

NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
Form N-CSRS  
February 04, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21152  
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Nuveen Georgia Dividend Advantage Municipal Fund 2  
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(Exact name of registrant as specified in charter)

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

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

(Name and address of agent for service)

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT November 30, 2003

Nuveen  
Municipal Closed-End  
Exchange-Traded  
Funds

NUVEEN GEORGIA PREMIUM INCOME MUNICIPAL FUND  
NPG

NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NZX

NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
NKG

NUVEEN NORTH CAROLINA PREMIUM INCOME MUNICIPAL FUND  
NNC

NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND  
NRB

NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
NNO

NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
NII

Photo of: Man holding up small boy.  
Photo of: 2 women with 2 girls looking at seashells.

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

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FASTER INFORMATION  
RECEIVE YOUR  
NUVEEN FUND REPORT  
ELECTRONICALLY

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

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

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

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

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

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

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

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Photo of: Timothy R. Schwertfeger  
Timothy R. Schwertfeger

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Chairman of the Board

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

Dear  
SHAREHOLDER

I am very pleased to report that for the six-months ended November 30, 2003, your Nuveen Fund continued to provide you with attractive monthly tax-free income.

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

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

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

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

January 15, 2004

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

Portfolio Manager's  
COMMENTS

Portfolio manager Dan Solender discusses national and state economic and market conditions, key investment strategies, and the recent performance of these Georgia and North Carolina Funds. With 16 years of investment experience, including seven at Nuveen, Dan assumed portfolio management responsibility for the seven Funds in November 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE SIX-MONTH REPORTING PERIOD ENDED NOVEMBER 30, 2003?

Over the past six month period, the two greatest influences on the general economy and the municipal market continued to be historically low interest rates and the overall pace of economic improvement. In June 2003, the Federal Reserve reduced the fed funds rate to 1.0%, the lowest level since 1958. The Fed's accommodative monetary policy, coupled with Washington's tax relief measures and increased spending for defense and national security, helped to fuel a jump of 8.2% (annualized) in the third-quarter gross domestic product (GDP), up from 3.3% in the second quarter. At the same time, inflation remained under control.

In the municipal market, the slow rate of economic recovery over the majority of this period, low interest rates, and lack of inflationary pressures helped many municipal bonds perform well. During the summer of 2003, however, stronger-than-expected economic data precipitated a spike in bond yields and a corresponding drop in bond prices that impacted results across all fixed-income markets, including the municipal market, for the six-month period ended November 30, 2003.

During the first 11 months of 2003, municipal supply nationally remained on a record-setting pace, with \$347.1 billion in new bonds, up 5% over the same period in 2002.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN GEORGIA AND NORTH CAROLINA?

Georgia's economy has begun to show signs of recovery. In particular, the tourism and business services sectors showed signs of growth. However, Georgia's manufacturing sector, which continued to rely heavily on textiles and paper products, remained weak. In November 2003, unemployment in Georgia reached its lowest level (4.2%) since 2001, down from 5.3% in November 2002 and well below the current national average of 5.9%.

During the first 11 months of 2003, Georgia issued \$5.1 billion in new municipal bonds, down more than 14% from the first 11 months of 2002. Over the past 12 months, Georgia's general obligation debt maintained its rating of Aaa/AAA from Moody's and S&P, respectively, with a stable outlook.

North Carolina's economy also improved, but downside risks remain. Business services produced positive growth. However, North Carolina's manufacturing base continued to shrink, with old-line industries such as textiles, furniture, and tobacco suffering as companies shift production overseas. As of November 2003, unemployment in North Carolina was 6.2%, down from 6.6% in November 2002, but higher than the current national average.

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During the first 11 months of 2003, North Carolina issued \$8.1 billion in new municipal bonds, up 93% over the same period in 2002. Much of this increase was due to a \$3.1 billion general obligation issue to be used to expand and modernize both the University of North Carolina system and the state's community colleges. North Carolina's general obligation debt is rated Aa1/AAA from Moody's and S&P, respectively, with a stable outlook.

HOW DID THESE NUVEEN FUNDS PERFORM OVER THE 12-MONTHS ENDED NOVEMBER 30, 2003?

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

|     | MARKET YIELD |                                     | TOTAL RETURN<br>ON NAV      | LEHMAN<br>TOTAL RETURN <sup>1</sup> | LIPPER<br>AVERAGE <sup>2</sup> |
|-----|--------------|-------------------------------------|-----------------------------|-------------------------------------|--------------------------------|
|     | 11/30/03     | TAXABLE-<br>EQUIVALENT <sup>3</sup> | 1 YEAR<br>ENDED<br>11/30/03 | 1 YEAR<br>ENDED<br>11/30/03         | 1 YEAR<br>ENDED<br>11/30/03    |
| NPG | 5.63%        | 8.34%                               | 9.99%                       | 6.65%                               | 10.28%                         |
| NZX | 5.78%        | 8.56%                               | 10.96%                      | 6.65%                               | 10.28%                         |
| NKG | 5.88%        | 8.71%                               | 10.30%                      | 6.65%                               | 10.28%                         |
| NNC | 5.38%        | 8.15%                               | 9.89%                       | 6.65%                               | 10.28%                         |
| NRB | 5.61%        | 8.50%                               | 10.73%                      | 6.65%                               | 10.28%                         |
| NNO | 5.43%        | 8.23%                               | 11.41%                      | 6.65%                               | 10.28%                         |
| NII | 5.49%        | 8.32%                               | 10.36%                      | 6.65%                               | 10.28%                         |

Past performance is not predictive of future results.

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

For the 12-months ended November 30, 2003, the total return of all the Funds in this report outperformed the unleveraged Lehman Brothers Municipal Bond Index and outperformed their Lipper peer group average, while NPG and NNC underperformed this measure.

The use of leverage was one of the factors that influenced the total return performances of these Funds relative to the Lehman index over the past 12 months. While leveraging creates increased volatility, this strategy can also provide opportunities for additional income for common shareholders, especially during periods of low short-term interest rates.

In general, the Funds benefited from their duration<sup>4</sup> positioning during this period. As of November 30, 2003, the durations of certain Funds (NZX, NKG, NRB, NNO and NII) ranged from 8.80 to 10.88, compared with 8.10 for the Lehman index. However, NPG and NNC, continued to have the shortest duration (8.59 and 8.14, respectively). Investments with shorter durations generally would be expected to underperform those with longer durations during periods of generally declining long-term municipal interest rates, all other factors being equal.

In addition to leverage and duration, factors such as call exposure, portfolio trading activity, and the price movement of specific sectors and holdings also had an impact on the Funds' relative total return performances during this period. For example, NPG's holdings of several multifamily housing issues also contributed to its trailing the majority of Funds in this report.

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

With short-term interest rates remaining at historically low levels, the dividend-payment capabilities of all of these Funds benefited from their use of leverage. During the 12-months ended November 2003, continued low short-term rates enabled us to implement three dividend increases in NZX and two in NPG,

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NNC, NRB, and NNO. Leverage also helped to support the dividends of NKG and NII, which were introduced in September 2002. As of November 30, 2003, these Funds had paid shareholders attractive, steady dividends for 13 consecutive months.

Each fund seeks to pay a stable dividend at a rate that reflects past results and projected future performance of the Fund. The 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 the Fund

- 1 The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The total returns of these Funds are compared with the average annualized return of the 43 funds in the Lipper Other States Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends. It should be noted that the performance of the Lipper Other States category represents the overall average of annual returns for funds from 10 different states with a wide variety of economic and municipal market conditions and investment guidelines, making direct comparisons less applicable.
- 3 The taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28% plus the applicable state income tax rate. The combined federal and state tax rates used in this report are as follows: Georgia 32.5% and North Carolina 34%. The yields shown highlight the added value of owning shares that are exempt from state as well as federal income taxes.
- 4 Duration is a measure of a fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the fund. References to duration in this commentary are intended to indicate fund duration unless otherwise noted.

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has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if the Fund has cumulatively paid dividends in excess of its earnings, the excess will constitute a negative UNII which will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders. As of November 30 2003, NPG, NZX, NNC, NRB and NNO had positive UNII, while NKG and NII had negative UNII.

The share prices, as well as the net asset values of all of the Funds, ended the 12-month period higher than they had been at the beginning with the exception of NKG. As of November 30, 2003, NPG, NZX, NNC, NRB, NNO and NII were trading at premiums to their common share NAVs, while NKG was trading at a discount (see individual Performance Overview pages).

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WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE 12-MONTHS ENDED NOVEMBER 30, 2003?

Over this 12-month period, we continued to place strong emphasis on keeping the Funds fully invested and well diversified, improving call protection, and enhancing dividend-paying capabilities.

We also continued to focus on managing the Funds' durations as a way of enhancing our ability to mitigate interest rate risk and produce potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise (since bond prices move in the opposite direction of interest rates). The longer the duration of a Fund's portfolio, the greater its interest rate risk. Over the past 12-month period, the durations of all seven Funds shortened.

In keeping with the steepness of the municipal yield curve, the majority of our purchase activity over the past year focused on value opportunities in the long intermediate part of the yield curve (i.e., bonds that mature in 15 to 20 years). In many cases, bonds in this part of the curve offered yields similar to those of longer-term bonds but had less inherent interest rate risk.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF NOVEMBER 30, 2003?

We believe that, given the current geopolitical and economic climate, maintaining strong credit quality remains a vital requirement. As of November 30, 2003, these Nuveen Funds offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 76% to 93%. Despite some recent economic weaknesses, Georgia and North Carolina continued to rank as very high quality states with AAA ratings from Standard & Poor's over the past two years.

Looking at bond calls, these Funds generally offer good levels of call protection over the next two years, with potential call exposure (as of November 30, 2003) ranging from zero in NZX and NKG to 24% in NPG during 2004 and 2005. In coming months, the number of actual bond calls in all of these Funds will depend largely on market interest rates.

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

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Nuveen Georgia Premium Income Municipal Fund

Performance

OVERVIEW As of November 30, 2003

NPG

Pie Chart:

CREDIT QUALITY

AAA/U.S. Guaranteed 71%



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|             |     |
|-------------|-----|
| AA          | 12% |
| A           | 10% |
| BBB         | 4%  |
| BB or Lower | 3%  |

PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$16.10  |
| Common Share Net Asset Value   | \$14.96  |
| Premium/(Discount) to NAV  | 7.62%    |
| Market Yield   | 5.63%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 7.82%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.34%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$56,617 |
| Average Effective Maturity (Years)   | 20.34    |
| Leverage-Adjusted Duration   | 8.59     |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/20/93)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 6.63%          | 9.99%  |
| 5-Year  | 5.38%          | 6.18%  |
| 10-Year | 6.86%          | 6.80%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Healthcare                        | 24% |
| Housing/Multifamily               | 15% |
| Water and Sewer                   | 12% |
| Education and Civic Organizations | 9%  |
| Tax Obligation/Limited            | 9%  |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |        |
|-----|--------|
| Dec | 0.0715 |
| Jan | 0.0715 |
| Feb | 0.0715 |
| Mar | 0.073  |
| Apr | 0.073  |
| May | 0.073  |

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|     |        |
|-----|--------|
| Jun | 0.073  |
| Jul | 0.073  |
| Aug | 0.073  |
| Sep | 0.0755 |
| Oct | 0.0755 |
| Nov | 0.0755 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|          |       |
|----------|-------|
| 12/1/02  | 15.98 |
|          | 15.85 |
|          | 15.65 |
|          | 15.85 |
|          | 16    |
|          | 16    |
|          | 16    |
|          | 16.25 |
|          | 16.3  |
|          | 16.61 |
|          | 16.35 |
|          | 16.55 |
|          | 16.45 |
|          | 16.5  |
|          | 16.26 |
|          | 16.22 |
|          | 15.94 |
|          | 15.95 |
|          | 16.02 |
|          | 16.27 |
|          | 16.25 |
|          | 16.1  |
|          | 16.37 |
|          | 16.95 |
|          | 16.98 |
|          | 16.95 |
|          | 16.55 |
|          | 16.35 |
|          | 16.89 |
|          | 16.88 |
|          | 16.2  |
|          | 15.7  |
|          | 15.42 |
|          | 15.55 |
|          | 15.2  |
|          | 15.37 |
|          | 15.27 |
|          | 15.19 |
|          | 15.2  |
|          | 15.2  |
|          | 15.5  |
|          | 15.36 |
|          | 15.59 |
|          | 15.61 |
|          | 15.69 |
|          | 15.8  |
|          | 16    |
| 11/30/03 | 16.1  |

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1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 32.5%.

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## Nuveen Georgia Dividend Advantage Municipal Fund

### Performance

OVERVIEW As of November 30, 2003

NZX

### Pie Chart:

#### CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 68% |
| AA                  | 15% |
| A                   | 5%  |
| BBB                 | 12% |

#### PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$15.15  |
| Common Share Net Asset Value   | \$15.07  |
| Premium/(Discount) to NAV  | 0.53%    |
| Market Yield   | 5.78%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 8.03%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.56%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$29,508 |
| Average Effective Maturity (Years)   | 20.69    |
| Leverage-Adjusted Duration   | 10.69    |

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

|        | ON SHARE PRICE | ON NAV |
|--------|----------------|--------|
| 1-Year | 9.18%          | 10.96% |



|          |       |
|----------|-------|
|          | 15.59 |
|          | 15.88 |
|          | 16.05 |
|          | 15.93 |
|          | 15.61 |
|          | 15.85 |
|          | 15.96 |
|          | 14.9  |
|          | 14.5  |
|          | 14.75 |
|          | 14.3  |
|          | 14.6  |
|          | 14.65 |
|          | 14.75 |
|          | 14.8  |
|          | 14.73 |
|          | 15.09 |
|          | 14.78 |
|          | 14.62 |
|          | 14.91 |
|          | 15.06 |
|          | 14.85 |
|          | 15.05 |
|          | 14.91 |
| 11/30/03 | 15.15 |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 32.5%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.1278 per share.

Nuveen Georgia Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2003

NKG

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 82% |
| AA                  | 11% |
| A                   | 1%  |
| BBB                 | 6%  |

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PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$13.68  |
| Common Share Net Asset Value                                     | \$14.41  |
| Premium/(Discount) to NAV  | -5.07%   |
| Market Yield   | 5.88%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate)1           | 8.17%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate)1 | 8.71%    |
| Net Assets Applicable to<br>Common Shares (\$000)                | \$65,591 |
| Average Effective Maturity (Years)                               | 21.40    |
| Leverage-Adjusted Duration                                       | 10.88    |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/25/02)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 0.52%          | 10.30% |
| Since Inception | -2.59%         | 5.81%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 21% |
| Healthcare                        | 19% |
| Water and Sewer                   | 17% |
| Education and Civic Organizations | 15% |
| Utilities                         | 8%  |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |       |
|-----|-------|
| Dec | 0.067 |
| Jan | 0.067 |
| Feb | 0.067 |
| Mar | 0.067 |
| Apr | 0.067 |
| May | 0.067 |
| Jun | 0.067 |
| Jul | 0.067 |
| Aug | 0.067 |
| Sep | 0.067 |
| Oct | 0.067 |
| Nov | 0.067 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|          |       |
|----------|-------|
| 12/1/02  | 14.64 |
|          | 14.4  |
|          | 14.4  |
|          | 14.2  |
|          | 14.7  |
|          | 14.15 |
|          | 14.3  |
|          | 14.25 |
|          | 14.1  |
|          | 14.1  |
|          | 14.45 |
|          | 14.5  |
|          | 14.35 |
|          | 14.29 |
|          | 14.25 |
|          | 14.56 |
|          | 14.35 |
|          | 14.17 |
|          | 14    |
|          | 14.07 |
|          | 14.5  |
|          | 14.47 |
|          | 14.55 |
|          | 14.98 |
|          | 14.78 |
|          | 15    |
|          | 14.7  |
|          | 15.15 |
|          | 15.14 |
|          | 14.7  |
|          | 14.41 |
|          | 14.02 |
|          | 13.86 |
|          | 13.5  |
|          | 13.57 |
|          | 13.48 |
|          | 13.9  |
|          | 13.42 |
|          | 13.45 |
|          | 13.9  |
|          | 13.84 |
|          | 13.85 |
|          | 13.68 |
|          | 13.59 |
|          | 13.55 |
|          | 13.59 |
|          | 13.49 |
| 11/30/03 | 13.68 |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and

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state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 32.5%.

