

APARTMENT INVESTMENT & MANAGEMENT CO  
Form SC 13G/A  
November 10, 2008

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 4) \*

Apartment Investment and Management Co  
-----

(Name of Issuer)

Common Stock  
-----

(Title of Class of Securities)

03748R101  
-----

(CUSIP Number)

Date of Event which Requires Filing of this Statement

October 31, 2008  
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Check the appropriate box to designate the rule pursuant to which the Schedule is filed:

[x] Rule 13d-1(b)  
[ ] Rule 13d-1(c)  
[ ] Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in prior coverage.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SEC 1745 (12-02)

Schedule 13G (continued)

CUSIP No. 03748R101  
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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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Cohen & Steers, Inc. 14-1904657

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) ☐

(b) ☒

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 5 SOLE VOTING POWER  
SHARES 1,389,747

BENEFICIALLY

OWNED BY 6 SHARED VOTING POWER  
EACH 0

REPORTING 7 SOLE DISPOSITIVE POWER  
PERSON 1,397,876  
WITH

8 SHARED DISPOSITIVE POWER  
0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,397,876

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.58%

12 TYPE OF REPORTING PERSON\*

HC, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

Schedule 13G (continued)

CUSIP No. 03748R101

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Cohen & Steers Capital Management, Inc. 13-3353336

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) ☐

(b) ☒

3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,389,747
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 1,389,747
	8	SHARED DISPOSITIVE POWER 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,389,747

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.57%

12 TYPE OF REPORTING PERSON\*

IA, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

Schedule 13G (continued)

CUSIP No. 03748R101

1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)  
  
Cohen & Steers Europe S.A.

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a) ☐  
(b) ☒

3) SEC USE ONLY

4) CITIZENSHIP OR PLACE OF ORGANIZATION

Belgium

NUMBER OF	5)	SOLE VOTING POWER 0
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SHARES	-----
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6) SHARED VOTING POWER
	0
	-----
	7) SOLE DISPOSITIVE POWER
	8,129
	-----
	8) SHARED DISPOSITIVE POWER
	0
	-----
9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
8,129	
-----	
10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]	
-----	
11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
0.01%	
-----	
12) TYPE OF REPORTING PERSON	
IA, CO	
-----	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1.

(a) Name of Issuer:

Apartment Investment and Management Co

(b) Address of Issuer's Principal Executive Offices:

4582 Ulster Street Parkway, Suite 1100  
Denver, Colorado 80237

Item 2.

(a) Name of Persons Filing:

Cohen & Steers, Inc.  
Cohen & Steers Capital Management, Inc.  
Cohen & Steers Europe S.A.

(b) Address of Principal Business Office:

The principal address for Cohen & Steers, Inc. and Cohen & Steers Capital Management, Inc. is:  
280 Park Avenue  
10th Floor  
New York, NY 10017  
The principal address for Cohen & Steers Europe S.A. is:  
Chausee de la Hulpe 116,  
1170 Brussels, Belgium

(c) Citizenship:

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- Cohen & Steers, Inc: Delaware corporation  
Cohen & Steers Capital Management, Inc: New York corporation  
Cohen & Steers Europe S.A.: Belgium limited company
- (d) Title of Class Securities:  
Common
- (e) CUSIP Number:  
03748R101

- Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b), check whether the person filing is a
- (a) ☐ Broker or Dealer registered under Section 15 of the Act
- (b) ☐ Bank as defined in Section 3(a)(6) of the Act
- (c) ☐ Insurance Company as defined in section 3(a)(19) of the Act
- (d) ☐ Investment Company registered under Section 8 of the Investment Company Act
- (e) ☒ An investment advisor in accordance with Section 240.13d-1(b)(1)(ii)(E)
- (f) ☐ An employee benefit plan or endowment fund in accordance with 240.13d-1(b)(1)(ii)(F)
- (g) ☒ A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G)
- (h) ☐ A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813)
- (i) ☐ A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15U.S.C. 80a-3)
- (j) ☐ Group, in accordance with Section 240.13d-1(b)(1)(ii)(J)

### Item 4. OWNERSHIP:

- (a) Amount Beneficially Owned as of October 31, 2008:

See row 9 on cover sheet

- (b) Percent of Class:

See row 11 on cover sheet

- (c) Number of shares as to which such person has:

- (i) sole power to vote or direct the vote:  
See row 5 on cover sheet

- (ii) shared power to vote or direct the vote:  
See row 6 on cover sheet

- (iii) sole power to dispose or to direct

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the disposition of:  
See row 7 on cover sheet

(iv) shared power to dispose or direct  
the disposition of:  
See row 8 on cover sheet

Item 5. OWNERSHIP OF 5% OR LESS OF A CLASS  
Yes

Item 6. OWNERSHIP OF MORE THAN 5% ON BEHALF OF ANOTHER PERSON  
N/A

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH  
ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT  
HOLDING COMPANY

Cohen & Steers, Inc. holds a 100% interest in Cohen & Steers Capital Management, Inc., an investment advisor registered under Section 203 of the Investment Advisers Act. Cohen & Steers, Inc. and Cohen & Steers Capital Management, Inc. together hold a 100% interest in Cohen & Steers Europe S.A., an investment advisor registered under Section 203 of the Investment Advisers Act.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Cohen & Steers, Inc. holds a 100% interest in Cohen & Steers Capital Management, Inc., an investment advisor registered under Section 203 of the Investment Advisers Act. Cohen & Steers, Inc. and Cohen & Steers Capital Management, Inc. together hold a 100% interest in Cohen & Steers Europe S.A., an investment advisor registered under Section 203 of the Investment Advisers Act.

