Organizations	7.5%
Other	7.9%

- 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 combined federal and state income tax rate of 34.5%. When comparing this Fund to 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 2004 of \$0.1714 per share.

14

Nuveen Insured California Premium Income Municipal Fund 2, Inc.
NCL

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	83%
U.S. Guaranteed	17%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.076
Oct	0.076
Nov	0.076
Dec	0.076
Jan	0.076
Feb	0.076

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Mar	0.073
Apr	0.073
May	0.073
Jun	0.069
Jul	0.069
Aug	0.069

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	15.15
	15.12
	15.15
	15.05
	15.15
	15.1
	15.11
	15.14
	15.15
	15.1
	15.11
	15.15
	15.17
	15.22
	15.23
	15.28
	15.3
	15.3
	15.33
	15.37
	15.35
	15.36
	15.45
	15.33
	15.29
	15.26
	15.35
	15.38
	15.42
	15.28
	15.27
	15.27
	15.3
	15.26
	15.29
	15.3
	15.3
	15.3
	15.26
	15.35
	15.41
	15.3
	15.4
	15.5
	15.5
	15.5
	15.4
	15.35
	15.25
	15.25
	15.29

15.3
15.3
15.33
15.25
15.24
15.34
15.5
15.34
15.31
15.35
15.38
15.45
15.41
15.27
15.3
15.31
15.32
15.52
15.44
15.49
15.47
15.52
15.61
15.53
15.37
15.29
15.27
15.14
15.1
15
14.94
15.05
15.17
15.25
15.27
15.3
15.24
15.44
15.39
14.95
15.03
14.91
14.9
14.72
14.68
14.69
14.74
14.69
14.57
14.55
14.62
14.67
14.77
14.92
14.93
14.92
14.97
15.06
15.09
15
15.02
15.04

14.97
15.01
14.98
15.01
14.97
14.91
14.7
14.7
14.84
14.89
14.99
14.89
14.9
14.96
15
15.05
14.92
14.9
14.79
14.67
14.68
14.72
14.68
14.695
14.63
14.58
14.64
14.65
14.55
14.4
14.33
14.25
14.42
14.45
14.528
14.58
14.56
14.54
14.51
14.61
14.55
14.5
14.53
14.63
14.57
14.55
14.5
14.5
14.55
14.62
14.57
14.6
14.87
14.99
14.99
15
15.08
15.08
15.04
15.02
15.05
15.22

15.29
15.35
15.33
15.34
15.38
15.37
15.29
15.31
15.38
15.38
15.35
15.45
15.5
15.34
15.3
15.3
15.2
15.25
15.21
15.15
15.05
15.01
14.87
14.89
14.76
14.73
14.65
14.6
14.57
14.66
14.76
14.77
14.78
14.83
14.87
14.86
14.86
14.9
14.94
14.97
14.85
14.85
14.96
14.86
14.9
15
14.91
14.78
14.88
14.8
14.8
14.95
14.86
14.95
15.15
15.1
15.1
14.96
15
15
15.08
15

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

	15
	15
	15.03
	14.85
	14.85
	14.85
	14.84
	14.87
	14.89
	14.95
	14.9
	14.87
	14.96
	14.96
	14.94
	14.94
	15.07
8/31/05	15.05

FUND SNAPSHOT

Common Share Price	\$15.05
Common Share Net Asset Value	\$15.33
Premium/(Discount) to NAV	-1.83%
Market Yield	5.50%
Taxable-Equivalent Yield ¹	8.40%
Net Assets Applicable to Common Shares (\$000)	\$194,895
Average Effective Maturity on Securities (Years)	16.54
Leverage-Adjusted Duration	7.60

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/18/93)

	ON SHARE PRICE	ON NAV
1-Year	5.10%	7.42%
5-Year	7.54%	7.73%
10-Year	8.81%	7.52%

SECTORS

(as a % of total investments)

Tax Obligation/Limited	28.3%
U.S. Guaranteed	17.2%
Water and Sewer	17.0%

Tax Obligation/General	13.7%
Education and Civic Organizations	8.3%
Utilities	7.5%
Other	8.0%

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 combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

15

Nuveen California Premium Income Municipal Fund
NCU

Performance
OVERVIEW As of August 31, 2005

Pie Chart:
CREDIT QUALITY
(as a % of total investments)