Nuveen North Carolina Premium Income Municipal Fund

Performance

OVERVIEW As of November 30, 2003

NNC

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 50% |
| AA                  | 26% |
| A                   | 15% |
| BBB                 | 9%  |

PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$16.63  |
| Common Share Net Asset Value   | \$15.07  |
| Premium/(Discount) to NAV  | 10.35%   |
| Market Yield   | 5.38%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 7.47%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.15%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$95,175 |
| Average Effective Maturity (Years)   | 17.96    |
| Leverage-Adjusted Duration   | 8.14     |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/20/93)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 15.05%         | 9.89%  |
| 5-Year  | 5.39%          | 6.41%  |
| 10-Year | 7.90%          | 6.79%  |



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TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Healthcare                        | 21% |
| U.S. Guaranteed                   | 16% |
| Education and Civic Organizations | 11% |
| Tax Obligation/General            | 10% |
| Housing/Single Family             | 8%  |

## Bar Chart:

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

|     |        |
|-----|--------|
| Dec | 0.0715 |
| Jan | 0.0715 |
| Feb | 0.0715 |
| Mar | 0.073  |
| Apr | 0.073  |
| May | 0.073  |
| Jun | 0.073  |
| Jul | 0.073  |
| Aug | 0.073  |
| Sep | 0.0745 |
| Oct | 0.0745 |
| Nov | 0.0745 |

## Line Chart:

### SHARE PRICE PERFORMANCE

#### Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 12/1/02 | 15.23 |
|         | 15.15 |
|         | 15.3  |
|         | 15.33 |
|         | 15.8  |
|         | 15.62 |
|         | 15.73 |
|         | 15.55 |
|         | 15.87 |
|         | 16.15 |
|         | 16.45 |
|         | 16.27 |
|         | 16.6  |
|         | 16.5  |
|         | 16.61 |
|         | 16.28 |
|         | 16.22 |
|         | 16.65 |
|         | 16.15 |
|         | 16.41 |
|         | 16.33 |
|         | 16.56 |
|         | 16.73 |
|         | 16.95 |
|         | 17.35 |
|         | 17.37 |
|         | 17.4  |
|         | 17.13 |

|          |       |
|----------|-------|
|          | 17.2  |
|          | 16.73 |
|          | 16.33 |
|          | 15.6  |
|          | 15.8  |
|          | 15.73 |
|          | 16    |
|          | 15.79 |
|          | 15.8  |
|          | 15.76 |
|          | 16.09 |
|          | 16.1  |
|          | 16.25 |
|          | 16.02 |
|          | 15.95 |
|          | 16.21 |
|          | 16.47 |
|          | 16.58 |
|          | 16.65 |
| 11/30/03 | 16.63 |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

2 The Fund also paid shareholders a net ordinary income distribution in December 2002 of \$0.0031 per share.

Nuveen North Carolina Dividend Advantage Municipal Fund

Performance

OVERVIEW As of November 30, 2003

NRB

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 47% |
| AA                  | 38% |
| A                   | 10% |
| BBB                 | 5%  |

PORTFOLIO STATISTICS

-----

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|  |          |
|--|----------|
| Share Price  | \$16.35  |
| Common Share Net Asset Value   | \$15.34  |
| Premium/(Discount) to NAV  | 6.58%    |
| Market Yield   | 5.61%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 7.79%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.50%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$34,441 |
| Average Effective Maturity (Years)   | 19.14    |
| Leverage-Adjusted Duration   | 8.80     |

AVERAGE ANNUAL TOTAL RETURN (Inception 1/25/01)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 12.85%         | 10.73% |
| Since Inception | 9.05%          | 8.60%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Education and Civic Organizations | 19% |
| Healthcare                        | 17% |
| Water and Sewer                   | 17% |
| Utilities                         | 14% |
| Tax Obligation/Limited            | 13% |

Bar Chart:

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

|     |        |
|-----|--------|
| Dec | 0.072  |
| Jan | 0.072  |
| Feb | 0.072  |
| Mar | 0.0735 |
| Apr | 0.0735 |
| May | 0.0735 |
| Jun | 0.0735 |
| Jul | 0.0735 |
| Aug | 0.0735 |
| Sep | 0.0765 |
| Oct | 0.0765 |
| Nov | 0.0765 |

Line Chart:

SHARE PRICE PERFORMANCE

Edgar Filing: NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSRS

Weekly Closing Price

Past performance is not predictive of future results.

|          |       |
|----------|-------|
| 12/1/02  | 15.35 |
|          | 15.37 |
|          | 15.75 |
|          | 15.76 |
|          | 15.87 |
|          | 15.55 |
|          | 15.68 |
|          | 15.65 |
|          | 15.6  |
|          | 15.6  |
|          | 15.73 |
|          | 15.65 |
|          | 15.85 |
|          | 15.82 |
|          | 15.82 |
|          | 15.8  |
|          | 15.62 |
|          | 15.8  |
|          | 15.89 |
|          | 16.1  |
|          | 16.27 |
|          | 16.25 |
|          | 16.35 |
|          | 16.45 |
|          | 16.73 |
|          | 16.85 |
|          | 17.35 |
|          | 16.86 |
|          | 16.9  |
|          | 16.8  |
|          | 16.42 |
|          | 14.9  |
|          | 14.99 |
|          | 15.03 |
|          | 14.5  |
|          | 14.65 |
|          | 14.9  |
|          | 15.23 |
|          | 15.24 |
|          | 15.17 |
|          | 15.41 |
|          | 15.4  |
|          | 15.54 |
|          | 15.68 |
|          | 15.73 |
|          | 16.2  |
|          | 16.16 |
| 11/30/03 | 16.35 |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

# Edgar Filing: NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-CSRS

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.1311 per share.

9

Nuveen North Carolina Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2003

NNO

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 61% |
| AA                  | 23% |
| A                   | 8%  |
| BBB                 | 8%  |

## PORTFOLIO STATISTICS

|  |          |
|--|----------|
| Share Price  | \$15.70  |
| Common Share Net Asset Value   | \$15.41  |
| Premium/(Discount) to NAV  | 1.88%    |
| Market Yield   | 5.43%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 7.54%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.23%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$57,521 |
| Average Effective Maturity (Years)   | 15.03    |
| Leverage-Adjusted Duration   | 8.82     |

## AVERAGE ANNUAL TOTAL RETURN (Inception 11/15/01)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 12.24%         | 11.41% |
| Since Inception | 8.07%          | 9.59%  |

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

|            |     |
|------------|-----|
| Healthcare | 16% |
|------------|-----|

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|                                   |     |
|-----------------------------------|-----|
| Education and Civic Organizations | 15% |
| Tax Obligation/Limited            | 13% |
| Tax Obligation/General            | 12% |
| Utilities                         | 11% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

|     |        |
|-----|--------|
| Dec | 0.0685 |
| Jan | 0.0685 |
| Feb | 0.0685 |
| Mar | 0.0685 |
| Apr | 0.0685 |
| May | 0.0685 |
| Jun | 0.0695 |
| Jul | 0.0695 |
| Aug | 0.0695 |
| Sep | 0.071  |
| Oct | 0.071  |
| Nov | 0.071  |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 12/1/02 | 14.95 |
|         | 15    |
|         | 14.77 |
|         | 14.89 |
|         | 14.96 |
|         | 15    |
|         | 14.8  |
|         | 15    |
|         | 15.03 |
|         | 15    |
|         | 14.99 |
|         | 15.25 |
|         | 15.15 |
|         | 15.31 |
|         | 15.35 |
|         | 15.1  |
|         | 15    |
|         | 15.09 |
|         | 15.25 |
|         | 15.31 |
|         | 15.55 |
|         | 15.6  |
|         | 15.75 |
|         | 15.97 |
|         | 16.02 |
|         | 16.43 |
|         | 16.1  |
|         | 16.15 |
|         | 16.25 |
|         | 16.24 |
|         | 16    |

|          |       |
|----------|-------|
|          | 14.7  |
|          | 14.85 |
|          | 14.7  |
|          | 14.9  |
|          | 14.91 |
|          | 14.95 |
|          | 15.2  |
|          | 15.05 |
|          | 14.85 |
|          | 15.5  |
|          | 15.4  |
|          | 15.31 |
|          | 15.35 |
|          | 15.4  |
|          | 15.6  |
|          | 15.5  |
| 11/30/03 | 15.7  |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.1293 per share.

Nuveen North Carolina Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of November 30, 2003

NII

Pie Chart:

CREDIT QUALITY

|                     |     |
|---------------------|-----|
| AAA/U.S. Guaranteed | 62% |
| AA                  | 30% |
| A                   | 2%  |
| BBB                 | 6%  |

PORTFOLIO STATISTICS

|                              |         |
|------------------------------|---------|
| Share Price                  | \$14.65 |
| Common Share Net Asset Value | \$14.45 |

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|  |          |
|--|----------|
| Premium/(Discount) to NAV  | 1.38%    |
| Market Yield   | 5.49%    |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup>           | 7.63%    |
| Taxable-Equivalent Yield<br>(Federal and State Income Tax Rate) <sup>1</sup> | 8.32%    |
| Net Assets Applicable to<br>Common Shares (\$000)                            | \$56,645 |
| Average Effective Maturity (Years)   | 19.35    |
| Leverage-Adjusted Duration   | 9.64     |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/25/02)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 5.91%          | 10.36% |
| Since Inception | 3.01%          | 6.05%  |

TOP FIVE SECTORS (as a % of total investments)

|                                   |     |
|-----------------------------------|-----|
| Tax Obligation/Limited            | 30% |
| Water and Sewer                   | 17% |
| Education and Civic Organizations | 11% |
| Utilities                         | 10% |
| Tax Obligation/General            | 10% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |       |
|-----|-------|
| Dec | 0.067 |
| Jan | 0.067 |
| Feb | 0.067 |
| Mar | 0.067 |
| Apr | 0.067 |
| May | 0.067 |
| Jun | 0.067 |
| Jul | 0.067 |
| Aug | 0.067 |
| Sep | 0.067 |
| Oct | 0.067 |
| Nov | 0.067 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

12/1/02 14.94



|          |       |
|----------|-------|
|          | 14.65 |
|          | 14.84 |
|          | 14.81 |
|          | 14.9  |
|          | 14.8  |
|          | 15    |
|          | 14.9  |
|          | 14.98 |
|          | 14.95 |
|          | 14.85 |
|          | 14.85 |
|          | 14.86 |
|          | 14.85 |
|          | 14.8  |
|          | 14.7  |
|          | 14.98 |
|          | 14.99 |
|          | 14.94 |
|          | 15.07 |
|          | 15.05 |
|          | 15.26 |
|          | 15.6  |
|          | 15.2  |
|          | 15.44 |
|          | 15.7  |
|          | 15.9  |
|          | 15.51 |
|          | 15.9  |
|          | 15.61 |
|          | 15.46 |
|          | 14.71 |
|          | 14.57 |
|          | 14.5  |
|          | 14.86 |
|          | 14.82 |
|          | 14.69 |
|          | 14.5  |
|          | 14.39 |
|          | 14.4  |
|          | 14.37 |
|          | 14.38 |
|          | 14.06 |
|          | 14.21 |
|          | 14.15 |
|          | 14.17 |
|          | 14.39 |
| 11/30/03 | 14.65 |

1 Taxable-equivalent yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. With respect to investments that generate qualified dividend income that is taxable at a maximum rate of 15%, the taxable-equivalent yield is lower. The taxable-equivalent yield is calculated using the current market yield and a federal income tax rate of 28%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

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Shareholder  
MEETING REPORT

The Shareholder Meeting was held October 22, 2003 in Chicago at Nuveen's headquarters.

|  | NPG  |  | NZX  |
|--|--|--|--|
| -----  |  |  |  |
| APPROVAL OF THE BOARD MEMBERS<br>WAS REACHED AS FOLLOWS: |  |  |  |
|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class |
|  |  |  | MuniPreferred<br>shares voting<br>together<br>as a class               |
| =====  |  |  |  |
| William E. Bennett                                       |  |  |  |
| For  | 3,353,885  | --   | 1,878,801  |
| Withhold   | 20,814   | --   | 1,000  |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| Robert P. Bremner  |  |  |  |
| For  | 3,350,435  | --   | 1,879,801  |
| Withhold   | 24,264   | --   | --   |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| Lawrence H. Brown  |  |  |  |
| For  | 3,352,885  | --   | 1,879,801  |
| Withhold   | 21,814   | --   | --   |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| Jack B. Evans  |  |  |  |
| For  | 3,354,710  | --   | 1,879,801  |
| Withhold   | 19,989   | --   | --   |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| Anne E. Impellizzeri                                     |  |  |  |
| For  | 3,351,717  | --   | 1,878,801  |
| Withhold   | 22,982   | --   | 1,000  |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| William L. Kissick                                       |  |  |  |
| For  | 3,353,710  | --   | 1,879,801  |
| Withhold   | 20,989   | --   | --   |
| Total  | 3,374,699  | --   | 1,879,801  |
| =====  |  |  |  |
| Thomas E. Leafstrand                                     |  |  |  |
| For  | 3,352,542  | --   | 1,879,801  |
| Withhold   | 22,157   | --   | --   |
| -----  |  |  |  |

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|                 |           |    |           |
|-----------------|-----------|----|-----------|
| Total           | 3,374,699 | -- | 1,879,801 |
| =====           |           |    |           |
| Peter R. Sawers |           |    |           |
| For             | 3,352,885 | -- | 1,879,801 |
| Withhold        | 21,814    | -- | --        |
| -----           |           |    |           |
| Total           | 3,374,699 | -- | 1,879,801 |
| =====           |           |    |           |

12

|  | NPG  |  | NZX  |  |
|--|--|--|--|--|
| APPROVAL OF THE BOARD MEMBERS<br>WAS REACHED AS FOLLOWS: |  |  |  |  |
|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| =====  |  |  |  |  |
| William J. Schneider                                     |  |  |  |  |
| For  | --   | 1,025  | --   | 5  |
| Withhold   | --   | --   | --   | --   |
| -----  |  |  |  |  |
| Total  | --   | 1,025  | --   | 5  |
| =====  |  |  |  |  |
| Timothy R. Schwertfeger                                  |  |  |  |  |
| For  | --   | 1,025  | --   | 5  |
| Withhold   | --   | --   | --   | --   |
| -----  |  |  |  |  |
| Total  | --   | 1,025  | --   | 5  |
| =====  |  |  |  |  |
| Judith M. Stockdale                                      |  |  |  |  |
| For  | 3,353,885  | --   | 1,879,801  |  |
| Withhold   | 20,814   | --   | --   |  |
| -----  |  |  |  |  |
| Total  | 3,374,699  | --   | 1,879,801  |  |
| =====  |  |  |  |  |
| Sheila W. Wellington                                     |  |  |  |  |
| For  | 3,353,710  | --   | 1,879,801  |  |
| Withhold   | 20,989   | --   | --   |  |
| -----  |  |  |  |  |
| Total  | 3,374,699  | --   | 1,879,801  |  |
| =====  |  |  |  |  |

13

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|  | NNC  |  | NRB  |  |
|--|--|--|--|--|
| APPROVAL OF THE BOARD MEMBERS<br>WAS REACHED AS FOLLOWS: |  |  |  |  |
|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| =====  |  |  |  |  |
| William E. Bennett                                       |  |  |  |  |
| For  | 5,730,825  | --   | 2,188,181  |  |
| Withhold   | 35,581   | --   | 2,620  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Robert P. Bremner  |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Lawrence H. Brown  |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Jack B. Evans  |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Anne E. Impellizzeri                                     |  |  |  |  |
| For  | 5,732,491  | --   | 2,188,181  |  |
| Withhold   | 33,915   | --   | 2,620  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| William L. Kissick                                       |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Thomas E. Leafstrand                                     |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |
| Peter R. Sawers  |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| =====  |  |  |  |  |

|  | NNC  |  | NRB  |  |
|--|--|--|--|--|
|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class |
| APPROVAL OF THE BOARD MEMBERS<br>WAS REACHED AS FOLLOWS: |  |  |  |  |
| William J. Schneider                                     |  |  |  |  |
| For  | --   | 1,814  | --   | 6  |
| Withhold   | --   | --   | --   |  |
| Total  | --   | 1,814  | --   | 6  |
| Timothy R. Schwertfeger                                  |  |  |  |  |
| For  | --   | 1,814  | --   | 6  |
| Withhold   | --   | --   | --   |  |
| Total  | --   | 1,814  | --   | 6  |
| Judith M. Stockdale                                      |  |  |  |  |
| For  | 5,732,491  | --   | 2,189,681  |  |
| Withhold   | 33,915   | --   | 1,120  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |
| Sheila W. Wellington                                     |  |  |  |  |
| For  | 5,732,491  | --   | 2,188,181  |  |
| Withhold   | 33,915   | --   | 2,620  |  |
| Total  | 5,766,406  | --   | 2,190,801  |  |

Shareholder  
MEETING REPORT (continued)

APPROVAL OF THE BOARD MEMBERS  
WAS REACHED AS FOLLOWS:

=====  
William E. Bennett  
For  
Withhold

-----  
Total  
=====

Robert P. Bremner  
For  
Withhold

-----  
Total  
=====

Lawrence H. Brown  
For  
Withhold

-----  
Total  
=====

Jack B. Evans  
For  
Withhold

-----  
Total  
=====

Anne E. Impellizzeri  
For  
Withhold

-----  
Total  
=====

William L. Kissick  
For  
Withhold

-----  
Total  
=====

Thomas E. Leafstrand  
For  
Withhold

-----  
Total  
=====

Peter R. Sawers  
For  
Withhold

-----  
Total  
=====

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-----  
 APPROVAL OF THE BOARD MEMBERS  
 WAS REACHED AS FOLLOWS:

=====

William J. Schneider  
 For  
 Withhold

-----  
 Total

=====

Timothy R. Schwertfeger  
 For  
 Withhold

-----  
 Total

=====

Judith M. Stockdale  
 For  
 Withhold

-----  
 Total

=====

Sheila W. Wellington  
 For  
 Withhold

-----  
 Total

=====

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Nuveen Georgia Premium Income Municipal Fund (NPG)  
 Portfolio of  
 INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
|                           | CONSUMER STAPLES - 7.0%  |                        |
| \$ 2,000                  | Cartersville Development Authority, Georgia, Sewerage Facilities Revenue Refunding Bonds, Anheuser-Busch Project, Series 1997, 6.125%, 5/01/27 (Alternative Minimum Tax) | 5/07 at 101            |
| 2,000                     | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39  | 5/12 at 100            |

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EDUCATION AND CIVIC ORGANIZATIONS - 13.9%

|       |   |              |
|-------|---|--------------|
| 3,000 | Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002, 5.000%, 12/01/33 - AMBAC Insured | 12/12 at 100 |
|       | Atlanta Urban Residential Finance Authority, Georgia, Dormitory Facility Revenue Refunding Bonds, Morehouse College Project, Series 1995:                     |              |
| 1,210 | 5.750%, 12/01/20 - MBIA Insured   | 12/05 at 102 |
| 1,375 | 5.750%, 12/01/25 - MBIA Insured   | 12/05 at 102 |
| 395   | DeKalb County Development Authority, Georgia, Revenue Bonds, Emory University Project, Series 1994A, 6.000%, 10/01/14   | 10/04 at 102 |
| 1,550 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Agnes Scott College, Series 1993, 5.625%, 6/01/23  | 12/03 at 102 |

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HEALTHCARE - 34.3%

|       |   |              |
|-------|---|--------------|
| 3,000 | Albany-Dougherty County Hospital Authority, Georgia, Revenue Bonds, Phoebe Putney Memorial Hospital, Series 1993, 5.700%, 9/01/13 - AMBAC Insured                                     | 3/04 at 102  |
| 2,300 | Chatham County Hospital Authority, Savannah, Georgia, Hospital Revenue Improvement Bonds, Memorial Health University Medical Center, Inc., Series 2001A, 6.125%, 1/01/24              | 7/11 at 101  |
| 2,000 | Clarke County Hospital Authority, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32 - MBIA Insured                                 | 1/12 at 101  |
| 3,000 | Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 - MBIA Insured                                | 7/12 at 101  |
| 1,090 | Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center, Series 2003, 5.000%, 7/01/19 (WI, Settling 12/17/03) - MBIA Insured                | 7/13 at 101  |
| 1,765 | Gainesville, Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc. Project, Series 1995, 6.000%, 10/01/25 - MBIA Insured | 10/05 at 102 |
| 1,750 | Gainesville, Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc. Project, Series 2001, 5.500%, 5/15/31                 | 5/11 at 100  |
| 3,750 | Gwinnett County Hospital Authority, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System Inc. Project, Series 1997B, 5.300%, 9/01/27 - MBIA Insured                   | 2/12 at 102  |

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HOUSING/MULTIFAMILY - 21.8%



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|       |   |              |
|-------|---|--------------|
| 1,145 | Clayton County Housing Authority, Georgia, Multifamily Housing Revenue Bonds, Advantages Project, Series 1995, 5.800%, 12/01/20   | 12/05 at 102 |
| 3,400 | DeKalb County Housing Authority, Georgia, Multifamily Housing Revenue Bonds, Lakes at Indian Creek Apartments Project, Series 1994, 7.150%, 1/01/25 (Alternative Minimum Tax) - FSA Insured                           | 1/05 at 102  |
| 935   | Decatur Housing Authority, Georgia, FHA-Insured Mortgage Revenue Refunding Bonds, Section 8 Assisted Park Trace Apartments Project, Series 1992A, 6.450%, 7/01/25 - MBIA Insured                                      | 1/04 at 101  |
| 2,000 | Housing Authority of the City of Lawrenceville, Georgia, Multifamily Housing Senior Revenue Bonds, Brisben Greens of Hillcrest II Project, Series 2000A-1, 5.800%, 12/01/33 (Alternative Minimum Tax) - AMBAC Insured | 12/10 at 100 |
| 3,000 | Macon-Bibb County Urban Development Authority, Georgia, Multifamily Housing Revenue Refunding Bonds, Series 1997A, 5.550%, 1/01/24 - MBIA Insured   | 1/04 at 103  |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | HOUSING/MULTIFAMILY (continued)   |                        |
| \$ 1,500                  | Housing Authority of the City of Marietta, Georgia, Multifamily Housing Revenue Bonds, GNMA Collateralized - Country Oaks Apartments, Series 1996, 6.150%, 10/20/26 (Alternative Minimum Tax) | 10/06 at 102           |
| -----                     |   |                        |
|                           | HOUSING/SINGLE FAMILY - 7.4%  |                        |
| 165                       | Fulton County Housing Authority, Georgia, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1995A, 6.550%, 3/01/18 (Alternative Minimum Tax)              | 3/05 at 102            |
| 2,985                     | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2001A-2, 5.700%, 12/01/31 (Alternative Minimum Tax)   | 12/10 at 100           |
| 900                       | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)   | 12/11 at 100           |
| -----                     |   |                        |
|                           | INDUSTRIALS - 0.9%  |                        |

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|                                |  |              |
|--------------------------------|--|--------------|
| 500                            | Savannah Economic Development Authority, Georgia,<br>Revenue Bonds, GTREP Project, Series 2002,<br>5.000%, 7/01/22 - MBIA Insured  | 7/12 at 100  |
| -----                          |  |              |
| MATERIALS - 6.9%               |  |              |
| 2,500                          | Effingham County Industrial Development Authority,<br>Georgia, Pollution Control Revenue Refunding Bonds,<br>Georgia-Pacific Project, Series 2001, 6.500%, 6/01/31                             | 6/11 at 101  |
| 1,500                          | Richmond County Development Authority, Georgia,<br>Environmental Improvement Revenue Bonds, International<br>Paper Company Project, Series 2001A, 6.250%, 2/01/25<br>(Alternative Minimum Tax) | 2/11 at 101  |
| -----                          |  |              |
| TAX OBLIGATION/GENERAL - 9.8%  |  |              |
| 2,500                          | Forsyth County School District, Georgia, General Obligation<br>Bonds, Series 1999, 5.750%, 2/01/19   | 2/10 at 102  |
| 2,500                          | Georgia, General Obligation Bonds, Series 2002D,<br>5.000%, 8/01/16  | 8/12 at 100  |
| -----                          |  |              |
| TAX OBLIGATION/LIMITED - 13.3% |  |              |
| 3,000                          | Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia,<br>Revenue Refunding Bonds, Series 1993, 5.625%, 10/01/26 -<br>MBIA Insured  | 10/19 at 100 |
| 2,600                          | Macon-Bibb County Urban Development Authority,<br>Georgia, Revenue Refunding Bonds, Public Facilities<br>Projects, Series 2002A, 5.375%, 8/01/17   | 8/12 at 101  |
| 1,000                          | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales<br>Tax Revenue Refunding Bonds, Series P, 6.250%, 7/01/20 -<br>AMBAC Insured  | No Opt. C    |
| -----                          |  |              |
| TRANSPORTATION - 2.1%          |  |              |
| 1,000                          | Atlanta, Georgia, Airport Facilities Revenue Refunding<br>Bonds, Series 1994A, 6.500%, 1/01/09 - AMBAC Insured   | No Opt. C    |
| -----                          |  |              |
| U.S. GUARANTEED - 2.4%         |  |              |
| 1,160                          | DeKalb County Development Authority, Georgia, Revenue<br>Bonds, Emory University Project, Series 1994A,<br>6.000%, 10/01/14 (Pre-refunded to 10/01/04)   | 10/04 at 102 |
| 85                             | Georgia Municipal Electric Authority, Project One Special<br>Obligation Bonds, Fifth Crossover Series 1998Y,<br>6.400%, 1/01/09  | No Opt. C    |

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| UTILITIES - 9.0% |   |             |
|------------------|---|-------------|
| 885              | Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer and Light Commission Project, Series 2002, 5.250%, 1/01/18 - FGIC Insured | 1/13 at 100 |
| 1,000            | Georgia Municipal Electric Authority, Power Revenue Bonds, Series 1993Z, 5.500%, 1/01/20 - FGIC Insured   | No Opt. C   |
| 1,665            | Georgia Municipal Electric Authority, Project One Special Obligation Bonds, Fifth Crossover Series 1998Y, 6.400%, 1/01/09                                     | No Opt. C   |
| 1,000            | Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 - MBIA Insured                            | 1/13 at 100 |

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Nuveen Georgia Premium Income Municipal Fund (NPG) (continued)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)                      | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|--|---|------------------------|
| <hr/>  |   |                        |
| WATER AND SEWER - 17.9%                        |   |                        |
|  | Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002:  |                        |
| \$ 500   | 5.000%, 10/01/16 - FSA Insured  | 10/12 at 100           |
| 1,990  | 5.000%, 10/01/17 - FSA Insured  | 10/12 at 100           |
| 3,500  | Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2001, 5.250%, 6/01/26 - AMBAC Insured                 | 6/11 at 102            |
| 2,500  | DeKalb County, Georgia, Water and Sewerage Bonds, Series 2000, 5.125%, 10/01/31   | 10/10 at 101           |
| 1,000  | City of Milledgeville, Georgia, Water and Sewerage Revenue and Refunding Bonds, Series 1996, 6.000%, 12/01/21 - FSA Insured   | No Opt. C              |
| \$ 78,600                                      | Total Long-Term Investments (cost \$78,549,484) - 146.7%  |                        |
| <hr/>  |   |                        |
| SHORT-TERM INVESTMENTS - 1.8%                  |   |                        |
| 1,000  | Macon-Bibb County Hospital Authority, Georgia, Variable Rate Revenue Anticipation Certificates, Series 2000, 1.100%, 5/01/30+ |                        |
| \$ 1,000                                       | Total Short-Term Investments (cost \$1,000,000)   |                        |
| <hr/>  |   |                        |
| Total Investments (cost \$79,549,484) - 148.5% |   |                        |
| <hr/>  |   |                        |
| Other Assets Less Liabilities - 0.6%           |   |                        |

-----  
 Preferred Shares, at Liquidation Value - (49.1)%  
 -----

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

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

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

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

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

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

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

See accompanying notes to financial statements.

Nuveen Georgia Dividend Advantage Municipal Fund (NZX)  
 Portfolio of

INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | CONSUMER DISCRETIONARY - 2.6%  |                        |
| \$ 750                    | DeKalb County Development Authority, Georgia, Pollution Control Revenue Refunding Bonds, General Motors Corporation Projects, Series 2002, 6.000%, 3/15/21                                     | 12/12 at 101           |
| -----                     |  |                        |
|                           | CONSUMER STAPLES - 6.7%  |                        |
| 1,000                     | Cartersville Development Authority, Georgia, Waste and Wastewater Facilities Revenue Refunding Bonds, Anheuser Busch Cos. Inc. Project, Series 2002, 5.950%, 2/01/32 (Alternative Minimum Tax) | 2/12 at 100            |

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|       |   |             |
|-------|---|-------------|
| 1,000 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39 | 5/12 at 100 |
|-------|---|-------------|

-----  
 EDUCATION AND CIVIC ORGANIZATIONS - 27.4%

|       |   |              |
|-------|---|--------------|
| 1,000 | Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002, 5.250%, 12/01/21 - AMBAC Insured         | 12/12 at 100 |
| 1,200 | Atlanta Development Authority, Georgia, Revenue Bonds, Yamacraw Design Center Project, Series 2001A, 5.125%, 1/01/27 - MBIA Insured                                   | 1/12 at 100  |
| 1,620 | Bulloch County Development Authority, Georgia, Student Housing Lease Revenue Bonds, Georgia Southern University Project, Series 2002, 5.000%, 8/01/20 - AMBAC Insured | 8/12 at 100  |
| 1,485 | Fulton County Development Authority, Georgia, Georgia Tech Athletic Association Revenue Bonds, Series 2001, 5.000%, 10/01/20 - AMBAC Insured                          | 4/12 at 100  |
| 1,225 | Private Colleges and University Authority, Georgia, Emory University Revenue Bonds, Series 2001A, 5.000%, 9/01/31   | 9/11 at 100  |
| 1,250 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University, Series 2001, 5.750%, 10/01/31   | 10/11 at 102 |

-----  
 HEALTHCARE - 21.8%

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

-----  
 HOUSING/MULTIFAMILY - 12.0%

|       |  |             |
|-------|--|-------------|
| 1,000 | DeKalb County Housing Authority, Georgia, GNMA Collateralized Multifamily Housing Revenue Bonds, Castaways Apartments Project, Series 2001A, | 8/11 at 103 |
|-------|--|-------------|

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5.400%, 2/20/29

|       |   |              |
|-------|---|--------------|
| 995   | DeKalb County Housing Authority, Georgia, GNMA<br>Collateralized Multifamily Housing Revenue Bonds,<br>Snapwoods Apartments Project, Series 2001A,<br>5.500%, 12/20/32                                | 12/11 at 100 |
| 1,400 | Housing Authority of Savannah, Georgia, Multifamily<br>Housing Revenue Refunding Bonds, Chatham Gardens<br>Project, Series 2001, 5.625%, 8/01/31 (Alternative<br>Minimum Tax) (Mandatory put 2/01/19) | 8/16 at 100  |

---

HOUSING/SINGLE FAMILY - 16.3%

|       |   |              |
|-------|---|--------------|
| 2,000 | Georgia Housing and Finance Authority, Single Family<br>Mortgage Bonds, Series 2002A-2, 5.450%, 12/01/22<br>(Alternative Minimum Tax) | 12/11 at 100 |
| 650   | Georgia Housing and Finance Authority, Single Family<br>Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22<br>(Alternative Minimum Tax) | 12/11 at 100 |
| 2,025 | Georgia Housing and Finance Authority, Single Family<br>Mortgage Bonds, Series 2002C-2, 5.300%, 6/01/33<br>(Alternative Minimum Tax)  | 12/12 at 100 |

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Nuveen Georgia Dividend Advantage Municipal Fund (NZX) (continued)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)     | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|-------------------------------|--|------------------------|
| <hr/>                         |  |                        |
| INDUSTRIALS - 2.7%            |  |                        |
| \$ 750                        | Savannah Economic Development Authority, Georgia,<br>Revenue Bonds, GTREP Project, Series 2002,<br>5.000%, 7/01/19 - MBIA Insured  | 7/12 at 100            |
| <hr/>                         |  |                        |
| MATERIALS - 3.5%              |  |                        |
| 1,000                         | Richmond County Development Authority, Georgia,<br>Environmental Improvement Revenue Bonds, International<br>Paper Company Project Refunding, Series 2002A,<br>6.000%, 2/01/25 (Alternative Minimum Tax) | 2/12 at 101            |
| <hr/>                         |  |                        |
| TAX OBLIGATION/GENERAL - 7.3% |  |                        |
| 2,000                         | Georgia, General Obligation Bonds, Series 2002D,<br>5.000%, 8/01/18  | 8/12 at 100            |

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|       |  |  |
|-------|--|--|
| ----- |  |  |
|       | TAX OBLIGATION/LIMITED - 9.3%  |  |
| 1,525 | Macon-Bibb County Urban Development Authority,<br>Georgia, Revenue Refunding Bonds, County of Bibb<br>Public Facilities Projects, Series 2002A, 5.000%, 8/01/14        | 8/12 at 101  |
| 1,000 | Rockdale County Water and Sewerage Authority, Georgia,<br>Revenue Bonds, Series 1999A, 5.375%, 7/01/29 -<br>MBIA Insured   | 1/10 at 101  |
| ----- |  |  |
|       | TRANSPORTATION - 3.7%  |  |
| 1,000 | Atlanta, Georgia, Airport General Revenue Refunding<br>Bonds, Series 2000A, 5.400%, 1/01/15 - FGIC Insured   | 1/10 at 101  |
| ----- |  |  |
|       | UTILITIES - 14.3%  |  |
| 1,500 | Coweta County Development Authority, Georgia,<br>Revenue Bonds, Newnan Water and Sewer and Light<br>Commission Project, Series 2002, 5.250%, 1/01/18 -<br>FGIC Insured | 1/13 at 100  |
| 1,250 | Municipal Electric Authority of Georgia, Combustion Turbine<br>Revenue Project Bonds, Series 2002A, 5.250%, 11/01/20 -<br>MBIA Insured                                 | 11/12 at 100   |
| 1,200 | Summerville, Georgia, Combined Public Utility Revenue<br>Refunding and Improvement Bonds, Series 2002,<br>5.750%, 1/01/26  | 1/12 at 101  |
| ----- |  |  |
|       | WATER AND SEWER - 20.1%  |  |
| 2,065 | Augusta, Georgia, Water and Sewerage Revenue Bonds,<br>Series 2002, 5.000%, 10/01/16 - FSA Insured   | 10/12 at 100   |
| 2,200 | DeKalb County, Georgia, Water and Sewerage Bonds,<br>Series 2000, 5.125%, 10/01/31   | 10/10 at 101   |
| 1,395 | Macon Water Authority, Georgia, Water and Sewer<br>Revenue Bonds, Series 2001B, 5.000%, 10/01/21   | 10/11 at 101   |
| ----- |  |  |
| \$    | 41,635   | Total Long-Term Investments (cost \$42,148,055) - 147.7% |
| ===== |  |  |
|       | Other Assets Less Liabilities - 3.1%   |  |
|       | -----  |  |
|       | Preferred Shares, at Liquidation Value - (50.8)%   |  |
|       | -----  |  |
|       | Net Assets Applicable to Common Shares - 100%  |  |
| ===== |  |  |

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

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

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

See accompanying notes to financial statements.