Item 9. NOTICE OF DISSOLUTION OF GROUP

N/A

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having that purposes or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 10, 2008

Cohen & Steers, Inc.  
Cohen & Steers Capital Management, Inc.  
By:

/s/ Lisa Phelan

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Signature

Lisa Phelan, Senior Vice President,  
Chief Compliance Officer  
Cohen & Steers, Inc.  
Cohen & Steers Capital Management, Inc.

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Name and Title

Cohen & Steers Europe S.A.  
By:

/s/ Joseph Houlihan

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Signature

Joseph Houlihan, Managing Director  
Cohen & Steers Europe S.A.

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Name and Title

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with all other Reporting Persons (as such term is defined in the Schedule 13G referred to below) on behalf of each of them of a Statement on Schedule 13G including amendments thereto) with respect to the Common Shares of Apartment Investment & Management Co, and that this Agreement may be included as an Exhibit to such joint filing. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement as of November 10, 2008.

Cohen & Steers, Inc.  
Cohen & Steers Capital Management, Inc.  
By:

/s/ Lisa Phelan

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Signature

Lisa Phelan, Senior Vice President,  
Chief Compliance Officer  
Cohen & Steers, Inc.  
Cohen & Steers Capital Management, Inc.

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Name and Title

Cohen & Steers Europe S.A.  
By:

/s/ Joseph Houlihan

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Signature

Joseph Houlihan, Managing Director  
Cohen & Steers Europe S.A.

-----  
Name and Title

Principal Optional Call Market Amount (000) Description(1) Provisions\* Ratings\*\* Value

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Massachusetts - 0.9% (0.6% of Total Investments) \$ 5,000 Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series 2001A, 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured 1/11 at 101.00 AAA \$ 5,292,500 355 Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured 6/09 at 100.00 AAA 356,328

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Michigan - 8.9% (6.0% of Total Investments) 15,000 Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured No Opt. Call AAA 18,859,950 11,000 Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31 7/11 at 101.00 AA 11,694,430 3,485 Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 - MBIA Insured No Opt. Call AAA 3,852,842 Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001: 1,400 5.500%, 11/15/21 11/11 at 101.00 A+ 1,487,304 2,500 5.625%, 11/15/31 11/11 at 101.00 A+ 2,642,975 1,355 Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23 8/08 at 101.00 Ba3 1,211,099 12,640 Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured 11/11 at 100.00 AAA 13,288,938 2,395 Ypsilanti Community Utilities Authority, Washtenaw County, Michigan, General Obligation Bonds, Sanitary Sewerage System 3, Series 2001, 5.100%, 5/01/31 - FGIC Insured 5/11 at 100.00 AAA 2,551,777

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Minnesota - 0.4% (0.3% of Total Investments) 2,360 Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax) 10/11 at 105.00 Aaa 2,513,872

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Mississippi - 1.4% (0.9% of Total Investments) 2,155 Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34 5/09 at 103.00 AAA 2,283,438 6,420 Mississippi, Highway Revenue Bonds, Series 1999, 5.250%, 6/01/05 No Opt. Call AAA 6,435,344

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Missouri - 2.5% (1.7% of Total Investments) 2,000 Fenton, Missouri, Tax Increment Refunding and Improvement Revenue Bonds, Gravois Bluffs Redevelopment Project, Series 2002, 6.125%, 10/01/21 10/12 at 100.00 N/R 2,062,340 Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A: 3,335 5.250%, 12/01/19 - MBIA Insured 12/11 at 100.00 AAA 3,656,761 3,510 5.250%, 12/01/20 - MBIA Insured 12/11 at 100.00 AAA 3,812,597 3,695 5.250%, 12/01/21 - MBIA Insured 12/11 at 100.00 AAA 4,013,546 2,040 5.250%, 12/01/22 - MBIA Insured 12/11 at 100.00 AAA 2,210,911

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Montana - 0.8% (0.6% of Total Investments) 5,000 Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company Project, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax) 7/10 at 101.00 Ba3 5,267,000

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Nebraska - 1.0% (0.7% of Total Investments) Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D: 2,570 5.250%, 9/01/21 (Alternative Minimum Tax) 9/11 at 100.00 AAA 2,660,079



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3,460 5.375%, 9/01/32 (Alternative Minimum Tax) 9/11 at 100.00 AAA 3,552,174

----- Nevada  
- 7.5% (5.1% of Total Investments) 35,000 Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured 7/10 at 100.00 AAA 37,938,950 4,000 Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 1/10 at 102.00 N/R 4,185,880 58 Principal Optional Call Market Amount (000) Description(1) Provisions\* Ratings\*\* Value

----- Nevada  
(continued) \$ 470 Nevada Housing Division, Single Family Mortgage Senior Bonds, Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax) 4/08 at 101.50 Aaa \$ 484,307 4,290 University of Nevada, Revenue Bonds, Community College System, Series 2001A, 5.250%, 7/01/26 - FGIC Insured 1/12 at 100.00 AAA 4,619,300