AAA/U.S. Guaranteed	64%
AA	6%
A	11%
BBB	14%
BB or Lower	4%
NR	1%

Bar Chart:
2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.073
Oct	0.073
Nov	0.073
Dec	0.073
Jan	0.073
Feb	0.073
Mar	0.07
Apr	0.07
May	0.07
Jun	0.07
Jul	0.07
Aug	0.07

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

9/1/04	13.7
	13.67
	13.55
	13.6
	13.7

13.53
13.62
13.7
13.81
13.73
13.88
13.93
13.85
13.94
13.95
13.95
13.9
13.95
14.22
14.1
14
13.82
13.75
13.88
13.85
13.8
13.85
13.99
14
14.02
13.92
14.05
14
13.94
13.94
14.01
14.1
13.95
13.85
13.9
13.91
13.9
13.9
13.92
13.91
13.84
13.55
13.34
13.36
13.3
13.38
13.42
13.5
13.6
13.65
13.6
13.55
13.6
13.5
13.6
13.65
13.65
13.7
13.59
13.51
13.52
13.61

13.56
13.5
13.63
13.73
13.58
13.5
13.54
13.42
13.31
13.3
13.279
13.32
13.31
13.27
13.1
13.18
13.14
13.18
13.22
13.33
13.38
13.44
13.42
13.49
13.5
13.4
13.43
13.54
13.53
13.53
13.48
13.71
14.25
14.13
14.18
13.9
14.03
14.02
13.83
13.78
13.75
13.83
14.1
14.05
14.06
14.03
13.93
14.3
14.3
14.17
14
13.96
14
14.35
14.15
14.21
14.2
14.07
14.07
14.1
14.16
14.15

14.06
13.84
13.74
13.64
13.64
13.64
13.64
13.52
13.64
13.54
13.26
13.17
13.06
13.06
13.03
13.07
13.1
13.02
13.09
13.08
13.09
13.03
13.21
13.22
13.29
13.5
13.63
13.9
13.81
13.82
13.8
13.76
13.67
13.85
13.85
13.86
13.97
13.97
13.97
14
13.99
13.98
13.99
13.97
13.83
13.92
13.9
13.77
13.89
13.97
13.89
14
13.92
13.91
13.93
13.94
13.99
14.13
14.06
14.1
13.99
14.22

14.33
14.74
14.7
14.49
14.47
14.4
14.3
14.18
14
14.24
14.2
14.12
14.11
14.12
14.12
14.16
14.03
14.1
14.14
14.13
14.15
14.23
14.32
14.31
14.25
14.3
14.2
14.13
14.25
14.13
14.1
14.1
14.0705
14.14
14.15
14.2
14.15
14.14
14.34
14.26
14.26
14.26
14.39
14.58
14.37
14.23
14.03
14.18
14.21
14.08
14.08
14.14
14.2
14.14
14.21
14.26
14.34
14.5
14.37
14.35
14.24
14.32

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

	14.45
8/31/05	14.37

FUND SNAPSHOT

Common Share Price	\$14.37

Common Share	
Net Asset Value	\$15.03

Premium/(Discount) to NAV	-4.39%

Market Yield	5.85%

Taxable-Equivalent Yield ¹	8.93%

Net Assets Applicable to	
Common Shares (\$000)	\$86,785

Average Effective	
Maturity on Securities (Years)	15.61

Leverage-Adjusted Duration	7.87

AVERAGE ANNUAL TOTAL RETURN
(Inception 6/18/93)

	ON SHARE PRICE	ON NAV

1-Year	11.76%	9.75%

5-Year	7.98%	8.66%

10-Year	9.28%	7.98%

SECTORS
(as a % of total investments)

Tax Obligation/Limited	34.5%

Tax Obligation/General	17.3%

Water and Sewer	10.9%

Healthcare	9.2%

Utilities	8.7%

U.S. Guaranteed	7.3%

Transportation	5.4%

Other	6.7%

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 combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate

qualified dividend income, the taxable-equivalent yield is lower.