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Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG)  
Portfolio of  
INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| -----                  |  |                     |
|                        | CONSUMER DISCRETIONARY - 2.7%  |                     |
| \$ 1,750               | DeKalb County Development Authority, Georgia, Pollution Control Revenue Refunding Bonds, General Motors Corporation Projects, Series 2002, 6.000%, 3/15/21         | 12/12 at 101        |
| -----                  |  |                     |
|                        | CONSUMER STAPLES - 2.8%  |                     |
| 2,000                  | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39  | 5/12 at 100         |
| -----                  |  |                     |
|                        | EDUCATION AND CIVIC ORGANIZATIONS - 22.1%  |                     |
|                        | Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002:       |                     |
| 1,225                  | 5.000%, 12/15/18 - AMBAC Insured   | 12/12 at 100        |
| 1,240                  | 5.000%, 12/15/19 - AMBAC Insured   | 12/12 at 100        |
|                        | Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002:                                       |                     |
| 3,500                  | 5.000%, 12/01/27 - AMBAC Insured   | 12/12 at 100        |
| 2,500                  | 5.000%, 12/01/33 - AMBAC Insured   | 12/12 at 100        |
| 1,050                  | Fulton County Development Authority, Georgia, TUFF Morehouse Project, Series 2002A, 5.000%, 2/01/34 - AMBAC Insured  | 2/12 at 100         |
| 2,000                  | Fulton County Development Authority, Georgia, Revenue Bonds, Klaus Parking and Family Housing Projects, Georgia Tech, Series 2003, 5.000%, 11/01/23 - MBIA Insured | 11/13 at 100        |



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|       |   |              |
|-------|---|--------------|
| 1,315 | Private Colleges and University Authority, Georgia,<br>Emory University Revenue Bonds, Series 2001A,<br>5.125%, 9/01/33     | 9/11 at 100  |
| 1,250 | Private Colleges and Universities Authority, Georgia,<br>Revenue Bonds, Mercer University, Series 2001,<br>5.750%, 10/01/31 | 10/11 at 102 |

-----  
HEALTHCARE - 27.9%

|       |   |              |
|-------|---|--------------|
| 2,000 | Clarke County Hospital Authority, Georgia, Hospital Revenue<br>Certificates, Athens Regional Medical Center, Series 2002,<br>5.125%, 1/01/32 - MBIA Insured                     | 1/12 at 101  |
|       | Floyd County Hospital Authority, Georgia, Revenue Anticipation<br>Certificates, Floyd Medical Center Project, Series 2002:  |              |
| 1,480 | 5.000%, 7/01/22 - MBIA Insured  | 7/12 at 101  |
| 1,000 | 5.200%, 7/01/32 - MBIA Insured  | 7/12 at 101  |
| 1,145 | Floyd County Hospital Authority, Georgia, Revenue<br>Anticipation Certificates, Floyd Medical Center,<br>Series 2003, 5.000%, 7/01/20 (WI, Settling 12/17/03) -<br>MBIA Insured | 7/13 at 101  |
| 1,250 | Gainesville, Hall County Hospital Authority, Georgia,<br>Revenue Anticipation Certificates, Northeast Georgia<br>Health Services Inc. Project, Series 2001, 5.500%, 5/15/31     | 5/11 at 100  |
| 3,000 | Glynn-Brunswick Memorial Hospital Authority, Georgia,<br>Revenue Bonds, Southeast Georgia Health Systems<br>Project, Series 1996, 5.250%, 8/01/13 - MBIA Insured                | 8/06 at 102  |
|       | Newnan Hospital Authority, Georgia, Revenue Anticipation<br>Certificates, Newnan Hospital Inc., Series 2002:  |              |
| 2,260 | 5.500%, 1/01/19 - MBIA Insured  | 1/13 at 100  |
| 3,020 | 5.500%, 1/01/20 - MBIA Insured  | 1/13 at 100  |
| 1,945 | Tift County Hospital Authority, Georgia, Revenue<br>Anticipation Bonds, Tift Regional Medical Center,<br>Series 2002, 5.250%, 12/01/19 - AMBAC Insured                          | 12/12 at 101 |

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Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG) (continued)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
|                           | HOUSING/MULTIFAMILY - 4.6%  |                        |
|                           | Savannah Economic Development Authority, Georgia, Multifamily<br>Housing Revenue Bonds, Snap I-II-III Apartments, GNMA<br>Collateral, Series 2002A: |                        |
| \$ 500                    | 5.150%, 11/20/22 (Alternative Minimum Tax)  | 11/12 at 102           |

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|       |  |              |
|-------|--|--------------|
| 1,000 | 5.200%, 11/20/27 (Alternative Minimum Tax) | 11/12 at 102 |
| 1,500 | 5.250%, 11/20/32 (Alternative Minimum Tax) | 11/12 at 102 |

-----  
HOUSING/SINGLE FAMILY - 5.8%

|       |   |              |
|-------|---|--------------|
| 2,025 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2001B-2, 5.400%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 100  |
| 1,700 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002C-2, 5.100%, 12/01/22 (Alternative Minimum Tax) | 12/12 at 100 |

-----  
MATERIALS - 1.6%

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

-----  
TAX OBLIGATION/GENERAL - 6.0%

|       |  |             |
|-------|--|-------------|
| 750   | State of Georgia, General Obligation Bonds, Series 1998D, 5.250%, 10/01/15         | No Opt. C   |
|       | Oconee County, Georgia, General Obligation Bonds, Series 2003, Recreation Project: |             |
| 1,410 | 5.500%, 1/01/23 - AMBAC Insured  | 1/13 at 101 |
| 1,470 | 5.250%, 1/01/26 - AMBAC Insured  | 1/13 at 101 |

-----  
TAX OBLIGATION/LIMITED - 31.6%

|       |   |             |
|-------|---|-------------|
| 1,405 | Development Authority of Clayton County, Georgia, Revenue Bonds, TUFF Archives LLC Project, Series 2001A, 5.250%, 7/01/21 - MBIA Insured        | 7/12 at 100 |
| 4,000 | Forsyth County, Georgia, Water and Sewerage Authority Revenue Bonds, Series 2002, 5.000%, 4/01/32   | 4/13 at 100 |
| 750   | Georgia Municipal Association Inc., Certificates of Participation, City of Atlanta Court Project, Series 2002, 5.125%, 12/01/21 - AMBAC Insured | 1/12 at 101 |
| 2,500 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Refunding Bonds, Series P, 6.250%, 7/01/20 - AMBAC Insured             | No Opt. C   |
| 2,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 1996Y, 5.500%, 7/01/36 - FSA Insured                            | 7/16 at 100 |
| 5,000 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002F, 5.250%, 7/01/21 - CIFG Insured  | No Opt. C   |

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|       |  |  |             |
|-------|--|--|-------------|
|       | Puerto Rico Municipal Finance Agency, Series 2002A:  |  |             |
| 800   | 5.250%, 8/01/21 - FSA Insured  |  | 8/12 at 100 |
| 2,500 | 5.000%, 8/01/27 - FSA Insured  |  | 8/12 at 100 |
| ----- |  |  |             |
|       | TRANSPORTATION - 6.0%  |  |             |
| 3,650 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.500%, 1/01/21 - FGIC Insured  |  | 1/10 at 101 |
| ----- |  |  |             |
|       | U.S. GUARANTEED - 0.9%   |  |             |
| 525   | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.000%, 11/01/38 (Pre-refunded to 5/01/09) - FGIC Insured  |  | 5/09 at 101 |
| ----- |  |  |             |
|       | UTILITIES - 11.1%  |  |             |
| 1,000 | City of Elberton, Georgia, Combined Utility System Refunding and Improvement Revenue Bonds, Series 2001, 5.000%, 1/01/22 - AMBAC Insured   |  | 1/12 at 100 |
| 2,000 | Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 2002A, 5.000%, 1/01/17 - FSA Insured   |  | 1/13 at 100 |
| 1,000 | Development Authority of Monroe County, Georgia, Pollution Control Revenue Bonds, Georgia Power Company Scherer Plant Project, Series 2001, 4.200%, 1/01/12 (Mandatory put 12/01/08) - AMBAC Insured |  | No Opt. C   |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
|                        | UTILITIES (continued)  |                     |
| \$ 1,000               | Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 - MBIA Insured | 1/13 at 100         |
| 1,775                  | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2002II, 5.375%, 7/01/19 - MBIA Insured                           | 7/12 at 101         |
| -----                  |  |                     |
|                        | WATER AND SEWER - 24.6%  |                     |
| 2,000                  | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2001A, 5.000%, 11/01/39 - MBIA Insured                        | 5/12 at 100         |
|                        | Augusta, Georgia, Water and Sewerage Revenue Bonds,  |                     |

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|           |  |  |              |
|-----------|--|--|--------------|
|           | Series 2002:   |  |              |
| 1,000     | 5.250%, 10/01/22 - FSA Insured   |  | 10/12 at 100 |
| 3,500     | 5.000%, 10/01/27 - FSA Insured   |  | 10/12 at 100 |
|           | DeKalb County, Georgia, Water and Sewerage Bonds,<br>Series 2000:  |  |              |
| 2,500     | 5.125%, 10/01/31   |  | 10/10 at 101 |
| 2,500     | 5.375%, 10/01/35   |  | 10/10 at 101 |
| 950       | Fulton County, Georgia, Water and Sewerage Revenue<br>Bonds, Series 1998, 5.000%, 1/01/16 - FGIC Insured |  | 7/08 at 101  |
| 3,100     | Harris County, Georgia, Water System Revenue Bonds,<br>Series 2002, 5.000%, 12/01/22 - AMBAC Insured     |  | 12/12 at 100 |
| -----     |  |  |              |
| \$ 91,740 | Total Long-Term Investments (cost \$95,316,854) - 147.7%   |  |              |
| =====     |  |  |              |
|           | Other Assets Less Liabilities - 2.6%   |  |              |
| -----     |  |  |              |
|           | Preferred Shares, at Liquidation Value - (50.3)%   |  |              |
| -----     |  |  |              |
|           | Net Assets Applicable to Common Shares - 100%  |  |              |
| =====     |  |  |              |

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

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

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

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

See accompanying notes to financial statements.

Nuveen North Carolina Premium Income Municipal Fund (NNC)  
Portfolio of  
INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 15.4%   |                        |
| \$ 1,050                  | North Carolina Capital Facilities Financing Agency,<br>Educational Facilities Revenue Bonds, Johnson and Wales<br>University Project, Series 2003A, 5.000%, 4/01/33 -<br>XLCA Insured | 4/13 at 100            |
| 1,000                     | North Carolina Capital Facilities Financing Agency,   | 6/13 at 100            |

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Educational Facilities Revenue Bonds, Elizabeth City State University Housing Project, Series 2003A, 5.000%, 6/01/28 - AMBAC Insured

State of North Carolina Education Assistance Authority, Guaranteed Student Loan Revenue Bonds, Series 1995A (Subordinate Lien):

|       |  |              |
|-------|--|--------------|
| 1,000 | 6.050%, 7/01/10 (Alternative Minimum Tax)  | 7/05 at 102  |
| 2,400 | 6.300%, 7/01/15 (Alternative Minimum Tax)  | 7/05 at 102  |
| 5,875 | State of North Carolina Education Assistance Authority (A Political Subdivision of the State of North Carolina), Guaranteed Student Loan Revenue Bonds, Subordinate Lien Series 1996C, 6.350%, 7/01/16 (Alternative Minimum Tax) | 7/06 at 102  |
| 1,000 | The University of North Carolina System, Pool Revenue Refunding Bonds, Series 2002A, 5.375%, 4/01/22 - AMBAC Insured   | 10/12 at 100 |
| 1,675 | University of North Carolina at Wilmington, General Revenue Bonds, Series 2002A, 5.000%, 1/01/23 - AMBAC Insured   | 1/12 at 101  |

-----  
HEALTHCARE - 29.8%

|       |   |              |
|-------|---|--------------|
| 5,630 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31 | 1/11 at 101  |
|       | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A:                     |              |
| 1,000 | 5.500%, 1/01/19   | 1/12 at 100  |
| 550   | 5.500%, 1/01/20   | 1/12 at 100  |
| 1,750 | 5.375%, 1/01/32   | 1/12 at 100  |
| 2,000 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/19            | 11/13 at 100 |
| 2,000 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanly Memorial Hospital Project, Series 1999, 6.375%, 10/01/29          | 10/09 at 101 |
| 3,250 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32 - AMBAC Insured           | 10/11 at 101 |
| 3,615 | North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26                   | 10/08 at 101 |
| 3,000 | North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.375%, 6/01/32                    | 6/12 at 101  |
| 5,000 | North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31                | 10/11 at 101 |

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| HOUSING/MULTIFAMILY - 8.7% |   |              |
|----------------------------|---|--------------|
| 1,000                      | Asheville Housing Authority, North Carolina, GNMA-Collateralized Multifamily Housing Revenue Bonds, Woodridge Apartments, Series 1997, 5.800%, 11/20/39 (Alternative Minimum Tax) | 11/07 at 102 |
| 1,000                      | Charlotte, North Carolina, FHA-Insured Mortgage Revenue Refunding Bonds, Tryon Hills Apartments Project, Series 1993A, 5.875%, 1/01/25 - MBIA Insured                             | 1/04 at 104  |
| 3,000                      | Mecklenburg County, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax) - FGIC Insured           | 1/12 at 102  |
| 2,290                      | Mecklenburg County, North Carolina, FNMA-Enhanced Multifamily Housing Revenue Bonds, Little Rock Apartments, Series 2003, 5.375%, 1/01/36 (Alternative Minimum Tax)               | 7/13 at 105  |

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| PRINCIPAL AMOUNT (000)          | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|---------------------------------|--|---------------------|
| <hr/>                           |  |                     |
| HOUSING/MULTIFAMILY (continued) |  |                     |
|                                 | North Carolina Housing Finance Agency, Multifamily Revenue Bonds, FHA-Insured Mortgage Loan Resolution, Series 1993: |                     |
| \$ 280                          | 5.800%, 7/01/14  | 1/04 at 101         |
| 435                             | 5.900%, 7/01/26  | 1/04 at 101         |

---

| HOUSING/SINGLE FAMILY - 11.4% |  |             |
|-------------------------------|--|-------------|
| 130                           | North Carolina Housing Finance Agency, Single Family Revenue Bonds, 1985 Resolution, Series X, 6.700%, 9/01/26 (Alternative Minimum Tax)                         | 3/04 at 102 |
| 5,875                         | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 6A, 6.200%, 1/01/29 (Alternative Minimum Tax)                  | 7/09 at 100 |
| 2,970                         | North Carolina Housing Finance Agency, Single Family Revenue Bonds, 1985 Resolution, Series HH, 6.300%, 3/01/26 (Alternative Minimum Tax)                        | 3/06 at 102 |
| 1,460                         | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 100 |

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MATERIALS - 4.4%

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|       |   |              |
|-------|---|--------------|
| 2,100 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/05 at 102 |
| 2,000 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Pollution Control Revenue Refunding Bonds, Champion International Corporation Project, Series 1995, 6.000%, 3/01/20                           | 3/06 at 102  |
| ----- |   |              |
|       | TAX OBLIGATION/GENERAL - 13.3%  |              |
| 1,890 | Craven County, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 5/01/21 - AMBAC Insured   | 5/12 at 101  |
| 4,285 | Durham County, North Carolina, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 4/01/16   | 4/12 at 100  |
| 1,000 | Johnston county, North Carolina, General Obligation Bonds, Series 2001, 5.000%, 6/01/16 - FGIC Insured  | 6/11 at 102  |
| 4,500 | State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16  | 9/10 at 102  |
| ----- |   |              |
|       | TAX OBLIGATION/LIMITED - 11.0%  |              |
| 1,330 | Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/17  | 2/13 at 100  |
|       | Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G:   |              |
| 1,700 | 5.375%, 6/01/26   | 6/13 at 100  |
| 1,000 | 5.000%, 6/01/33   | 6/13 at 100  |
|       | Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002:  |              |
| 1,050 | 5.250%, 6/01/20   | 6/12 at 101  |
| 1,750 | 5.000%, 6/01/25   | 6/12 at 101  |
| 2,180 | Concord, North Carolina, Certificates of Participation, Series 1996A, 6.125%, 6/01/21 - MBIA Insured  | 6/06 at 102  |
| 750   | Johnston County Finance Corporation, North Carolina, Installment Payment Revenue Bonds, School and Museum Projects, Series 1999, 5.250%, 8/01/21 - FSA Insured  | 8/09 at 101  |
| ----- |   |              |
|       | TRANSPORTATION - 7.3%   |              |
|       | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A:  |              |
| 2,250 | 5.250%, 11/01/16 - FGIC Insured   | 5/11 at 101  |
| 4,450 | 5.000%, 11/01/31 - FGIC Insured   | 5/11 at 101  |