----- New  
Hampshire - 0.4% (0.2% of Total Investments) 2,000 New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - FSA Insured 10/11 at 101.00 Aaa 2,207,540

----- New  
Jersey - 2.4% (1.6% of Total Investments) 10,000 New Jersey Economic Development Authority, Water Facilities Revenue Bonds, American Water Company, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured 11/12 at 101.00 Aaa 10,530,200 4,125 New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured No Opt. Call AAA 4,679,029

----- New  
York - 5.3% (3.6% of Total Investments) 1,780 East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing Inc. Project, Series 2001, 5.300%, 4/20/31 10/11 at 101.00 AAA 1,849,758 5,350 Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, 5.000%, 11/15/31 (Pre-refunded to 11/15/11) - FGIC Insured 11/11 at 100.00 AAA 5,884,625 4,155 Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured No Opt. Call AAA 4,655,844 2,500 New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 - MBIA Insured 8/12 at 100.00 AAA 2,791,825 New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001A: 8,610 5.500%, 6/15/33 - MBIA Insured 6/10 at 101.00 AAA 9,377,323 5,710 5.500%, 6/15/33 - FGIC Insured 6/10 at 101.00 AAA 6,218,875 2,000 New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003B-1C, 5.500%, 6/01/16 6/11 at 100.00 AA- 2,210,080

----- North  
Carolina - 0.3% (0.2% of Total Investments) 1,800 North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.500%, 1/01/13 No Opt. Call A3 2,007,594

----- Ohio -  
2.6% (1.8% of Total Investments) 4,325 Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured 3/08 at 101.50 AAA 4,454,145 7,800 Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) 9/09 at 102.00 N/R 8,086,026 Portage County, Ohio, General Obligation Bonds, Series 2001: 1,870 5.000%, 12/01/21 - FGIC Insured 12/11 at 100.00 AAA 1,992,915 1,775 5.000%, 12/01/23 - FGIC Insured 12/11 at 100.00 AAA 1,885,725

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Oklahoma - 0.4% (0.3% of Total Investments) 2,500 Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A, 5.625%, 8/15/29 (Pre- refunded to 8/15/09) 8/09 at 101.00 AAA 2,755,725

----- Oregon  
- 2.5% (1.7% of Total Investments) 4,700 Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 - AMBAC Insured 11/11 at 101.00 AAA 5,051,842 10,000 Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax) 7/10 at 100.00 Aaa 10,392,200 59 Nuveen Dividend

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Advantage Municipal Fund 3 (NZF) (continued) Portfolio of Investments April 30, 2005 (Unaudited) Principal  
Optional Call Market Amount (000) Description(1) Provisions\* Ratings\*\* Value

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Pennsylvania - 1.9% (1.4% of Total Investments) Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B: \$ 2,000 9.250%, 11/15/22 11/10 at 102.00 B1 \$ 2,363,720 2,000 9.250%, 11/15/30 11/10 at 102.00 B1 2,363,720 3,500 Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 3,205 Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 (Pre-refunded to 8/01/12) - FGIC Insured 8/12 at 100.00 AAA 3,667,033

----- South Carolina - 1.6% (1.1% of Total Investments) 2,185 Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 - AMBAC Insured 4/11 at 101.00 AAA 2,403,238 6,850 South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded to 10/01/11) - AMBAC Insured 10/11 at 100.00 Aaa 7,713,443

----- Tennessee - 1.4% (1.0% of Total Investments) 5,210 Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured 3/11 at 100.00 AAA 5,664,520 1,530 Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax) 1/09 at 101.00 AA 1,578,486 1,640 Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax) 7/11 at 100.00 AA 1,694,645

----- Texas - 18.1% (12.2% of Total Investments) 1,125 Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured 6/09 at 100.00 Aaa 1,182,656 3,850 Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured 11/11 at 100.00 AAA 4,068,603 5,000 Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25 9/14 at 100.00 N/R 5,386,350 Collins and Denton Counties, Frisco, Texas, General Obligation Bonds, Series 2001: 1,910 5.000%, 2/15/20 - FGIC Insured 2/11 at 100.00 AAA 2,014,878 2,005 5.000%, 2/15/21 - FGIC Insured 2/11 at 100.00 AAA 2,117,220 4,040 Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27 8/11 at 100.00 AA+ 4,188,632 7,000 Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured 7/08 at 101.00 AAA 7,400,050 Houston, Texas, Subordinate Lien Airport System Revenue Refunding Bonds, Series 2001A: 2,525 5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured 1/12 at 100.00 AAA 2,751,669 2,905 5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured 1/12 at 100.00 AAA 3,166,682 6,000 Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - MBIA Insured No Opt. Call AAA 7,000,260 Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001: 8,500 5.400%, 8/15/31 - AMBAC Insured 8/11 at 100.00 AAA 9,004,475 8,500 5.500%, 8/15/41 - AMBAC Insured 8/11 at 100.00 AAA 9,222,415 10,700 Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25 8/11 at 100.00 AAA 11,213,921 2,500 Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 (Alternative Minimum Tax) - AMBAC Insured No Opt. Call AAA 2,714,550 1,540 Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 2/11 at 100.00 Aaa 1,613,581 5,430 Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22 2/08 at 100.00 Aaa 5,520,681 60 Principal  
Optional Call Market Amount (000) Description(1) Provisions\* Ratings\*\* Value