16

Nuveen California Dividend Advantage Municipal Fund
NAC

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	62%
AA	4%
A	12%
BBB	14%
NR	8%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	15.06
	14.98
	14.92
	15.02
	15.09
	15
	15.14
	15.02
	14.96
	14.94
	14.95
	14.98
	14.99
	14.97
	15.04
	15.04
	15.04
	15
	15
	15.04
	14.96

14.81
14.85
14.91
14.9
14.9
14.99
15.05
15.05
15
15.01
15.05
15.12
15.18
15.24
15.19
15.27
15.28
15.27
15.31
15.27
15.32
15.47
15.4
15.5
15.48
15.23
14.89
15.04
14.96
15.12
15.14
15.14
15.17
15.18
15.28
15.05
15.11
15.09
15
14.98
14.9
14.76
14.75
14.7
14.81
14.82
14.81
14.89
14.83
14.83
14.83
14.86
14.9
14.86
14.95
14.93
14.85
14.84
14.83
14.76
14.9
14.84

14.89
14.9
14.9
14.82
14.75
14.81
14.88
14.76
14.75
14.57
14.46
14.4
14.5
14.53
14.59
14.57
14.53
14.61
14.52
14.61
14.69
14.74
14.8
14.89
14.98
15.07
15.19
15.15
15.23
15.21
15.11
15.11
15.04
14.98
15
14.83
14.79
14.82
14.9
15.06
15.01
14.98
14.97
14.94
15.01
15
14.95
14.76
14.78
14.68
14.61
14.62
14.55
14.59
14.58
14.61
14.59
14.33
14.4
14.29
14.4
14.42

14.51
14.6
14.6
14.68
14.7
14.71
14.659
14.72
14.79
14.78
14.73
14.8
14.83
14.88
14.88
14.89
14.86
14.89
14.85
14.82
14.86
14.93
14.93
14.96
15.01
15
15.02
15
15.11
15.27
15.28
15.22
15.29
15.37
15.35
15.45
15.4
15.35
15.39
15.3
15.25
15.31
15.25
15.39
15.53
15.51
15.59
15.6
15.58
15.55
15.55
15.502
15.38
15.34
15.43
15.64
15.67
15.53
15.53
15.5
15.5
15.59

15.51
 15.54
 15.61
 15.5
 15.69
 15.78
 15.7
 15.81
 15.82
 15.9
 15.9
 15.82
 15.81
 15.85
 15.8
 15.88
 15.77
 15.8
 15.9
 15.89
 15.95
 15.99
 16.08
 16.06
 16.06
 15.93
 16.08
 16.15
 16.12
 15.9
 15.95
 15.96
 15.94
 15.9
 16
 16.13
 16.12
 16.15
 16.15
 16.1
 16.02
 16.04
 15.98
 16.12
 16.051
 16.02
 16.08
 16.07

8/31/05

FUND SNAPSHOT

Common Share Price	\$16.07
Common Share Net Asset Value	\$15.98
Premium/(Discount) to NAV	0.56%
Market Yield	6.12%
Taxable-Equivalent Yield1	9.34%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Net Assets Applicable to
Common Shares (\$000) \$374,265

Average Effective
Maturity on Securities (Years) 17.20

Leverage-Adjusted Duration 7.21

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

	ON SHARE PRICE	ON NAV
1-Year	14.62%	9.41%
5-Year	9.93%	9.41%
Since Inception	7.63%	8.14%

SECTORS
(as a % of total investments)

Tax Obligation/Limited	25.0%
Tax Obligation/General	13.8%
Transportation	13.4%
U.S. Guaranteed	12.6%
Utilities	7.8%
Education and Civic Organizations	7.1%
Housing/Multifamily	5.5%
Healthcare	4.8%
Other	10.0%

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 combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0464 per share.

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	69%
AA	1%
A	12%
BBB	12%
NR	6%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.076
Oct	0.076
Nov	0.076
Dec	0.076
Jan	0.076
Feb	0.076
Mar	0.076
Apr	0.076
May	0.076
Jun	0.076
Jul	0.076
Aug	0.076

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	14.15
	14.12
	14
	14
	14.09
	14.13
	14.2
	14.01
	13.98
	13.97
	13.95
	14.02
	14
	14.01
	13.99
	14.14
	14.03
	14.11
	14.17
	14.08
	14.05
	13.95
	13.95
	13.95
	13.9
	13.9
	14.04
	14.09
	14.03
	14.04

14.04
14.05
14.04
14.12
14.11
14.13
14.16
14.19
14.16
14.06
14.04
14.08
14.11
14.18
14.25
14.22
14.04
13.65
13.7
13.65
13.74
13.76
14.03
14.06
14.1
14.04
13.96
14.08
13.94
13.96
13.99
13.87
13.72
13.66
13.62
13.68
13.76
13.76
13.79
13.73
13.84
13.69
13.69
13.7
13.6
13.72
13.54
13.55
13.66
13.57
13.44
13.41
13.45
13.46
13.45
13.58
13.62
13.61
13.62
13.67
13.7
13.74