Nuveen North Carolina Premium Income Municipal Fund (NNC) (continued)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)          | OPTIONAL C<br>PROVISIO   |
|---------------------------|-------------------------|--|
| -----                     |                         |  |
|                           | U.S. GUARANTEED - 22.3% |  |
| \$                        | 4,000                   | Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2000, 5.250%, 6/01/25 (Pre-refunded to 6/01/10)  |
|                           | 2,000                   | Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2000, 6.000%, 6/01/25 (Pre-refunded to 6/01/10)   |
|                           | 2,900                   | Fayetteville Public Works Commission, North Carolina, Revenue Bonds, Series 1997, 5.125%, 3/01/24 (Pre-refunded to 3/01/07) - FSA Insured  |
|                           | 2,265                   | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1980, 10.500%, 1/01/10   |
|                           | 2,000                   | Orange County, North Carolina, General Obligation School Bonds, Series 1994, 5.500%, 2/01/11 (Pre-refunded to 2/01/04)   |
|                           | 2,180                   | County of Union, North Carolina, Enterprise Systems Revenue Bonds, Series 1996, 5.500%, 6/01/21 (Pre-refunded to 6/01/06) - MBIA Insured   |
|                           | 3,340                   | Board of Governors of The University of North Carolina, University of North Carolina Hospitals at Chapel Hill, Revenue Bonds, Series 1996, 5.250%, 2/15/26 (Pre-refunded to 2/15/06)             |
| -----                     |                         |  |
|                           | UTILITIES - 10.9%       |  |
|                           | 2,600                   | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993D, 5.600%, 1/01/16   |
|                           | 4,000                   | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20  |
|                           | 2,000                   | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/15 - AMBAC Insured  |
|                           | 1,000                   | The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17 |



|            |   |             |
|------------|---|-------------|
| -----      |   |             |
|            | WATER AND SEWER - 4.4%  |             |
|            | Thomasville, North Carolina, Combined Enterprise System<br>Revenue Bonds, Series 2002:                |             |
| 370        | 5.000%, 5/01/20 - MBIA Insured  | 5/12 at 101 |
| 390        | 5.000%, 5/01/21 - MBIA Insured  | 5/12 at 101 |
| 1,250      | 5.125%, 5/01/27 - MBIA Insured  | 5/12 at 101 |
| 2,000      | Winston-Salem, North Carolina, Water and Sewer System<br>Revenue Bonds, Series 2002A, 5.000%, 6/01/18 | 6/12 at 100 |
| -----      |   |             |
| \$ 124,765 | Total Long-Term Investments (cost \$124,022,837) - 138.9%   |             |
| =====      |   |             |
|            | Other Assets Less Liabilities - 10.3%   |             |
|            | -----   |             |
|            | Preferred Shares, at Liquidation Value - (49.2)%  |             |
|            | -----   |             |
|            | Net Assets Applicable to Common Shares - 100%   |             |
| =====      |   |             |

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

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

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

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

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund (NRB)  
Portfolio of  
INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 27.4%   |                        |
| \$ 500                    | North Carolina Capital Facilities Finance Agency,<br>Educational Facilities Revenue Bonds, High Point<br>University Project, Series 2001, 5.125%, 9/01/18 | 9/11 at 101            |

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|       |  |              |
|-------|--|--------------|
| 2,250 | North Carolina Capital Facilities Financing Agency,<br>Revenue Bonds, Duke University Project, Series 2001A,<br>5.125%, 10/01/26 | 10/11 at 100 |
| 1,750 | The University of North Carolina at Chapel Hill, General<br>Revenue Bonds, Series 2001A, 5.000%, 12/01/25                        | 6/11 at 100  |
| 1,845 | The University of North Carolina at Chapel Hill, General<br>Revenue Bonds, Series 2002B, 5.000%, 12/01/11                        | No Opt. C    |
| 2,450 | University of North Carolina System, Pool Revenue Refunding<br>Bonds, Series 2002A, 5.375%, 4/01/17 - AMBAC Insured              | 10/12 at 100 |

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HEALTHCARE - 25.0%

|       |   |              |
|-------|---|--------------|
| 1,110 | North Carolina Medical Care Commission, Healthcare<br>Facilities Revenue Bonds, Union Regional Medical Center<br>Project, Series 2002A, 5.250%, 1/01/15 | 1/12 at 100  |
| 1,250 | North Carolina Medical Care Commission, Healthcare<br>Facilities Revenue Bonds, Novant Health Obligated<br>Group, Series 2003A, 5.000%, 11/01/20        | 11/13 at 100 |
| 2,500 | North Carolina Medical Care Commission, Healthcare<br>Revenue Bonds, Carolina Medicorp Project, Series 1996,<br>5.250%, 5/01/26                         | 5/07 at 100  |
| 1,500 | North Carolina Medical Care Commission, Hospital Revenue<br>Bonds, Southeastern Regional Medical Center, Series 2002,<br>5.250%, 6/01/22                | 6/12 at 101  |
| 2,000 | North Carolina Medical Care Commission, Health System<br>Revenue Bonds, Mission - Saint Joseph Health System,<br>Series 2001, 5.250%, 10/01/31          | 10/11 at 101 |

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HOUSING/MULTIFAMILY - 14.3%

|       |  |             |
|-------|--|-------------|
| 2,250 | Durham Housing Authority, North Carolina, FNMA<br>Guaranteed Multifamily Housing Revenue Bonds, Naples<br>Terrace Apartments Project, Series 2001A, 5.700%, 6/01/33<br>(Alternative Minimum Tax) | 6/11 at 100 |
| 2,500 | County of Mecklenburg, North Carolina, Multifamily<br>Housing Revenue Bonds, Sycamore Green Apartments,<br>Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax) -<br>FGIC Insured              | 1/12 at 102 |

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HOUSING/SINGLE FAMILY - 6.0%

|       |   |             |
|-------|---|-------------|
| 1,440 | North Carolina Housing Finance Agency, Home Ownership<br>Revenue Bonds, 1998 Trust Agreement, Series 5A,<br>5.625%, 7/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| 585   | North Carolina Housing Finance Agency, Home Ownership<br>Revenue Bonds, 1998 Trust Agreement, Series 10A,   | 7/10 at 100 |

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5.400%, 7/01/32 (Alternative Minimum Tax) -  
 AMBAC Insured

-----  
 MATERIALS - 4.5%

|     |  |              |
|-----|--|--------------|
| 750 | Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 1997A, 6.150%, 4/01/21 (Alternative Minimum Tax)       | 4/07 at 102  |
| 750 | Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Refunding Bonds, International Paper Company Project, Series 1996A, 5.800%, 12/01/16 (Alternative Minimum Tax) | 12/07 at 102 |

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Nuveen North Carolina Dividend Advantage Municipal Fund (NRB) (contin  
 Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

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

-----  
 TAX OBLIGATION/LIMITED - 18.4%

|          |   |              |
|----------|---|--------------|
| \$ 1,330 | Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/15              | 2/13 at 100  |
|          | Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G: |              |
| 1,400    | 5.375%, 6/01/26   | 6/13 at 100  |
| 1,290    | 5.000%, 6/01/33   | 6/13 at 100  |
| 1,870    | Dare County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/15 - AMBAC Insured  | 12/12 at 100 |

-----  
 TRANSPORTATION - 4.8%

|       |  |             |
|-------|--|-------------|
| 1,530 | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.250%, 11/01/18 - FGIC Insured | 5/11 at 101 |
|-------|--|-------------|

-----  
 UTILITIES - 19.7%

|       |  |             |
|-------|--|-------------|
|       | Greenville, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001: |             |
| 1,000 | 5.250%, 9/01/20 - FSA Insured  | 9/11 at 101 |
| 500   | 5.250%, 9/01/21 - FSA Insured  | 9/11 at 101 |

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|           |  |             |
|-----------|--|-------------|
| 2,500     | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 - FGIC Insured  | 1/04 at 100 |
| 1,000     | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.650%, 1/01/16   | 1/09 at 102 |
| 1,500     | Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17 | 2/12 at 101 |
| -----     |  |             |
|           | WATER AND SEWER - 24.0%  |             |
| 2,290     | Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26 - MBIA Insured   | 6/10 at 101 |
| 2,250     | Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.125%, 6/01/26  | 6/11 at 101 |
|           | Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001A:  |             |
| 500       | 5.125%, 6/01/20  | 6/11 at 101 |
| 500       | 5.125%, 6/01/21  | 6/11 at 101 |
| 2,275     | Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/17   | 6/12 at 100 |
| -----     |  |             |
| \$ 47,165 | Total Long-Term Investments (cost \$47,607,488) - 144.1%   |             |
| =====     |  |             |
|           | Other Assets Less Liabilities - 5.3%   |             |
| -----     |  |             |
|           | Preferred Shares, at Liquidation Value - (49.4)%   |             |
| -----     |  |             |
|           | Net Assets Applicable to Common Shares - 100%  |             |
| =====     |  |             |

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

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

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

See accompanying notes to financial statements.

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Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO)  
 Portfolio of  
 INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000)                 | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---|--|------------------------|
| -----                                     |  |                        |
| EDUCATION AND CIVIC ORGANIZATIONS - 22.7% |  |                        |
|   | Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2001:  |                        |
| \$ 600                                    | 5.125%, 7/15/24  | 1/11 at 101            |
| 200                                       | 5.125%, 7/15/27  | 1/11 at 101            |
|   | Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2002:  |                        |
| 1,000                                     | 5.000%, 7/15/13 - MBIA Insured   | 7/12 at 100            |
| 1,040                                     | 5.000%, 7/15/14 - MBIA Insured   | 7/12 at 100            |
| 1,000                                     | 5.000%, 7/15/15 - MBIA Insured   | 7/12 at 100            |
| 3,750                                     | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26   | 10/11 at 100           |
| 1,840                                     | The University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11   | No Opt. C              |
| 400                                       | Board of Governors of the University of North Carolina, University of North Carolina at Greensboro, General Revenue and Revenue Refunding Bonds, Series 2002B, 5.375%, 4/01/17 - FSA Insured | 4/11 at 101            |
|   | University of North Carolina System, Pool Revenue Refunding Bonds, Series 2002A:   |                        |
| 1,155                                     | 5.375%, 4/01/16 - AMBAC Insured  | 10/12 at 100           |
| 1,100                                     | 5.375%, 4/01/19 - AMBAC Insured  | 10/12 at 100           |
| -----                                     |  |                        |
| HEALTHCARE - 23.2%                        |  |                        |
| 4,000                                     | Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31  | 1/11 at 101            |
| 2,225                                     | New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center Project, Series 1993, 4.750%, 10/01/23 - AMBAC Insured                                       | 4/04 at 102            |
| 1,005                                     | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A, 5.250%, 1/01/13  | 1/12 at 100            |
| 750                                       | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/20   | 11/13 at 100           |
| 1,000                                     | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32 - AMBAC Insured  | 10/11 at 101           |

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|       |  |  |              |
|-------|--|--|--------------|
|       | North Carolina Medical Care Commission, Hospital Revenue Bonds,<br>Southeastern Regional Medical Center, Series 2002:                        |  |              |
| 1,000 | 5.500%, 6/01/15  |  | 6/12 at 101  |
| 2,000 | 5.250%, 6/01/22  |  | 6/12 at 101  |
| 1,000 | North Carolina Medical Care Commission, Health System<br>Revenue Bonds, Mission-Saint Joseph Health System,<br>Series 2001, 5.250%, 10/01/31 |  | 10/11 at 101 |

-----  
HOUSING/MULTIFAMILY - 6.3%

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

-----  
HOUSING/SINGLE FAMILY - 4.5%

|       |   |  |             |
|-------|---|--|-------------|
| 495   | North Carolina Housing Finance Agency, Home Ownership<br>Revenue Bonds, 1998 Trust Agreement, Series 10A,<br>5.400%, 7/01/32 (Alternative Minimum Tax) -<br>AMBAC Insured |  | 7/10 at 100 |
|       | North Carolina Housing Finance Agency, Home Ownership<br>Revenue Bonds, Series 13-A:  |  |             |
| 1,000 | 4.700%, 7/01/12 (Alternative Minimum Tax)   |  | 7/11 at 100 |
| 1,000 | 4.850%, 7/01/13 (Alternative Minimum Tax)   |  | 7/11 at 100 |

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Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) (cont)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

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

-----  
MATERIALS - 4.4%

|    |       |   |             |
|----|-------|---|-------------|
| \$ | 1,400 | Haywood County Industrial Facilities and Pollution Control<br>Financing Authority, North Carolina, Solid Waste Disposal<br>Revenue Bonds, Champion International Corporation Project,<br>Series 1993, 5.500%, 10/01/18 (Alternative Minimum Tax)                    | 4/04 at 102 |
|    | 1,100 | The Industrial Facilities and Pollution Control Financing<br>Authority of the County of Northampton, North Carolina,<br>Environmental Improvement Revenue Bonds, International<br>Paper Company Project, Series 2001A, 6.200%, 2/01/25<br>(Alternative Minimum Tax) | 2/11 at 101 |

-----  
TAX OBLIGATION/GENERAL - 18.1%

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

---

TAX OBLIGATION/LIMITED - 19.7%

|       |  |              |
|-------|--|--------------|
| 1,330 | Cabarrus County, North Carolina, Certificates of<br>Participation, Series 2002, 5.250%, 2/01/16                      | 2/13 at 100  |
|       | Charlotte, North Carolina, Storm Water Fee Revenue Bonds,<br>Series 2002:  |              |
| 1,850 | 5.250%, 6/01/18  | 6/12 at 101  |
| 400   | 5.250%, 6/01/19  | 6/12 at 101  |
| 1,325 | Dare County, North Carolina, Certificates of Participation,<br>Series 2002, 5.250%, 6/01/17 - AMBAC Insured          | 12/12 at 100 |
|       | Hartnett County, North Carolina, Certificates of Participation,<br>Series 2002:                                      |              |
| 1,000 | 5.250%, 12/01/15 - FSA Insured   | 12/12 at 101 |
| 2,025 | 5.375%, 12/01/16 - FSA Insured   | 12/12 at 101 |
| 825   | 5.000%, 12/01/18 - FSA Insured   | 12/12 at 101 |
| 1,595 | Rutherford County, North Carolina, Certificates of<br>Participation, Series 2002, 5.000%, 9/01/18 -<br>AMBAC Insured | 9/12 at 101  |

---

TRANSPORTATION - 12.7%

|       |   |             |
|-------|---|-------------|
|       | Raleigh Durham Airport Authority, North Carolina, Airport<br>Revenue Bonds, Series 2001A: |             |
| 1,000 | 5.250%, 11/01/15 - FGIC Insured   | 5/11 at 101 |
| 2,320 | 5.250%, 11/01/16 - FGIC Insured   | 5/11 at 101 |
| 2,230 | 5.250%, 11/01/17 - FGIC Insured   | 5/11 at 101 |
|       | University of North Carolina at Charlotte, Parking System<br>Revenue Bonds, Series 2002:  |             |
| 360   | 5.000%, 1/01/17 - MBIA Insured  | 1/12 at 101 |
| 270   | 5.000%, 1/01/20 - MBIA Insured  | 1/12 at 101 |
| 500   | 5.125%, 1/01/27 - MBIA Insured  | 1/12 at 101 |

---

U.S. GUARANTEED - 5.8%

|       |   |             |
|-------|---|-------------|
| 3,000 | Fayetteville Public Works Commission, North Carolina,<br>Revenue Bonds, Series 1997, 5.125%, 3/01/24<br>(Pre-refunded to 3/01/07) - FSA Insured | 3/07 at 101 |
|-------|---|-------------|

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-----  
 UTILITIES - 16.3%

|       |  |             |
|-------|--|-------------|
| 2,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 - FGIC Insured  | 1/04 at 100 |
| 2,400 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993D, 5.600%, 1/01/16   | 1/04 at 101 |
| 1,500 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20  | 1/10 at 101 |
| 2,600 | The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17 | 2/12 at 101 |

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

-----

WATER AND SEWER - 13.1%

|          |  |             |
|----------|--|-------------|
| \$ 4,520 | Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2002, 5.250%, 7/01/13                        | No Opt. C   |
| 1,465    | Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.000%, 7/01/20 | 7/11 at 101 |
| 850      | City of Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 1999, 4.750%, 3/01/24              | 3/09 at 101 |

-----  
 \$ 78,875 Total Long-Term Investments (cost \$80,264,505) - 146.8%

-----  
 Other Assets Less Liabilities - 1.9%

-----  
 Preferred Shares, at Liquidation Value - (48.7)%

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

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

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

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



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See accompanying notes to financial statements.