----- Texas (continued) \$ 3,000 North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 - MBIA Insured 2/08 at 102.00 AAA \$ 3,187,890 3,045 Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%,

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10/01/17 (Alternative Minimum Tax) - FGIC Insured 10/11 at 100.00 AAA 3,314,817 11,380 Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) 7/11 at 100.00 AAA 11,681,456 15,700 Texas Water Development Board, Senior Lien State Revolving Fund Revenue Bonds, Series 1996B, 5.125%, 7/15/18 1/07 at 100.00 AAA 16,191,881

----- Utah -  
1.0% (0.7% of Total Investments) Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E: 2,170 5.200%, 1/01/18 (Alternative Minimum Tax) 7/11 at 100.00 AA- 2,223,903 670 5.500%, 1/01/23 (Alternative Minimum Tax) 7/11 at 100.00 Aa2 692,398 Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1: 2,695 4.950%, 7/01/18 (Alternative Minimum Tax) 7/11 at 100.00 Aa2 2,723,513 680 5.300%, 7/01/23 (Alternative Minimum Tax) 7/11 at 100.00 AA- 685,250

----- Virginia  
- 1.3% (0.9% of Total Investments) 7,000 Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/13 8/08 at 77.58 BB 4,457,880 3,660 Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001J-1, 5.200%, 7/01/19 - MBIA Insured 7/11 at 100.00 AAA 3,703,444

----- Washington - 15.9% (10.8% of Total Investments) Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A: 1,000 5.500%, 12/01/27 - MBIA Insured 12/11 at 100.00 Aaa 1,089,720 2,000 5.600%, 12/01/36 - MBIA Insured 12/11 at 100.00 Aaa 2,195,800 2,090 Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured 11/11 at 100.00 AAA 2,341,490 1,500 Grays Harbor County Public Utility District 1, Washington, Electric System Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured 1/11 at 100.00 AAA 1,597,335 2,475 Klickitat County Public Utility District 1, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured 12/11 at 100.00 AAA 2,567,639 12,955 Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured 12/08 at 101.00 AAA 13,721,936 Port of Seattle, Washington, Revenue Bonds, Series 2001B: 2,535 5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured 10/11 at 100.00 AAA 2,774,152 16,000 5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured 10/08 at 100.00 AAA 16,298,720 5,680 Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured 3/11 at 100.00 AAA 6,239,991 4,530 Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 - AMBAC Insured 12/11 at 100.00 AAA 4,890,362 2,250 Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured 7/09 at 100.00 AAA 2,417,333 Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: 3,005 5.375%, 12/01/17 - AMBAC Insured 12/11 at 101.00 AAA 3,268,929 2,915 5.375%, 12/01/18 - AMBAC Insured 12/11 at 101.00 AAA 3,165,719 3,720 Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured 10/11 at 100.00 Aaa 4,049,890 Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001: 5,480 5.500%, 10/01/21 - RAAI Insured 10/11 at 101.00 AA 5,868,642 25,435 5.625%, 10/01/31 - RAAI Insured 10/11 at 101.00 AA 27,323,549 61 Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued) Portfolio of Investments April 30, 2005 (Unaudited) Principal Optional Call Market Amount (000) Description(1) Provisions\* Ratings\*\* Value

----- Wisconsin - 5.0% (3.4% of Total Investments) Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001: \$ 3,705 5.375%, 1/01/20 - FGIC Insured 1/12 at 100.00 Aaa \$ 4,029,929 1,850 5.000%, 1/01/21 - FGIC Insured 1/12 at 100.00 Aaa 1,960,630 1,735 Evansville Community School District, Dane, Green and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 (Pre-refunded to 4/01/11) - FGIC Insured 4/11 at 100.00 AAA 1,945,213 12,250 La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured 12/08 at 102.00 AAA 13,278,143 3,180 Wisconsin, Clean Water Revenue Bonds, Series 1999-1, 5.500%, 6/01/17 (Pre -refunded to 6/01/09) 6/09 at 100.00 AA+\*\*\* 3,483,436 4,000 Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedtert and Community Health Obligated Group, Series 2001, 5.375%, 10/01/30 10/11 at 101.00 AA- 4,161,040 2,500 Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%,

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2/15/25 2/12 at 100.00 BBB+ 2,641,418

		\$
872,140 Total Long-Term Investments (cost \$872,443,293) - 147.0% 920,747,081		
=====		
Short-Term Investments - 0.4% (0.3% of Total Investments) 1,000 Clark County School District, Nevada, General Obligation Bonds, Variable Rate Demand Obligations, Series 2001B, 2.890%, 6/15/21 - FSA Insured+ A-1+ 1,000,000 1,500 Illinois Health Facilities Authority, Revenue Bonds, Resurrection Healthcare System, Variable Rate Demand Obligations, Series 1999A, 3.040%, 5/15/29 - FSA Insured+ A-1+ 1,500,000		
		\$ 2,500
Total Short-Term Investments (cost \$2,500,000) 2,500,000		
=====		
Total Investments (cost \$ 874,943,293) - 147.4% 923,247,081		
		Other Assets Less
Liabilities - 2.4% 15,186,685		
		Preferred Shares, at
Liquidation Value - (49.8)% (312,000,000)		
		Net Assets
Applicable to Common Shares - 100% \$ 626,433,766		