13.63
13.66
13.65
13.8
13.71
13.77
13.8
13.83
13.95
13.96
13.917
14.05
14.13
14.1
14.1
14.18
14.17
14.24
14.24
14.35
14.3
14.35
14.15
14.17
14.21
14.11
13.99
13.9
14.01
14
14.12
14.09
14.09
14.04
14.11
14.18
14.15
14.16
14.16
14.09
14.06
13.95
14
14.01
13.92
13.9
13.83
13.88
13.64
13.73
13.56
13.56
13.77
13.77
13.71
13.71
13.68
13.76
13.76
13.69
13.72
13.81

13.79
13.68
13.78
13.88
13.98
13.86
13.76
13.84
13.86
13.81
13.86
13.97
14.05
14.05
14
14
14.05
14.16
14.1
14.08
14.07
14.18
14.17
14.24
14.22
14.24
14.24
14.26
14.29
14.24
14.25
14.26
14.32
14.37
14.37
14.42
14.55
14.59
14.69
14.7
14.66
14.7
14.68
14.5
14.47
14.39
14.4
14.43
14.38
14.38
14.37
14.47
14.59
14.59
14.56
14.63
14.7
14.93
14.9
14.97
14.9
14.89

14.83
 14.93
 14.84
 14.73
 14.82
 14.79
 14.82
 14.77
 14.82
 14.84
 14.88
 14.83
 14.93
 15
 14.97
 14.97
 14.93
 14.96
 14.9
 15.09
 14.79
 14.8
 15.02
 15.14
 15.05
 15
 14.98
 15.12
 15.16
 15.09
 15.05
 15.04
 14.96
 14.91
 15.05
 14.97
 15.13
 14.98
 15.19

8/31/05

FUND SNAPSHOT

Common Share Price	\$15.19
Common Share Net Asset Value	\$15.63
Premium/(Discount) to NAV	-2.82%
Market Yield	6.00%
Taxable-Equivalent Yield ¹	9.16%
Net Assets Applicable to Common Shares (\$000)	\$231,140
Average Effective Maturity on Securities (Years)	15.89
Leverage-Adjusted Duration	8.06

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

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

	ON SHARE PRICE	ON NAV
1-Year	14.98%	10.80%
Since Inception	6.72%	8.20%

SECTORS
(as a % of total investments)

Tax Obligation/Limited	19.0%
Tax Obligation/General	17.4%
U.S. Guaranteed	13.3%
Education and Civic Organizations	10.1%
Water and Sewer	9.3%
Housing/Multifamily	7.5%
Healthcare	6.1%
Transportation	6.1%
Utilities	6.0%
Other	5.2%

- 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 combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

18

Nuveen California Dividend Advantage Municipal Fund 3
NZH

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

AAA/U.S. Guaranteed	63%
AA	2%
A	15%
BBB	13%
NR	7%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.072
Oct	0.072
Nov	0.072
Dec	0.072
Jan	0.072
Feb	0.072
Mar	0.072
Apr	0.072
May	0.072
Jun	0.072
Jul	0.072
Aug	0.072

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	13.4
	13.35
	13.34
	13.34
	13.35
	13.25
	13.35
	13.25
	13.25
	13.27
	13.4
	13.4
	13.48
	13.51
	13.45
	13.55
	13.5
	13.5
	13.5
	13.51
	13.42
	13.4
	13.43
	13.46
	13.4
	13.47
	13.51
	13.54
	13.44
	13.37
	13.42
	13.46
	13.43
	13.41
	13.5
	13.5
	13.48
	13.55
	13.58
	13.51
	13.59
	13.68
	13.75

13.83
13.74
13.78
13.47
13.3
13.33
13.26
13.31
13.36
13.35
13.35
13.42
13.44
13.44
13.34
13.27
13.26
13.25
13.2
13.21
13.15
13.04
13.18
13.23
13.25
13.35
13.23
13.34
13.19
13.19
13.27
13.15
13.17
13.15
13.12
13.1
13.09
13.02
13.05
13.05
13.14
13.14
13.18
13.15
13.17
13.23
13.32
13.36
13.42
13.34
13.35
13.31
13.37
13.42
13.4
13.5
13.5
13.46
13.62
13.65
13.7
13.74