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Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII)  
 Portfolio of  
 INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | CONSUMER STAPLES - 3.3%   |                        |
| \$ 2,000                  | Puerto Rico, The Children's Trust Fund, Tobacco Settlement<br>Asset-Backed Refunding Bonds, Series 2002,<br>5.500%, 5/15/39   | 5/12 at 100            |
| -----                     |   |                        |
|                           | EDUCATION AND CIVIC ORGANIZATIONS - 15.6%   |                        |
|                           | North Carolina Capital Facilities Financing Agency, Revenue<br>Bonds, Duke University Project, Series 2001A:  |                        |
| 1,750                     | 5.125%, 10/01/26  | 10/11 at 100           |
| 2,000                     | 5.125%, 10/01/41  | 10/11 at 100           |
| 3,000                     | North Carolina Capital Facilities Financing Agency, Revenue<br>Bonds, Duke University Project, Series 2002A,<br>5.125%, 7/01/42   | 10/12 at 100           |
| 1,900                     | University of North Carolina System, Pool Revenue<br>Refunding Bonds, Series 2002A, 5.000%, 4/01/27 -<br>AMBAC Insured  | 10/12 at 100           |
| -----                     |   |                        |
|                           | HEALTHCARE - 10.4%  |                        |
| 2,000                     | The Charlotte-Mecklenburg Hospital Authority,<br>North Carolina, Healthcare System Revenue Bonds,<br>Doing Business as Carolina Healthcare System,<br>Series 1997A, 5.125%, 1/15/22 | 1/07 at 102            |
| 1,750                     | Charlotte-Mecklenburg Hospital Authority, North Carolina,<br>Healthcare System Revenue Bonds, Carolinas Healthcare<br>System, Series 2001A, 5.000%, 1/15/31                         | 1/11 at 101            |
| 2,000                     | North Carolina Medical Care Commission, Healthcare<br>Facilities Revenue Bonds, Novant Health Obligated Group,<br>Series 2003A, 5.000%, 11/01/18                                    | 11/13 at 100           |
| -----                     |   |                        |
|                           | HOUSING/MULTIFAMILY - 1.8%  |                        |
| 1,000                     | Mecklenburg County, North Carolina, FNMA-Enhanced<br>Multifamily Housing Revenue Bonds, Little Rock<br>Apartments, Series 2003, 5.150%, 1/01/22 (Alternative                        | 7/13 at 105            |

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Minimum Tax)

| -----  |   |              |
|--|---|--------------|
| HOUSING/SINGLE FAMILY - 2.7%   |   |              |
| 1,465  | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 5A, 5.625%, 7/01/30 (Alternative Minimum Tax)   | 7/09 at 100  |
| -----  |   |              |
| MATERIALS - 5.2%   |   |              |
| 1,400  | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/05 at 102 |
| 1,500  | Martin County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Weyerhaeuser Company Project, Series 1991, 7.250%, 9/01/14 (Alternative Minimum Tax)                       | 3/04 at 101  |
| -----  |   |              |
| TAX OBLIGATION/GENERAL - 14.3%   |   |              |
| County of Lincoln, North Carolina, General Obligation Bonds, Series 2002A: |   |              |
| 850  | 5.000%, 6/01/19 - FGIC Insured  | 6/12 at 101  |
| 900  | 5.000%, 6/01/20 - FGIC Insured  | 6/12 at 101  |
| 1,050  | 5.000%, 6/01/21 - FGIC Insured  | 6/12 at 101  |
| 1,000  | County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13   | 4/10 at 101  |
| 1,000  | State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16  | 9/10 at 102  |
| 2,000  | Puerto Rico Public Improvement, General Obligation Refunding Bonds, Series 1997, 6.500%, 7/01/15 - MBIA Insured   | No Opt. C    |
| 400  | City of Raleigh, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 6/01/21   | 6/12 at 100  |

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| PRINCIPAL<br>AMOUNT (000)      | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|--------------------------------|--|------------------------|
| -----                          |  |                        |
| TAX OBLIGATION/LIMITED - 43.8% |  |                        |
| \$ 3,900                       | Cary, North Carolina, General Obligation Water Bonds, Series 2001, 5.000%, 3/01/20 | 3/11 at 102            |

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|       |   |              |
|-------|---|--------------|
| 1,550 | Cary, North Carolina, Certificates of Participation, Public Improvement Projects, Series 2002A, 5.000%, 12/01/17          | 12/12 at 100 |
| 1,500 | Centennial Authority, North Carolina, Hotel Tax Revenue Bonds, Arena Project, Series 1997, 5.125%, 9/01/19 - FSA Insured  | 9/07 at 102  |
| 4,250 | Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/33 | 6/13 at 100  |
| 3,000 | Dare County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 6/01/23 - AMBAC Insured                  | 12/12 at 100 |
| 360   | Duplin County, North Carolina, Certificates of Participation, Series 2002 Refunding, 5.000%, 9/01/12 - AMBAC Insured      | No Opt. C    |
|       | County of Forsyth, North Carolina, Certificates of Participation, Series 2002, Public Facilities Equipment Project:       |              |
| 1,325 | 5.125%, 1/01/16   | 1/13 at 101  |
| 770   | 5.250%, 1/01/19   | 1/13 at 101  |
| 1,235 | 5.250%, 1/01/23   | 1/13 at 101  |
| 2,000 | Puerto Rico Municipal Finance Agency, Series 2002A, 5.000%, 8/01/27 - FSA Insured   | 8/12 at 100  |
| 2,000 | Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21 - AMBAC Insured            | 9/12 at 101  |
| 1,785 | Union County, North Carolina, Certificates of Participation, Series 2003, 5.000%, 6/01/20 - AMBAC Insured                 | 6/13 at 101  |

---

TRANSPORTATION - 9.2%

|       |  |             |
|-------|--|-------------|
|       | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A: |             |
| 1,780 | 5.250%, 11/01/15 - FGIC Insured  | 5/11 at 101 |
| 3,100 | 5.000%, 11/01/20 - FGIC Insured  | 5/11 at 101 |

---

UTILITIES - 14.9%

|       |  |             |
|-------|--|-------------|
| 4,000 | North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 - FGIC Insured  | 1/04 at 100 |
| 2,665 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/15 - AMBAC Insured  | 1/13 at 100 |
| 1,400 | The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17 | 2/12 at 101 |

---

WATER AND SEWER - 25.4%

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|       |  |             |
|-------|--|-------------|
| 750   | Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26 - MBIA Insured                     | 6/10 at 101 |
|       | Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001:  |             |
| 750   | 5.125%, 6/01/26  | 6/11 at 101 |
| 1,780 | 5.125%, 6/01/26 - FGIC Insured   | 6/11 at 101 |
|       | Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002:   |             |
| 680   | 5.000%, 6/01/16 - MBIA Insured   | 6/13 at 100 |
| 710   | 5.000%, 6/01/17 - MBIA Insured   | 6/13 at 100 |
| 300   | 5.000%, 6/01/18 - MBIA Insured   | 6/13 at 100 |
| 2,500 | City of Kannapolis, North Carolina, Water and Sewer Revenue Bonds, Series 2001B, 5.250%, 2/01/26 (Alternative Minimum Tax) - FSA Insured | 2/12 at 101 |

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Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII) (continued)  
Portfolio of INVESTMENTS November 30, 2003 (Unaudited)

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL CALL<br>PROVISIONS |
|---------------------------|--|-----------------------------|
| -----                     |  |                             |
|                           | WATER AND SEWER (continued)  |                             |
| \$ 1,000                  | Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.000%, 7/01/26 | 7/11 at 101                 |
|                           | Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A:                                   |                             |
| 500                       | 5.000%, 6/01/17  | 6/12 at 100                 |
| 4,715                     | 5.000%, 6/01/19  | 6/12 at 100                 |
| -----                     |  |                             |
| \$ 79,270                 | Total Long-Term Investments (cost \$81,362,496) - 146.6%   |                             |
| =====                     |  |                             |
|                           | Other Assets Less Liabilities - 2.8%   |                             |
| -----                     |  |                             |
|                           | Preferred Shares, at Liquidation Value - (49.4)%   |                             |
| -----                     |  |                             |
|                           | Net Assets Applicable to Common Shares - 100%  |                             |
| =====                     |  |                             |

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

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

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

See accompanying notes to financial statements.

Statement of  
ASSETS AND LIABILITIES November 30, 2003 (Unaudited)

|   | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) |
|---|---------------------------------------|
| -----   |                                       |
| ASSETS  |                                       |
| Investments, at market value (cost \$79,549,484, \$42,148,055<br>and \$95,316,854, respectively)                                  | \$84,085,558                          |
| Cash  | 25,812                                |
| Receivables:  |                                       |
| Interest  | 1,532,758                             |
| Investments sold  | --                                    |
| Other assets  | 8,789                                 |
| -----   |                                       |
| Total assets  | 85,652,917                            |
| -----   |                                       |
| LIABILITIES   |                                       |
| Cash overdraft  | --                                    |
| Payable for investments purchased   | 1,163,261                             |
| Accrued expenses:   |                                       |
| Management fees   | 44,755                                |
| Other   | 26,082                                |
| Preferred share dividends payable   | 2,169                                 |
| -----   |                                       |
| Total liabilities   | 1,236,267                             |
| -----   |                                       |
| Preferred shares, at liquidation value  | 27,800,000                            |
| -----   |                                       |
| Net assets applicable to Common shares  | \$56,616,650                          |
| =====   |                                       |
| Common shares outstanding   | 3,783,292                             |
| =====   |                                       |
| Net asset value per Common share outstanding<br>(net assets applicable to Common shares,<br>divided by Common shares outstanding) | \$ 14.96                              |
| =====   |                                       |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:  |                                       |
| -----   |                                       |
| Common shares, \$.01 par value per share  | \$ 37,833                             |
| Paid-in surplus   | 52,346,960                            |
| Undistributed (Over-distribution of) net investment income  | 674,670                               |
| Accumulated net realized gain (loss) from investments   | (978,887)                             |
| Net unrealized appreciation of investments  | 4,536,074                             |
| -----   |                                       |
| Net assets applicable to Common shares  | \$56,616,650                          |
| =====   |                                       |

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Authorized shares:  
 Common Unlimited  
 Preferred Unlimited

See accompanying notes to financial statements.

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Statement of  
 ASSETS AND LIABILITIES November 30, 2003 (Unaudited) (continued)

|   | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| Investments, at market value (cost \$124,022,837, \$47,607,488,<br>\$80,264,505 and \$81,362,496, respectively)                   | \$132,157,633                                   | \$49,636,367  |
| Cash  | 1,345,829                                       | 969,222   |
| Receivables:  |   |   |
| Interest  | 2,464,170                                       | 871,424   |
| Investments sold  | 6,120,000                                       | --  |
| Other assets  | 9,890   | 6,922   |
| <b>Total assets</b>   | <b>142,097,522</b>                              | <b>51,483,935</b>                                   |
| <b>LIABILITIES</b>  |   |   |
| Cash overdraft  | --  | --  |
| Payable for investments purchased   | --  | --  |
| Accrued expenses:   |   |   |
| Management fees   | 75,157  | 14,673  |
| Other   | 43,166  | 27,703  |
| Preferred share dividends payable   | 3,843   | 568   |
| <b>Total liabilities</b>  | <b>122,166</b>                                  | <b>42,944</b>                                       |
| Preferred shares, at liquidation value  | 46,800,000                                      | 17,000,000  |
| Net assets applicable to Common shares  | \$ 95,175,356                                   | \$34,440,991  |
| Common shares outstanding   | 6,314,708                                       | 2,244,675   |
| Net asset value per Common share outstanding<br>(net assets applicable to Common shares,<br>divided by Common shares outstanding) | \$ 15.07  | \$ 15.34  |
| <b>NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:</b>   |   |   |
| Common shares, \$.01 par value per share  | \$ 63,147                                       | \$ 22,447   |
| Paid-in surplus   | 87,217,017                                      | 31,792,501  |
| Undistributed (Over-distribution of) net investment income  | 1,103,972                                       | 433,498   |
| Accumulated net realized gain (loss) from investments   | (1,343,576)                                     | 163,666   |
| Net unrealized appreciation of investments  | 8,134,796                                       | 2,028,879   |

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|  |               |              |
|--|---------------|--------------|
| Net assets applicable to Common shares | \$ 95,175,356 | \$34,440,991 |
| Authorized shares:                     |               |              |
| Common                                 | Unlimited     | Unlimited    |
| Preferred                              | Unlimited     | Unlimited    |

See accompanying notes to financial statements.

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Statement of  
OPERATIONS Six Months Ended November 30, 2003 (Unaudited)

|  | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) |
|--|---------------------------------------|
| INVESTMENT INCOME  | \$2,204,725                           |
| EXPENSES   |                                       |
| Management fees  | 272,101                               |
| Preferred shares - auction fees  | 34,845                                |
| Preferred shares - dividend disbursing agent fees  | 5,014                                 |
| Shareholders' servicing agent fees and expenses  | 3,927                                 |
| Custodian's fees and expenses  | 8,421                                 |
| Trustees' fees and expenses  | 1,026                                 |
| Professional fees  | 5,224                                 |
| Shareholders' reports - printing and mailing expenses  | 8,768                                 |
| Stock exchange listing fees  | 67                                    |
| Investor relations expense   | 5,577                                 |
| Other expenses   | 4,991                                 |
| Total expenses before custodian fee credit and expense reimbursement                               | 349,961                               |
| Custodian fee credit   | (1,645)                               |
| Expense reimbursement  | --                                    |
| Net expenses   | 348,316                               |
| Net investment income  | 1,856,409                             |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS   |                                       |
| Net realized gain (loss) from investments  | (187,298)                             |
| Change in net unrealized appreciation (depreciation) of investments                                | (1,405,256)                           |
| Net gain (loss) from investments   | (1,592,554)                           |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS  |                                       |
| From net investment income   | (94,011)                              |
| From accumulated net realized gains from investments   | --                                    |
| Decrease in net assets applicable to Common shares from<br>distributions to Preferred shareholders | (94,011)                              |

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Net increase (decrease) in net assets applicable to Common shares  
from operations \$ 169,844

See accompanying notes to financial statements.

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Statement of  
OPERATIONS Six Months Ended November 30, 2003 (Unaudited) (co

|  | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) |
|--|---|---|
| -----  |   |   |
| INVESTMENT INCOME  | \$3,626,986                                     | \$1,227,793   |
| -----  |   |   |
| EXPENSES   |   |   |
| Management fees  | 457,978   | 165,934   |
| Preferred shares - auction fees  | 58,661  | 21,309  |
| Preferred shares - dividend disbursing agent fees  | 5,014   | 5,014   |
| Shareholders' servicing agent fees and expenses  | 7,871   | 242   |
| Custodian's fees and expenses  | 18,146  | 6,078   |
| Trustees' fees and expenses  | 1,751   | 774   |
| Professional fees  | 6,152   | 5,515   |
| Shareholders' reports - printing and mailing expenses  | 11,867  | 3,540   |
| Stock exchange listing fees  | 5,573   | 35  |
| Investor relations expense   | 9,419   | 3,144   |
| Other expenses   | 5,651   | 3,815   |
| -----  |   |   |
| Total expenses before custodian fee credit and expense reimbursement                               | 588,083   | 215,400   |
| Custodian fee credit   | (3,943)   | (2,617)   |
| Expense reimbursement  | --  | (76,585)  |
| -----  |   |   |
| Net expenses   | 584,140   | 136,198   |
| -----  |   |   |
| Net investment income  | 3,042,846                                       | 1,091,595   |
| -----  |   |   |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS   |   |   |
| Net realized gain (loss) from investments  | 772,294   | 7,100   |
| Change in net unrealized appreciation (depreciation) of investments                                | (3,559,314)                                     | (1,235,950)   |
| -----  |   |   |
| Net gain (loss) from investments   | (2,787,020)                                     | (1,228,850)   |
| -----  |   |   |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS  |   |   |
| From net investment income   | (178,204)                                       | (39,388)  |
| From accumulated net realized gains from investments   | --  | (6,283)   |
| -----  |   |   |
| Decrease in net assets applicable to Common shares from<br>distributions to Preferred shareholders | (178,204)                                       | (45,671)  |
| -----  |   |   |
| Net increase (decrease) in net assets applicable to Common shares<br>from operations               | \$ 77,622                                       | \$ (182,926)  |
| =====  |   |   |



See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS (Unaudited)

|  | GEORGIA<br>PREMIUM INCOME (NPG) |                       | GEORGIA<br>DIVIDEND ADVANTAGE (NZX) |                       |
|--|---------------------------------|-----------------------|-------------------------------------|-----------------------|
|  | SIX MONTHS<br>ENDED<br>11/30/03 | YEAR ENDED<br>5/31/03 | SIX MONTHS<br>ENDED<br>11/30/03     | YEAR ENDED<br>5/31/03 |
| <b>OPERATIONS</b>  |                                 |                       |                                     |                       |
| Net investment income  | \$ 1,856,409                    | \$ 3,638,676          | \$ 949,508                          | \$ 1,870,700          |
| Net realized gain (loss) from investments  | (187,298)                       | 920,606               | (70)                                | 660,100               |
| Change in net unrealized appreciation (depreciation) of investments                          | (1,405,256)                     | 2,936,582             | (1,137,105)                         | 2,587,000             |
| Distributions to Preferred Shareholders:   |                                 |                       |                                     |                       |
| From net investment income   | (94,011)                        | (258,111)             | (53,040)                            | (127,000)             |
| From accumulated net realized gains from investments   | --                              | --                    | --                                  | (35,800)              |
| Net increase (decrease) in net assets applicable to Common shares from operations            | 169,844                         | 7,237,753             | (240,707)                           | 4,954,900             |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>  |                                 |                       |                                     |                       |
| From net investment income   | (1,684,498)                     | (3,254,832)           | (845,951)                           | (1,579,500)           |
| From accumulated net realized gains from investment transactions                             | --                              | --                    | --                                  | (250,100)             |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (1,684,498)                     | (3,254,832)           | (845,951)                           | (1,829,600)           |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                                 |                       |                                     |                       |
| Common shares:   |                                 |                       |                                     |                       |
| Net proceeds from sale of shares   | --                              | --                    | 3,771                               |                       |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions         | 81,319                          | 157,705               | 16,382                              | 15,100                |
| Preferred shares offering costs  | --                              | --                    | (1,871)                             | 54,700                |
| Net increase in net assets applicable to Common shares from capital share transactions       | 81,319                          | 157,705               | 18,282                              | 69,800                |
| Net increase (decrease) in net assets applicable to Common shares                            | (1,433,335)                     | 4,140,626             | (1,068,376)                         | 3,195,100             |

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|   |              |              |              |            |
|---|--------------|--------------|--------------|------------|
| Net assets applicable to Common shares at the beginning of period               | 58,049,985   | 53,909,359   | 30,576,490   | 27,381,3   |
| Net assets applicable to Common shares at the end of period                     | \$56,616,650 | \$58,049,985 | \$29,508,114 | \$30,576,4 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 674,670   | \$ 596,770   | \$ 317,752   | \$ 267,2   |

See accompanying notes to financial statements.