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted. \* 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. N/R Investment is not rated. # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest. (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 in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index. (a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable. See accompanying notes to financial statements. 62 Statement of Assets and Liabilities April 30, 2005 (Unaudited) Performance Municipal Market Plus Advantage Opportunity (NPP) (NMA) (NMO)

		ASSETS Investments, at market
value (cost \$1,308,309,053, \$952,183,067, \$996,786,413, \$828,954,311, \$629,869,916 and \$874,943,293, respectively) \$ 1,409,492,524 \$ 1,030,136,685 \$ 1,068,018,542 Cash -- -- 571,082 Receivables: Interest 22,181,960 18,505,913 17,340,470 Investments sold 1,235,481 3,613,476 2,000,466 Other assets 88,872 55,307 57,657		
		Total assets 1,432,998,837
1,052,311,381 1,087,988,217		
LIABILITIES Cash overdraft 2,719,859 3,703,695 -- Payable for investments purchased 2,034,620 1,882,831 4,592,870 Forward swaps, at value -- -- -- Accrued expenses: Management fees 708,827 525,898 542,424 Other 304,127 204,866 231,362 Preferred share dividends payable 132,276 97,608 119,035		
		Total liabilities 5,899,709
6,414,898 5,485,691		Preferred
shares, at liquidation value 479,000,000 358,000,000 380,000,000		
		Net assets applicable to Common
shares \$ 948,099,128 \$ 687,896,483 \$ 702,502,526		

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Common shares outstanding 59,914,073 43,025,594 45,540,872

Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) \$ 15.82 \$ 15.99 \$ 15.43

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

----- Common shares, \$.01 par value per share \$ 599,141 \$ 430,256 \$ 455,409 Paid-in surplus 836,423,631 601,030,545 635,502,550 Undistributed net investment income 9,288,051 7,977,521 5,603,138 Accumulated net realized gain (loss) from investments and forward swaps 604,834 504,543 (10,290,700) Net unrealized appreciation of investments and forward swaps 101,183,471 77,953,618 71,232,129

----- Net assets applicable to Common shares \$ 948,099,128 \$ 687,896,483 \$ 702,502,526

Authorized shares: Common 200,000,000 200,000,000 200,000,000 Preferred 1,000,000 1,000,000 1,000,000

Dividend Dividend Dividend Advantage Advantage 2 Advantage 3 (NAD) (NXZ) (NZF)

----- Assets Investments, at market value (cost \$1,308,309,053, \$952,183,067, \$996,786,413, \$828,954,311, \$629,869,916 and \$874,943,293, respectively) \$ 892,855,257 \$ 679,992,638 \$ 923,247,081 Cash -- -- -- Receivables: Interest 13,872,157 11,581,931 15,532,987 Investments sold 1,631,743 387,090 6,532,018 Other assets 49,819 20,471 23,027

----- Total assets 908,408,976 691,982,130 945,335,113

Liabilities Cash overdraft 1,382,338 1,453,479 3,356,498 Payable for investments purchased 1,988,803 -- 3,074,230 Forward swaps, at value -- 640,299 -- Accrued expenses: Management fees 270,933 180,411 242,242 Other 154,085 115,113 156,510 Preferred share dividends payable 77,108 77,281 71,867

----- Total liabilities 3,873,267

2,466,583 6,901,347 ----- Preferred shares, at liquidation value 295,000,000 222,000,000 312,000,000

----- Net assets applicable to Common shares \$ 609,535,709 \$ 467,515,547 \$ 626,433,766

Common shares outstanding 39,267,491 29,282,000 40,310,119

Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) \$ 15.52 \$ 15.97 \$ 15.54

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

----- Common shares, \$.01 par value per share \$ 392,675 \$ 292,820 \$ 403,101 Paid-in surplus 558,011,161 416,097,281 572,804,348 Undistributed net investment income 5,405,546 5,895,104 5,614,102 Accumulated net realized gain (loss) from investments and forward swaps (18,174,619) (4,252,081) (691,573) Net unrealized appreciation of investments and forward swaps 63,900,946 49,482,423 48,303,788

----- Net assets applicable to Common shares \$ 609,535,709 \$ 467,515,547 \$ 626,433,766

Authorized shares: Common Unlimited Unlimited Unlimited Preferred Unlimited Unlimited Unlimited

See accompanying notes to financial statements. 63 Statement of Operations Six Months Ended April 30, 2005 (Unaudited) PERFORMANCE MUNICIPAL PLUS ADVANTAGE (NPP) (NMA)