13.78
13.8
13.8
13.76
13.89
13.88
13.84
13.87
13.79
13.8
13.79
13.72
13.67
13.5
13.45
13.5
13.53
13.63
13.65
13.65
13.65
13.65
13.72
13.81
13.76
13.59
13.53
13.46
13.41
13.37
13.31
13.41
13.43
13.45
13.44
13.16
13.2
13.07
13.17
13.23
13.31
13.33
13.37
13.4
13.44
13.41
13.37
13.41
13.38
13.4
13.32
13.42
13.46
13.45
13.47
13.43
13.43
13.43
13.34
13.44
13.43
13.54

13.54
13.62
13.62
13.76
13.68
13.56
13.59
13.74
13.77
13.7
13.8
13.82
13.81
13.8
13.86
13.86
13.92
13.95
13.92
13.9
13.91
13.96
13.99
14
14.02
13.95
14.08
14.01
14.02
14.05
13.95
13.91
13.88
13.96
13.98
13.99
13.99
13.9
13.9
13.96
14.05
14.02
14.01
14.03
14.07
14.08
14.03
14.06
14.17
14.13
14.16
14.12
14.04
13.96
13.93
14.01
14.03
13.95
14.08
14.12
14.01
14.16

	14.14
	14.15
	14.15
	14.26
	14.39
	14.41
	14.47
	14.38
	14.42
	14.4
	14.5
	14.34
	14.32
	14.38
	14.4
	14.4
	14.35
	14.34
	14.37
	14.33
	14.38
	14.36
	14.35
	14.41
	14.44
8/31/05	14.49

FUND SNAPSHOT

Common Share Price	\$14.49
Common Share Net Asset Value	\$15.31
Premium/(Discount) to NAV	-5.36%
Market Yield	5.96%
Taxable-Equivalent Yield ¹	9.10%
Net Assets Applicable to Common Shares (\$000)	\$369,262
Average Effective Maturity on Securities (Years)	17.82
Leverage-Adjusted Duration	8.69

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

	ON SHARE PRICE	ON NAV
1-Year	15.75%	10.69%
Since Inception	5.48%	7.80%

SECTORS
(as a % of total investments)

Tax Obligation/Limited	28.2%
Tax Obligation/General	21.7%
Water and Sewer	8.9%
Utilities	8.6%
Healthcare	8.6%
Housing/Multifamily	6.6%
Transportation	6.2%
Education and Civic Organizations	5.1%
Other	6.1%

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 combined federal and state income tax rate of 34.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

Nuveen Insured California Dividend Advantage Municipal Fund
NKL

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	81%
AAA (uninsured)	2%
AA (uninsured)	3%
A (uninsured)	8%
BBB (uninsured)	6%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Sep	0.076
Oct	0.076
Nov	0.076
Dec	0.076
Jan	0.076
Feb	0.076
Mar	0.076
Apr	0.076
May	0.076
Jun	0.072
Jul	0.072
Aug	0.072

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	14.69
	14.67
	14.47
	14.47
	14.51
	14.6
	14.8
	14.65
	14.65
	14.66
	14.71
	14.69
	14.92
	14.76
	14.92
	14.86
	14.75
	14.86
	14.9
	14.85
	14.8
	14.68
	14.77
	14.74
	14.71
	14.65
	14.69
	14.85
	14.95
	14.86
	14.68
	14.66
	14.61
	14.65
	14.77
	14.76
	14.75
	14.85
	14.89
	14.85
	14.73
	14.71
	14.75
	14.9
	14.77
	14.78
	14.4
	14.25
	14.42
	14.38
	14.29
	14.38
	14.38
	14.5
	14.54
	14.75
	14.47

14.55
14.84
14.75
14.75
14.58
14.28
14.55
14.24
14.34
14.5
14.48
14.71
14.7
14.75
14.26
14.24
14.3
14.29
14.17
14.17
14.26
14.37
14.27
14.37
14.29
14.39
14.4
14.32
14.4
14.45
14.54
14.62
14.84
14.68
14.7
14.58
14.51
14.4
14.75
14.65
14.7
14.75
14.84
14.84
14.83
15
14.83
14.98
14.88
14.97
14.69
14.8
14.7
14.72
14.8
14.75
14.64
14.78
14.77
14.75
14.76
14.53