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

|  | NORTH CAROLINA<br>PREMIUM INCOME (NNC) |                   |
|--|--|-------------------|
|  | SIX MONTHS<br>ENDED<br>11/30/03        | YEAR END<br>5/31/ |
| <b>OPERATIONS</b>  |  |                   |
| Net investment income  | \$ 3,042,846                           | \$ 6,171,3        |
| Net realized gain (loss) from investments  | 772,294                                | 900,2             |
| Change in net unrealized appreciation (depreciation) of investments                          | (3,559,314)                            | 7,102,2           |
| Distributions to Preferred Shareholders:   |  |                   |
| From net investment income   | (178,204)                              | (455,4            |
| From accumulated net realized gains from investments   | --                                     |                   |
| Net increase (decrease) in net assets applicable to Common shares from operations            | 77,622                                 | 13,718,4          |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>  |  |                   |
| From net investment income   | (2,793,070)                            | (5,417,7          |
| From accumulated net realized gains from investment transactions                             | --                                     |                   |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (2,793,070)                            | (5,417,7          |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |  |                   |
| Common shares:   |  |                   |
| Net proceeds from sale of shares   | --                                     |                   |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions         | 105,669                                | 198,7             |
| Preferred shares offering costs  | --                                     |                   |

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|  |              |            |
|--|--------------|------------|
| Net increase in net assets applicable to Common shares from capital share transactions | 105,669      | 198,7      |
| Net increase (decrease) in net assets applicable to Common shares                      | (2,609,779)  | 8,499,3    |
| Net assets applicable to Common shares at the beginning of period                      | 97,785,135   | 89,285,7   |
| Net assets applicable to Common shares at the end of period                            | \$95,175,356 | \$97,785,1 |
| Undistributed (Over-distribution of) net investment income at the end of period        | \$ 1,103,972 | \$ 1,032,4 |

See accompanying notes to financial statements.

|  | NORTH CAROLINA<br>DIVIDEND ADVANTAGE 2 (NNO) |                   |
|--|--|-------------------|
|  | SIX MONTHS<br>ENDED<br>11/30/03              | YEAR END<br>5/31/ |
| OPERATIONS   |  |                   |
| Net investment income  | \$ 1,762,089                                 | \$ 3,526,4        |
| Net realized gain (loss) from investments  | (9,109)                                      | 713,5             |
| Change in net unrealized appreciation (depreciation) of investments                          | (2,214,299)                                  | 5,899,7           |
| Distributions to Preferred Shareholders:   |  |                   |
| From net investment income   | (102,497)                                    | (273,8            |
| From accumulated net realized gains from investments   | --   | (71,5             |
| Net increase (decrease) in net assets applicable to Common shares from operations            | (563,816)                                    | 9,794,2           |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS   |  |                   |
| From net investment income   | (1,573,415)                                  | (3,067,7          |
| From accumulated net realized gains from investment transactions                             | --   | (482,5            |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (1,573,415)                                  | (3,550,3          |
| CAPITAL SHARE TRANSACTIONS   |  |                   |
| Common shares:   |  |                   |
| Net proceeds from sale of shares   | 2,456  |                   |

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|  |              |            |
|--|--------------|------------|
| Net proceeds from shares issued to shareholders due to reinvestment of distributions   | 14,313       | 4,1        |
| Preferred shares offering costs  | --           | 10,5       |
| -----  |              |            |
| Net increase in net assets applicable to Common shares from capital share transactions | 16,769       | 14,6       |
| -----  |              |            |
| Net increase (decrease) in net assets applicable to Common shares                      | (2,120,462)  | 6,258,5    |
| Net assets applicable to Common shares at the beginning of period                      | 59,641,900   | 53,383,3   |
| -----  |              |            |
| Net assets applicable to Common shares at the end of period                            | \$57,521,438 | \$59,641,9 |
| =====  |              |            |
| Undistributed (Over-distribution of) net investment income at the end of period        | \$ 268,017   | \$ 181,8   |
| =====  |              |            |

See accompanying notes to financial statements.

Notes to  
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The state Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Georgia Premium Income Municipal Fund (NPG), Nuveen Georgia Dividend Advantage Municipal Fund (NZX), Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG), Nuveen North Carolina Premium Income Municipal Fund (NNC), Nuveen North Carolina Dividend Advantage Municipal Fund (NRB), Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII). Common shares of Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) are traded on the American Stock Exchange while Common shares of North Carolina Premium Income (NNC) is traded on the New York Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

Prior to the commencement of operations of Georgia Dividend Advantage 2 (NKG) and North Carolina Dividend Advantage 3 (NII), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 per Fund by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), and the recording of the organization expenses (\$11,500 per Fund) 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 both regular federal and designated state income taxes by investing primarily in a diversified portfolio

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of municipal obligations issued by state and local government authorities within a single state.

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

### Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of 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 November 30, 2003, Georgia Premium Income (NPG) and Georgia Dividend Advantage 2 (NKG) had outstanding when-issued purchase commitments of \$1,163,261 and \$1,214,561, 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.

### Income Taxes

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

### Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually.

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Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

### Preferred Shares

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

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

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

### Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the six months ended November 30, 2003.

### Custodian Fee Credit

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

### Offering Costs

Nuveen Investments, LLC has agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share for Georgia Dividend Advantage 2 (NKG) and North Carolina Dividend Advantage 3 (NII). Georgia Dividend Advantage 2's (NKG) and North Carolina Dividend Advantage 3's (NII) share of Common share offering costs (\$136,200 and \$117,375, respectively) were

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recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Georgia Dividend Advantage 2 (NKG) and North Carolina Dividend Advantage 3 (NII) in connection with their offering of Preferred shares (\$790,214 and \$689,604, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

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

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

|  | GEORGIA<br>PREMIUM INCOME (NPG) |                       | GEORGIA DIVIDEND<br>ADVANTAGE (NZX) |                       | GEORGIA D<br>ADVANTAGE          |
|--|---------------------------------|-----------------------|-------------------------------------|-----------------------|---------------------------------|
|  | SIX MONTHS<br>ENDED<br>11/30/03 | YEAR ENDED<br>5/31/03 | SIX MONTHS<br>ENDED<br>11/30/03     | YEAR ENDED<br>5/31/03 | SIX MONTHS<br>ENDED<br>11/30/03 |
|  | Common shares:                  |                       |                                     |                       |                                 |
| Shares sold  | --                              | --                    | --                                  | --                    | --                              |
| Shares issued to shareholders<br>due to reinvestment of<br>distributions | 5,118                           | 9,788                 | 1,087                               | 1,266                 | 1,464                           |
|  | 5,118                           | 9,788                 | 1,087                               | 1,266                 | 1,464                           |
| Preferred shares sold  | --                              | --                    | --                                  | --                    | --                              |

|             | NORTH CAROLINA<br>PREMIUM INCOME (NNC) |                       | NORTH CAROL<br>DIVIDEND ADVANTA |    |
|-------------|--|-----------------------|---------------------------------|----|
|             | SIX MONTHS<br>ENDED<br>11/30/03        | YEAR ENDED<br>5/31/03 | SIX MONTHS<br>ENDED<br>11/30/03 | YE |
|             | Common shares:                         |                       |                                 |    |
| Shares sold | --                                     | --                    | --                              | -- |

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|  | NORTH CAROLINA<br>DIVIDEND<br>ADVANTAGE 2 (NNO) |                       | NORTH CAROLINA<br>DIVIDEND<br>ADVANTAGE 3 (NII) |
|--|---|-----------------------|---|
|  | SIX MONTHS<br>ENDED<br>11/30/03                 | YEAR ENDED<br>5/31/03 | SIX MONTHS<br>ENDED<br>11/30/03                 |
| Shares issued to shareholders<br>due to reinvestment of<br>distributions | 6,435   | 12,357                | 2,548   |
| -----  | 6,435   | 12,357                | 2,548   |
| =====  |   |                       |   |
| Preferred shares sold  | --  | --                    | --  |
| =====  |   |                       |   |
| Common shares:   |   |                       |   |
| Shares sold  | --  | --                    | --  |
| Shares issued to shareholders<br>due to reinvestment of<br>distributions | 923   | 424                   | 828   |
| -----  | 923   | 424                   | 828   |
| =====  |   |                       |   |
| Preferred shares sold  | --  | --                    | --  |
| =====  |   |                       |   |

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3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities for the six months ended November 30, 2003, were as follows:

|                      | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) |
|----------------------|---------------------------------------|---|---|
| Purchases            | \$5,765,514                           | \$ --                                       | \$8,291,517                                 |
| Sales and maturities | 5,157,387                             | 5,000                                       | 7,334,881                                   |
| =====                |                                       |   |   |

|                      | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 3<br>(NII) |
|----------------------|---|---|---|---|
| Purchases            | \$ 5,794,858                                    | \$3,986,269   | \$1,047,460   | \$ 9,972,378  |
| Sales and maturities | 11,455,000                                      | 4,546,918   | 262,265   | 10,349,663  |
| =====                |   |   |   |   |



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4. INCOME TAX INFORMATION

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

At November 30, 2003, the cost of investments were as follows:

|                     | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) |
|---------------------|---------------------------------------|---|---|
| Cost of investments | \$79,506,047                          | \$42,148,055                              | \$95,316,755                                |

|                     | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 3<br>(NII) |
|---------------------|---|---|---|---|
| Cost of investments | \$123,974,306                                   | \$47,606,765  | \$80,259,426  | \$81,362,496  |

Gross unrealized appreciation and gross unrealized depreciation of investments at November 30, 2003, were as follows:

|   | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) |
|---|---------------------------------------|---|---|
| Gross unrealized:                             |                                       |   |   |
| Appreciation                                  | \$4,787,168                           | \$1,467,546                               | \$1,854,407                                 |
| Depreciation                                  | (207,657)                             | (44,140)                                  | (264,392)                                   |
| Net unrealized appreciation<br>of investments | \$4,579,511                           | \$1,423,406                               | \$1,590,015                                 |

|   | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 3<br>(NII) |
|---|---|---|---|---|
| Gross unrealized:                             |   |   |   |   |
| Appreciation                                  | \$8,302,268                                     | \$2,036,956   | \$4,201,055   | \$1,834,046   |
| Depreciation                                  | (118,941)                                       | (7,354)   | (9,989)   | (156,373)   |
| Net unrealized appreciation<br>of investments | \$8,183,327                                     | \$2,029,602   | \$4,191,066   | \$1,677,673   |

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

The tax components of undistributed net investment income and net realized gains at May 31, 2003, the Funds' last fiscal year end, were as follows:

|   | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) |
|---|---------------------------------------|---|---|
| Undistributed net tax-exempt income       | \$810,588                             | \$404,728                                 | \$ 93,758                                   |
| Undistributed net ordinary income *       | 25,456                                | --  | 109,478                                     |
| Undistributed net long-term capital gains | --                                    | 28,502                                    | --  |

|   | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 3<br>(NII) |
|---|---|---|---|---|
| Undistributed net tax-exempt income       | \$1,383,598                                     | \$556,745   | \$436,225   | \$153,360   |
| Undistributed net ordinary income *       | 14,680  | 66,536  | 76,010  | 30,673  |
| Undistributed net long-term capital gains | --  | 95,735  | 36,751  | --  |

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

The tax character of distributions paid during the fiscal year ended May 31, 2003, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

|  | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | ADVANTAGE 3<br>(NII) |
|--|---------------------------------------|---|----------------------|
| 2003   |                                       |   |                      |
| Distributions from net tax-exempt income       | \$3,506,728                           | \$1,701,839                               | \$2,808,589          |
| Distributions from net ordinary income *       | --                                    | 212,091                                   | 212,091              |
| Distributions from net long-term capital gains | --                                    | 73,921                                    | 73,921               |

|      | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | ADVANTAGE 3<br>(NII) |
|------|---|---|---|----------------------|
| 2003 |   |   |   |                      |

|  |             |             |             |     |
|--|-------------|-------------|-------------|-----|
| Distributions from net tax-exempt income       | \$5,826,633 | \$2,058,342 | \$3,348,540 | \$1 |
| Distributions from net ordinary income *       | 22,385      | --          | 554,099     |     |
| Distributions from net long-term capital gains | --          | 332,522     | --          |     |

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

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

|                  | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) |
|------------------|---------------------------------------|---|
| Expiration year: |                                       |   |
| 2004             | \$320,996                             | \$1,137,399                                     |
| 2005             | 340,685                               | 131,993   |
| 2006             | --                                    | --  |
| 2007             | --                                    | --  |
| 2008             | 129,908                               | 108,131   |
| 2009             | --                                    | 731,398   |
| 2010             | --                                    | --  |
| Total            | \$791,589                             | \$2,108,921                                     |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Georgia Premium Income's (NPG) and North Carolina Premium Income's (NNC) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

Under Georgia Dividend Advantage's (NZX), Georgia Dividend Advantage 2's (NKG), North Carolina Dividend Advantage's (NRB), North Carolina Dividend Advantage 2's

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

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

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

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

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

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

\* From the commencement of operations.

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

For the first eight years of Georgia Dividend Advantage 2's (NKG) and North Carolina Dividend Advantage 3's (NII) operations, the Adviser has agreed to reimburse the Funds, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

| YEAR ENDING |  | YEAR ENDING |  |
|-------------|--|-------------|--|
|-------------|--|-------------|--|

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

\* From the commencement of operations.

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

For the first ten years of North Carolina Dividend Advantage's (NRB) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily 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<br>JANUARY 31, |      | YEAR ENDING<br>JANUARY 31, |      |
|----------------------------|------|----------------------------|------|
| 2001*                      | .30% | 2007                       | .25% |
| 2002                       | .30  | 2008                       | .20  |
| 2003                       | .30  | 2009                       | .15  |
| 2004                       | .30  | 2010                       | .10  |
| 2005                       | .30  | 2011                       | .05  |
| 2006                       | .30  |                            |      |

\* From the commencement of operations.

The Adviser has not agreed to reimburse North Carolina Dividend Advantage (NRB) for any portion of its fees and expenses beyond January 31, 2011.

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

| YEAR ENDING<br>NOVEMBER 30, |      | YEAR ENDING<br>NOVEMBER 30, |      |
|-----------------------------|------|-----------------------------|------|
| 2001*                       | .30% | 2007                        | .25% |
| 2002                        | .30  | 2008                        | .20  |
| 2003                        | .30  | 2009                        | .15  |
| 2004                        | .30  | 2010                        | .10  |
| 2005                        | .30  | 2011                        | .05  |
| 2006                        | .30  |                             |      |

\* From the commencement of operations.

The Adviser has not agreed to reimburse North Carolina Dividend Advantage 2 (NNO) for any portion of its fees and expenses beyond November 30, 2011.