----- INVESTMENT INCOME \$ 36,198,185 \$ 27,523,455

----- EXPENSES Management fees 4,297,221 3,185,468

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Preferred shares - auction fees	593,829	443,822	Preferred shares - dividend disbursing agent fees	24,795	24,795
Shareholders' servicing agent fees and expenses	89,218	55,681	Custodian's fees and expenses	144,982	105,420
Directors'/Trustees' fees and expenses	12,262	8,800	Professional fees	30,450	38,137
Shareholders' reports - printing and mailing expenses	62,168	47,681	Stock exchange listing fees	11,668	10,898
Investor relations expense	99,595				
72,485			Other expenses	42,194	35,508
					----- Total expenses
			before custodian fee credit and expense reimbursement	5,408,382	4,028,695
			Custodian fee credit	(37,861)	(33,276)
			Expense reimbursement	-- --	----- Net expenses
					5,370,521
			3,995,419		----- Net investment income
					30,827,664
			23,528,036		-----
					REALIZED AND UNREALIZED GAIN
			(LOSS) Net realized gain (loss) from investments	605,352	556,527
			Net realized gain (loss) from forward swaps	-- --	
			Change in net unrealized appreciation (depreciation) of investments	(328,384)	218,133
			Change in net unrealized appreciation (depreciation) of forward swaps	-- --	----- Net
			realized and unrealized gain (loss)	276,968	774,660
					-----
			DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
			From net investment income	(4,044,311)	(2,964,868)
			From accumulated net realized gains from investments	(69,318)	(47,587)
					-----
			Decrease in net assets applicable to Common shares		
			from distributions to Preferred shareholders	(4,113,629)	(3,012,455)
					-----
			Net increase in net assets applicable to Common		
			shares from operations	\$ 26,991,003	\$ 21,290,241

MARKET DIVIDEND DIVIDEND DIVIDEND OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE  
3 (NMO) (NAD) (NXZ) (NZF)

					INVESTMENT
INCOME \$	27,642,832	\$ 23,315,850	\$ 18,121,497	\$ 23,483,672	

-----EXPENSES

Management fees	3,290,771	2,766,907	2,104,400	2,850,339	Preferred shares - auction fees	471,096	365,719	275,219
386,795 Preferred shares - dividend disbursing agent fees	19,836	14,877	14,877	14,877	Shareholders' servicing agent fees and expenses	60,737	7,828	3,310
4,520 Custodian's fees and expenses	110,612	98,294	72,237	94,395	Directors'/Trustees' fees and expenses	9,105	7,769	5,694
7,955 Professional fees	32,434	213,561	24,397	21,427	Shareholders' reports - printing and mailing expenses	46,777	41,189	29,612
40,784 Stock exchange listing fees	8,869	7,684	1,237	1,705	Investor relations expense	75,773	63,081	46,590
63,348 Other expenses	34,889	26,748	21,650	23,084	Total expenses before custodian fee credit and expense reimbursement	4,160,899	3,613,657	2,599,223
3,509,229 Custodian fee credit	(28,866)	(33,912)	(20,137)	(20,074)	Expense reimbursement --	(1,121,369)	(1,017,005)	(1,387,034)
Net expenses	4,132,033	2,458,376	1,562,081	2,102,121				

					Net investment income
23,510,799	20,857,474	16,559,416	21,381,551		

	-----	<b>REALIZED AND</b>
<b>UNREALIZED GAIN (LOSS)</b>	Net realized gain (loss) from investment 3,963,749 2,694,107 (57,416) (9,148)	Net
	realized gain (loss) from forward swaps -- -- (3,952,217) --	Change in net unrealized appreciation (depreciation) of
	investments (5,327,913) (4,981,863) 11,500,810 7,947,673	Change in net unrealized appreciation (depreciation) of
	forward swaps -- -- 2,892,109 --	

unrealized gain (loss)	(1,364,164)	(2,287,756)	10,383,286	7,938,525	Net realized and
------------------------	-------------	-------------	------------	-----------	------------------

----- DISTRIBUTIONS TO				
PREFERRED SHAREHOLDERS	From net investment income	(3,090,602)	(2,453,586)	(1,869,346)
	From accumulated net realized gains from investments	-- -- -- --		(2,534,712)

-----	Decrease in net assets
applicable to Common shares from distributions to Preferred shareholders (3,090,602) (2,453,586) (1,869,346)	
(2,534,712) -----	Net

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increase in net assets applicable to Common shares from operations \$ 19,056,033 \$ 16,116,132 \$ 25,073,356 \$ 26,785,364

=====

See accompanying notes to financial statements. 64 Statement of Changes in Net Assets (Unaudited)

PERFORMANCE PLUS (NPP) ----- SIX MONTHS YEAR ENDED ENDED 4/30/05  
10/31/04 ----- OPERATIONS Net investment income \$ 30,827,664 \$ 62,636,215 Net realized gain (loss) from investments 605,352 6,618,657 Net realized gain (loss) from forward swaps -- -- Change in net unrealized appreciation (depreciation) of investments (328,384) 18,902,259 Change in net unrealized appreciation (depreciation) of forward swaps -- -- Distributions to Preferred shareholders: From net investment income (4,044,311) (4,452,180) From accumulated net realized gains from investments (69,318) --  
----- Net increase in net assets applicable to Common shares from operations 26,991,003 83,704,951 -----

DISTRIBUTIONS TO COMMON SHAREHOLDERS From net investment income (28,980,418) (58,236,491) From accumulated net realized gains from investments (904,764) --  
----- Decrease in net assets applicable to Common shares from distributions to Common shareholders (29,885,182) (58,236,491)

----- CAPITAL SHARE TRANSACTIONS Net proceeds from Common shares issued to shareholders due to reinvestment of distributions -- --  
----- Net increase (decrease) in net assets applicable to Common shares (2,894,179) 25,468,460 Net assets applicable to Common shares at the beginning of period 950,993,307 925,524,847 ----- Net assets applicable to Common shares at the end of period \$ 948,099,128 \$ 950,993,307