14.45
14.4
14.5
14.6
14.61
14.58
14.55
14.61
14.62
14.62
14.75
14.75
14.62
14.66
14.59
14.58
14.7
14.47
14.64
14.65
14.5
14.46
14.45
14.38
14.57
14.45
14.65
14.64
14.72
14.69
14.75
14.83
14.62
14.72
14.67
14.46
14.53
14.64
14.68
14.54
14.44
14.5
14.45
14.41
14.39
14.4
14.43
14.59
14.59
14.58
14.61
14.74
14.71
14.73
14.69
14.7
14.72
14.58
14.73
14.79
14.77
14.85

14.82
14.88
14.89
15.25
14.95
15
15.2
15.14
15.23
15.2
15.13
15.06
14.91
14.96
14.88
14.89
14.91
14.82
14.9
14.8
14.66
14.58
14.66
14.67
14.8
14.77
14.84
14.76
14.79
14.88
14.88
14.89
14.94
14.94
15.04
15.06
15.05
15
15.13
15.04
14.89
15
14.9
14.8
14.88
14.88
14.93
15
15.08
15.12
15.12
15.15
15.18
15.12
15.11
15.23
15.2
15.17
15
15.05
15.02
15.01

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

	14.93
	14.89
	14.89
	14.99
	14.96
	14.92
	15
	15.01
	14.98
	15.07
	15.13
8/31/05	15

FUND SNAPSHOT

Common Share Price	\$15.00
Common Share Net Asset Value	\$15.81
Premium/(Discount) to NAV	-5.12%
Market Yield	5.76%
Taxable-Equivalent Yield ¹	8.79%
Net Assets Applicable to Common Shares (\$000)	\$241,254
Average Effective Maturity on Securities (Years)	19.59
Leverage-Adjusted Duration	7.01

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

	ON SHARE PRICE	ON NAV
1-Year	9.00%	9.46%
Since Inception	6.64%	9.45%

SECTORS
(as a % of total investments)

Tax Obligation/Limited	28.4%
Tax Obligation/General	22.6%
Utilities	13.0%
Water and Sewer	11.3%
Education and Civic Organizations	5.8%
U.S. Guaranteed	5.5%

Edgar Filing: NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSR

Transportation	3.8%
-----	-----
Other	9.6%
-----	-----

- 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 combined federal and state income tax rate of 34.5%. When comparing this Fund to 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 2004 of \$0.0498 per share.

20

Nuveen Insured California Tax-Free Advantage Municipal Fund
NKX

Performance

OVERVIEW As of August 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

Insured	82%
AAA (uninsured)	2%
A (uninsured)	10%
BBB (uninsured)	6%

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Sep	0.0755
Oct	0.0755
Nov	0.0755
Dec	0.0725
Jan	0.0725
Feb	0.0725
Mar	0.0695
Apr	0.0695
May	0.0695
Jun	0.066
Jul	0.066
Aug	0.066

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

9/1/04	14.25
	14.33
	14.35
	14.45
	14.35
	14.43
	14.35
	14.45
	14.47
	14.4

14.44
14.55
14.75
14.82
14.75
14.67
14.7
14.69
14.75
14.79
14.7
14.55
14.5
14.52
14.45
14.45
14.35
14.5
14.55
14.49
14.4
14.35
14.32
14.28
14.38
14.29
14.17
14.16
14.31
14.31
14.51
14.79
14.51
14.62
14.51
14.64
14.57
14.4
14.35
14.04
14.08
14.14
14.1
14.08
14.22
14.25
14.27
14.22
14.32
14.74
14.5
14.39
14.11
14.19
14.37
14.25
14.27
14.18
14.12
14.13
14.14
14.01

14.01
13.9
13.86
13.76
13.84
13.81
14.35
14.34
14.25
14.13
14
14.21
14.4
14.4
14.46
14.45
14.5
14.32
14.34
14.37
14.4
14.6
14.62
14.5
14.62
14.64
14.63
14.63
14.59
14.57
14.52
14.54
14.61
14.61
14.67
14.67
14.61
14.61
14.77
14.72
14.72
14.58
14.53
14.63
14.79
14.57
14.59
14.66
14.65
14.69
14.77
14.74
14.75
14.66
14.7
14.8
14.8
14.75
14.65
14.65
14.7
14.8

14.56
14.4
14.4
14.24
14.24
14.04
14.24
13.96
13.96
14
13.9
13.96
13.93
13.8
13.83
13.92
13.92
14
14.04
13.93
13.9
13.95
13.88
13.89