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6. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 30, 2003, to shareholders of record on December 15, 2003, as follows:

|                    | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) | NORTH<br>CAROLINA<br>PREMIUM<br>INCOME<br>(NNC) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | ADVANTAGE 2 |
|--------------------|---------------------------------------|---|---|---|---|---|-------------|
| Dividend per share | \$ .0755                              | \$ .0730                                  | \$ .0670                                    | \$ .0745  | \$ .0765  | \$ .0720  |             |

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

|  | GEORGIA<br>PREMIUM<br>INCOME<br>(NPG) | GEORGIA<br>DIVIDEND<br>ADVANTAGE<br>(NZX) | GEORGIA<br>DIVIDEND<br>ADVANTAGE 2<br>(NKG) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE<br>(NRB) | NORTH<br>CAROLINA<br>DIVIDEND<br>ADVANTAGE 2<br>(NNO) | ADVANTAGE 2 |
|--|---------------------------------------|---|---|---|---|-------------|
| Capital gains distributions per share        | \$ --                                 | \$ .0136                                  | \$ --                                       | \$ .0433  | \$ .0093  |             |
| Net ordinary income distributions per share* | .0063                                 | --  | .0218                                       | .0280   | .0192   |             |

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

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

|  | Investment Operations                              |                             |   |   |   | Total |
|--|--|-----------------------------|---|---|---|-------|
|  | Beginning<br>Common<br>Share<br>Net Asset<br>Value | Net<br>Investment<br>Income | Net<br>Realized/<br>Unrealized<br>Investment<br>Gain (Loss) | Distributions<br>from Net<br>Investment<br>Income to<br>Preferred<br>Share-<br>holders+ | Distributions<br>from<br>Capital<br>Gains to<br>Preferred<br>Share-<br>holders+ |       |
|  |  |                             |   |   |   |       |

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GEORGIA PREMIUM INCOME (NPG)

Year Ended 5/31:

|          |         |        |          |          |      |        |
|----------|---------|--------|----------|----------|------|--------|
| 2004 (d) | \$15.36 | \$ .49 | \$ (.42) | \$ (.02) | \$-- | \$ .05 |
| 2003     | 14.31   | .96    | 1.02     | (.07)    | --   | 1.91   |
| 2002     | 14.15   | 1.02   | .11      | (.12)    | --   | 1.01   |
| 2001     | 12.80   | 1.06   | 1.35     | (.26)    | --   | 2.15   |
| 2000     | 14.45   | 1.03   | (1.65)   | (.23)    | --   | (.85)  |
| 1999     | 14.58   | 1.01   | (.13)    | (.21)    | --   | .67    |

GEORGIA DIVIDEND ADVANTAGE (NZX)

Year Ended 5/31:

|          |       |     |       |       |       |       |
|----------|-------|-----|-------|-------|-------|-------|
| 2004 (d) | 15.62 | .48 | (.57) | (.03) | --    | (.12) |
| 2003     | 14.00 | .96 | 1.65  | (.06) | (.02) | 2.53  |
| 2002 (a) | 14.33 | .58 | (.19) | (.06) | --    | .33   |

GEORGIA DIVIDEND ADVANTAGE 2 (NKG)

Year Ended 5/31:

|          |       |     |       |       |    |       |
|----------|-------|-----|-------|-------|----|-------|
| 2004 (d) | 15.01 | .44 | (.62) | (.02) | -- | (.20) |
| 2003 (b) | 14.33 | .47 | .92   | (.04) | -- | 1.35  |

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

GEORGIA PREMIUM INCOME (NPG)

Year Ended 5/31:

|          |      |         |           |         |        |
|----------|------|---------|-----------|---------|--------|
| 2004 (d) | \$-- | \$14.96 | \$16.1000 | (2.30)% | .38%   |
| 2003     | --   | 15.36   | 16.9500   | 12.92   | 13.78  |
| 2002     | --   | 14.31   | 15.8300   | 8.98    | 7.32   |
| 2001     | --   | 14.15   | 15.3500   | 30.41   | 16.98  |
| 2000     | --   | 12.80   | 12.4375   | (18.84) | (5.87) |
| 1999     | --   | 14.45   | 16.2500   | 13.42   | 4.64   |

GEORGIA DIVIDEND ADVANTAGE (NZX)

Year Ended 5/31:

|          |       |       |         |       |       |
|----------|-------|-------|---------|-------|-------|
| 2004 (d) | --    | 15.07 | 15.1500 | .01   | (.67) |
| 2003     | .03   | 15.62 | 15.5900 | 12.56 | 18.82 |
| 2002 (a) | (.19) | 14.00 | 14.7400 | 1.42  | 1.02  |

GEORGIA DIVIDEND ADVANTAGE 2 (NKG)

Year Ended 5/31:

|          |       |       |         |        |        |
|----------|-------|-------|---------|--------|--------|
| 2004 (d) | --    | 14.41 | 13.6800 | (6.02) | (1.23) |
| 2003 (b) | (.20) | 15.01 | 14.9800 | 3.16   | 8.22   |

Ratios/Supplemental Data

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

GEORGIA PREMIUM INCOME (NPG)

| Year Ended 5/31: |          |        |        |        |        |
|------------------|----------|--------|--------|--------|--------|
| 2004 (d)         | \$56,617 | 1.25%* | 6.62%* | 1.24%* | 6.62%* |
| 2003             | 58,050   | 1.29   | 6.53   | 1.26   | 6.53   |
| 2002             | 53,909   | 1.37   | 7.12   | 1.35   | 7.12   |
| 2001             | 53,168   | 1.41   | 7.67   | 1.40   | 7.67   |
| 2000             | 47,991   | 1.43   | 7.73   | 1.40   | 7.73   |
| 1999             | 54,022   | 1.34   | 6.87   | 1.33   | 6.87   |

GEORGIA DIVIDEND ADVANTAGE (NZX)

| Year Ended 5/31: |        |       |       |      |       |
|------------------|--------|-------|-------|------|-------|
| 2004 (d)         | 29,508 | 1.28* | 6.04* | .82* | 6.04* |
| 2003             | 30,576 | 1.31  | 6.00  | .83  | 6.00  |
| 2002 (a)         | 27,381 | 1.37* | 5.70* | .92* | 5.70* |

GEORGIA DIVIDEND ADVANTAGE 2 (NKG)

| Year Ended 5/31: |        |       |       |      |       |
|------------------|--------|-------|-------|------|-------|
| 2004 (d)         | 65,591 | 1.23* | 5.69* | .74* | 5.69* |
| 2003 (b)         | 68,325 | 1.16* | 4.36* | .69* | 4.36* |

Preferred Shares at End of Period

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

GEORGIA PREMIUM INCOME (NPG)

| Year Ended 5/31: |          |          |          |
|------------------|----------|----------|----------|
| 2004 (d)         | \$27,800 | \$25,000 | \$75,914 |
| 2003             | 27,800   | 25,000   | 77,203   |
| 2002             | 27,800   | 25,000   | 73,480   |
| 2001             | 27,800   | 25,000   | 72,813   |
| 2000             | 27,800   | 25,000   | 68,157   |
| 1999             | 27,800   | 25,000   | 73,581   |

GEORGIA DIVIDEND ADVANTAGE (NZX)

| Year Ended 5/31: |        |        |        |
|------------------|--------|--------|--------|
| 2004 (d)         | 15,000 | 25,000 | 74,180 |
| 2003             | 15,000 | 25,000 | 75,961 |
| 2002 (a)         | 15,000 | 25,000 | 70,636 |



GEORGIA DIVIDEND ADVANTAGE 2 (NKG)

Year Ended 5/31:

|          |        |        |        |
|----------|--------|--------|--------|
| 2004 (d) | 33,000 | 25,000 | 74,690 |
| 2003 (b) | 33,000 | 25,000 | 76,761 |

\* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

- (a) For the period September 25, 2001 (commencement of operations) through May 31, 2002.
- (b) For the period September 25, 2002 (commencement of operations) through May 31, 2003.
- (d) For the six months ended November 30, 2003.

See accompanying notes to financial statements.

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Financial Highlights (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

Investment Operations

| Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Shareholders+ | Distributions from Capital Gains to Preferred Shareholders+ | Total |
|--|-----------------------|--|---|---|-------|
|--|-----------------------|--|---|---|-------|

NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:

|          |         |        |          |          |      |        |
|----------|---------|--------|----------|----------|------|--------|
| 2004 (d) | \$15.50 | \$ .48 | \$ (.44) | \$ (.03) | \$-- | \$ .01 |
| 2003     | 14.18   | .98    | 1.27     | (.07)    | --   | 2.18   |
| 2002     | 13.94   | 1.02   | .15      | (.13)    | --   | 1.04   |
| 2001     | 12.62   | 1.03   | 1.31     | (.27)    | --   | 2.07   |
| 2000     | 14.28   | 1.02   | (1.61)   | (.26)    | --   | (.85)  |
| 1999     | 14.48   | 1.02   | (.22)    | (.21)    | --   | .59    |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

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|                  |       |      |       |       |       |       |
|------------------|-------|------|-------|-------|-------|-------|
| Year Ended 5/31: |       |      |       |       |       |       |
| 2004 (d)         | 15.87 | .49  | (.55) | (.02) | --    | (.08) |
| 2003             | 14.39 | 1.00 | 1.54  | (.06) | (.02) | 2.46  |
| 2002             | 13.90 | 1.06 | .38   | (.13) | --    | 1.31  |
| 2001 (a)         | 14.33 | .25  | (.26) | (.05) | --    | (.06) |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

---

|                  |       |     |       |       |       |       |
|------------------|-------|-----|-------|-------|-------|-------|
| Year Ended 5/31: |       |     |       |       |       |       |
| 2004 (d)         | 15.98 | .47 | (.59) | (.03) | --    | (.15) |
| 2003             | 14.30 | .94 | 1.78  | (.07) | (.02) | 2.63  |
| 2002 (b)         | 14.33 | .38 | .11   | (.04) | --    | .45   |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

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|                  |       |     |       |       |    |       |
|------------------|-------|-----|-------|-------|----|-------|
| Year Ended 5/31: |       |     |       |       |    |       |
| 2004 (d)         | 14.96 | .45 | (.53) | (.03) | -- | (.11) |
| 2003 (c)         | 14.33 | .49 | .87   | (.05) | -- | 1.31  |

---

|  |   |                           | Total Returns                    |   |  |  |
|--|---|---------------------------|----------------------------------|---|--|--|
|  |   |                           | -----                            |   |  |  |
| Offering<br>Costs and<br>Preferred<br>Share<br>Underwriting<br>Discounts | Ending<br>Common<br>Share<br>Net Asset<br>Value | Ending<br>Market<br>Value | Based<br>on<br>Market<br>Value** | Based<br>on<br>Common<br>Share<br>Net<br>Asset<br>Value** |  |  |
| =====  |   |                           |                                  |   |  |  |

NORTH CAROLINA PREMIUM INCOME (NNC)

---

|                  |      |         |           |        |        |
|------------------|------|---------|-----------|--------|--------|
| Year Ended 5/31: |      |         |           |        |        |
| 2004 (d)         | \$-- | \$15.07 | \$16.6300 | .81%   | .15%   |
| 2003             | --   | 15.50   | 16.9500   | 10.27  | 15.80  |
| 2002             | --   | 14.18   | 16.2100   | 15.44  | 7.62   |
| 2001             | --   | 13.94   | 14.8000   | 14.03  | 16.65  |
| 2000             | --   | 12.62   | 13.6875   | (7.76) | (5.98) |
| 1999             | --   | 14.28   | 15.6875   | 9.87   | 4.11   |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

---

|                  |       |       |         |       |        |
|------------------|-------|-------|---------|-------|--------|
| Year Ended 5/31: |       |       |         |       |        |
| 2004 (d)         | --    | 15.34 | 16.3500 | 2.30  | (.43)  |
| 2003             | .01   | 15.87 | 16.4500 | 13.52 | 17.75  |
| 2002             | --    | 14.39 | 15.4400 | 7.54  | 9.58   |
| 2001 (a)         | (.17) | 13.90 | 15.1500 | 2.42  | (1.57) |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

---

|                  |       |       |         |       |       |
|------------------|-------|-------|---------|-------|-------|
| Year Ended 5/31: |       |       |         |       |       |
| 2004 (d)         | --    | 15.41 | 15.7000 | 1.03  | (.86) |
| 2003             | --    | 15.98 | 15.9700 | 14.10 | 18.98 |
| 2002 (b)         | (.14) | 14.30 | 14.9000 | 1.64  | 2.22  |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

---

|                  |    |       |         |       |       |
|------------------|----|-------|---------|-------|-------|
| Year Ended 5/31: |    |       |         |       |       |
| 2004 (d)         | -- | 14.45 | 14.6500 | (.95) | (.64) |

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2003 (c) ( .21) 14.96 15.2000 4.56 7.86

Ratios/Supplemental Data

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

NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:

| Year     | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ |
|----------|---|---|--|---|
| 2004 (d) | \$95,175  | 1.24%*  | 6.42%*   | 1.23%*  |
| 2003     | 97,785  | 1.27  | 6.60   | 1.25  |
| 2002     | 89,286  | 1.33  | 7.17   | 1.32  |
| 2001     | 87,614  | 1.34  | 7.47   | 1.30  |
| 2000     | 79,167  | 1.37  | 7.81   | 1.35  |
| 1999     | 89,377  | 1.30  | 6.97   | 1.30  |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

Year Ended 5/31:

| Year     | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ |
|----------|---|---|--|---|
| 2004 (d) | 34,441  | 1.26*   | 5.93*  | .80*  |
| 2003     | 35,591  | 1.30  | 6.16   | .83   |
| 2002     | 32,148  | 1.44  | 6.86   | .90   |
| 2001 (a) | 31,015  | 1.31*   | 5.02*  | .85*  |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

Year Ended 5/31:

| Year     | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ |
|----------|---|---|--|---|
| 2004 (d) | 57,521  | 1.22*   | 5.72*  | .77*  |
| 2003     | 59,642  | 1.24  | 5.80   | .76   |
| 2002 (b) | 53,383  | 1.19*   | 4.70*  | .74*  |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

Year Ended 5/31:

| Year     | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ |
|----------|---|---|--|---|
| 2004 (d) | 56,645  | 1.24*   | 5.76*  | .75*  |
| 2003 (c) | 58,653  | 1.18*   | 4.61*  | .71*  |

Preferred Shares at End of Period

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

NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:

|          |          |          |          |
|----------|----------|----------|----------|
| 2004 (d) | \$46,800 | \$25,000 | \$75,842 |
|----------|----------|----------|----------|

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|      |        |        |        |
|------|--------|--------|--------|
| 2003 | 46,800 | 25,000 | 77,236 |
| 2002 | 46,800 | 25,000 | 72,695 |
| 2001 | 46,800 | 25,000 | 71,802 |
| 2000 | 46,800 | 25,000 | 67,290 |
| 1999 | 46,800 | 25,000 | 72,744 |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

-----  
Year Ended 5/31:

|          |        |        |        |
|----------|--------|--------|--------|
| 2004 (d) | 17,000 | 25,000 | 75,649 |
| 2003     | 17,000 | 25,000 | 77,340 |
| 2002     | 17,000 | 25,000 | 72,277 |
| 2001 (a) | 17,000 | 25,000 | 70,610 |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

-----  
Year Ended 5/31:

|          |        |        |        |
|----------|--------|--------|--------|
| 2004 (d) | 28,000 | 25,000 | 76,358 |
| 2003     | 28,000 | 25,000 | 78,252 |
| 2002 (b) | 28,000 | 25,000 | 72,664 |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

-----  
Year Ended 5/31:

|          |        |        |        |
|----------|--------|--------|--------|
| 2004 (d) | 28,000 | 25,000 | 75,576 |
| 2003 (c) | 28,000 | 25,000 | 77,369 |

=====

\* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

- (a) For the period January 25, 2001 (commencement of operations) through May 31, 2001.
- (b) For the period November 15, 2001 (commencement of operations) through May 31, 2002.
- (c) For the period September 25, 2002 (commencement of operations) through May 31, 2003.
- (d) For the six months ended November 30, 2003.

See accompanying notes to financial statements.

54-55 spread

Build Your Wealth  
AUTOMATICALLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

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

FLEXIBILITY

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

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

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

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

Fund  
INFORMATION

BOARD OF TRUSTEES

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

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 AUDITORS

Ernst & Young LLP  
Chicago, IL

PROXY VOTING POLICIES AND PROCEDURES

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

GLOSSARY OF TERMS USED IN THIS REPORT

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

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

**Leverage-Adjusted Duration:** Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

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

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

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

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Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the six-month period ended November 30, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors  
FOR GENERATIONS

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

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

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

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

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| [www.nuveen.com](http://www.nuveen.com)

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. [RESERVED]

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

Not applicable to this filing.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Not applicable at this time.

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable to this filing.

ITEM 10. 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 Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 11. EXHIBITS.



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File the exhibits listed below as part of this Form.

(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 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 at this time.

(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 Georgia Dividend Advantage Municipal Fund 2  
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By (Signature and Title)\* /s/ Jessica R. Droeger  
-----  
Jessica R. Droeger  
Vice President and Secretary

Date: February 4, 2004  
-----

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: February 4, 2004

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

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

Date: February 4, 2004  
-----

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