=====

Undistributed net investment income at the end of period \$ 9,288,051 \$ 11,485,116

=====

MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) -----  
----- SIX MONTHS YEAR SIX MONTHS YEAR ENDED ENDED ENDED ENDED  
4/30/05 10/31/04 4/30/05 10/31/04

----- OPERATIONS Net investment income \$ 23,528,036 \$ 47,557,854 \$ 23,510,799 \$ 47,042,202 Net realized gain (loss) from investments 556,527 687,024 3,963,749 (1,201,262) Net realized gain (loss) from forward swaps -- -- -- -- Change in net unrealized appreciation (depreciation) of investments 218,133 17,410,047 (5,327,913) 17,743,454 Change in net unrealized appreciation (depreciation) of forward swaps -- -- -- -- Distributions to Preferred shareholders: From net investment income (2,964,868) (3,307,419) (3,090,602) (3,607,167) From accumulated net realized gains from investments (47,587) (42,016) -- --  
----- Net increase in net assets applicable to Common shares from operations 21,290,241 62,305,490 19,056,033 59,977,227

----- DISTRIBUTIONS TO COMMON SHAREHOLDERS From net investment income (21,943,056) (44,397,396) (21,313,132) (43,172,754) From accumulated net realized gains from investments (641,084) (599,790) -- --  
----- Decrease in net assets applicable to Common shares from distributions to Common shareholders (22,584,140) (44,997,186) (21,313,132) (43,172,754)

----- Capital Share Transactions Net proceeds from Common shares issued to shareholders due to reinvestment of distributions -- 734,804 -- -- ----- Net increase (decrease) in net assets applicable to Common shares (1,293,899) 18,043,108 (2,257,099) 16,804,473 Net assets applicable to Common shares at the beginning of period 689,190,382 671,147,274 704,759,625 687,955,152  
----- Net assets applicable to Common shares at the end of period \$ 687,896,483 \$ 689,190,382 \$ 702,502,526 \$ 704,759,625

=====

Undistributed net investment income at the end of period \$ 7,977,521 \$ 9,357,409 \$ 5,603,138 \$ 6,496,073

See accompanying notes to financial statements. 65 Statement of Changes in Net Assets (Unaudited) (continued)  
 DIVIDEND ADVANTAGE (NAD) ----- SIX MONTHS YEAR ENDED ENDED 4/30/05  
 10/31/04 ----- OPERATIONS Net investment income \$  
 20,857,474 \$ 42,956,260 Net realized gain (loss) from investments 2,694,107 1,200,358 Net realized gain (loss) from  
 forward swaps -- -- Change in net unrealized appreciation (depreciation) of investments (4,981,863) 16,389,360  
 Change in net unrealized appreciation (depreciation) of forward swaps -- -- Distributions to Preferred shareholders:  
 From net investment income (2,453,586) (2,680,807) From accumulated net realized gains from investments -- --  
 ----- Net increase in net assets applicable to Common  
 shares from operations 16,116,132 57,865,171 -----  
 DISTRIBUTIONS TO COMMON SHAREHOLDERS From net investment income (19,908,619) (40,278,262) From  
 accumulated net realized gains from investments -- -- -----  
 Decrease in net assets applicable to Common shares from distributions to Common shareholders (19,908,619)  
 (40,278,262) ----- CAPITAL SHARE TRANSACTIONS  
 Net proceeds from Common shares issued to shareholders due to reinvestment of distributions -- 475,057  
 ----- Net increase (decrease) in net assets applicable to  
 Common shares (3,792,487) 18,061,966 Net assets applicable to Common shares at the beginning of period  
 613,328,196 595,266,230 ----- Net assets applicable to  
 Common shares at the end of period \$ 609,535,709 \$ 613,328,196

Undistributed net investment income at the end of period \$ 5,405,546 \$ 6,910,277

DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) -----  
 ----- SIX MONTHS YEAR SIX MONTHS YEAR ENDED ENDED ENDED ENDED 4/30/05  
 10/31/04 4/30/05 10/31/04 ----- OPERATIONS Net  
 investment income \$ 16,559,416 \$ 32,923,303 \$ 21,381,551 \$ 42,967,136 Net realized gain (loss) from investments  
 (57,416) (470,534) (9,148) 530,482 Net realized gain (loss) from forward swaps (3,952,217) -- -- -- Change in net  
 unrealized appreciation (depreciation) of investments 11,500,810 18,712,940 7,947,673 23,226,246 Change in net  
 unrealized appreciation (depreciation) of forward swaps 2,892,109 (3,532,408) -- -- Distributions to Preferred  
 shareholders: From net investment income (1,869,346) (2,061,411) (2,534,712) (2,880,639) From accumulated net  
 realized gains from investments -- (52,111) -- --  
 ----- Net increase in net  
 assets applicable to Common shares from operations 25,073,356 45,519,779 26,785,364 63,843,225  
 ----- DISTRIBUTIONS TO  
 COMMON SHAREHOLDERS From net investment income (15,109,512) (30,219,035) (19,469,788) (38,879,112)  
 From accumulated net realized gains from investments -- (850,299) -- --  
 ----- Decrease in net assets  
 applicable to Common shares from distributions to Common shareholders (15,109,512) (31,069,334) (19,469,788)  
 (38,879,112) ----- CAPITAL  
 SHARE TRANSACTIONS Net proceeds from Common shares issued to shareholders due to reinvestment of  
 distributions -- -- -- --  
 Net increase (decrease) in net assets applicable to Common shares 9,963,844 14,450,445 7,315,576 24,964,113 Net  
 assets applicable to Common shares at the beginning of period 457,551,703 443,101,258 619,118,190 594,154,077  
 ----- Net assets applicable to  
 Common shares at the end of period \$ 467,515,547 \$ 457,551,703 \$ 626,433,766 \$ 619,118,190

Undistributed net investment income at the end of period \$ 5,895,104 \$ 6,314,546 \$ 5,614,102 \$ 6,237,051

See accompanying notes to financial statements. 66 Notes to Financial Statements (Unaudited) 1. GENERAL  
 INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES The funds (the "Funds") covered in this report



and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies. Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities. Effective January 1, 2005, Nuveen Advisory Corp. ("NAC"), the Funds' previous Adviser, and its affiliate, Nuveen Institutional Advisory Corp. ("NIAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NAC or NIAC. The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles.

**Investment Valuation** The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of derivative investments are also provided by an independent pricing service approved by each Fund's Board of Directors/Trustees. If the pricing service is unable to supply a price for a derivative investment each Fund may use a market quote provided by a major broker/dealer in such investments. If it is determined that market prices for an investment are unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the investment. 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 transactions are determined on the specific identification method. Securities purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any 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 April 30, 2005, Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO), Dividend Advantage (NAD) and Dividend Advantage 3 (NZF) had outstanding when-issued purchase commitments of \$2,034,620, \$1,882,831, \$4,592,870, \$1,988,803 and \$2,848,468, respectively. There were no such outstanding purchase commitments in Dividend Advantage 2 (NXZ).

**Investment Income** Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also includes paydown gains and losses, if any. Professional Fees Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of the Fund's shareholders.

**Federal Income Taxes** Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

67 Notes to Financial Statements (Unaudited) (continued) Dividends and Distributions to Common Shareholders Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards. Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in

accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

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

Fund	Series	Shares	Total
PERFORMANCE MUNICIPAL MARKET DIVIDEND	M	4,000	15,200
DIVIDEND PLUS	T	3,000	11,800
ADVANTAGE OPPORTUNITY	W	4,000	8,880
ADVANTAGE	F	4,000	12,480
ADVANTAGE 2	TH	3,000	
ADVANTAGE 3 (NPP)	TH	4,000	
(NMA)	TH	3,160	
(NMO)	TH	2,320	
(NAD)	TH	3,800	
(NXZ)	TH	4,160	
(NZF)	TH	4,160	
<b>Total</b>			19,160

**Forward Swap Transactions** The Funds may invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net asset value. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment. The amount of the payment obligation is based on the notional amount of the forward swap contract. The Funds may close out a contract prior to the effective date at which point a realized gain or loss would be recognized. When a forward swap is terminated, it does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash. Each Fund intends, but is not obligated to, terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To minimize such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate, either up or down, by at least the pre-determined threshold amount. **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. **Indemnifications** Under the Funds' organizational documents, its Officers and Director/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

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

**2. FUND SHARES** Transactions in Common shares were as follows:

Fund	SIX MONTHS YEAR ENDED	SIX MONTHS YEAR ENDED	SIX MONTHS YEAR ENDED
MUNICIPAL MARKET PERFORMANCE PLUS (NPP)	4/30/05	10/31/04	4/30/05
ADVANTAGE (NMA)	10/31/04	4/30/05	10/31/04
OPPORTUNITY (NMO)	4/30/05	10/31/04	4/30/05
<b>Common shares issued to shareholders due to reinvestment of distributions</b>	45,261		

Fund	SIX MONTHS YEAR ENDED	SIX MONTHS YEAR ENDED	SIX MONTHS YEAR ENDED
DIVIDEND ADVANTAGE (NAD)	4/30/05	10/31/04	4/30/05
DIVIDEND ADVANTAGE 2 (NXZ)	10/31/04	4/30/05	10/31/04
DIVIDEND ADVANTAGE 3 (NZF)	4/30/05	10/31/04	4/30/05

4/30/05 10/31/04

----- Common  
shares issued to shareholders due to reinvestment of distributions -- 29,786 -- -- --

=====

3. SECURITIES TRANSACTIONS Purchases and sales (including maturities) of investments in long-term municipal securities during the six months ended April 30, 2005, were as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

----- Purchases  
\$34,098,198 \$58,832,574 \$40,872,419 \$51,391,980 \$ 8,652,452 \$ 6,985,456 Sales and maturities 29,282,400  
55,516,620 39,931,662 49,256,493 12,191,240 11,390,000

=====

4. INCOME TAX INFORMATION The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses on investments, timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions. At April 30, 2005, the cost of investments was as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

----- Cost of  
investments \$1,307,694,314 \$951,139,162 \$996,262,929 \$828,164,536 \$629,462,648 \$874,810,806

=====

Gross unrealized appreciation and gross unrealized depreciation of investments at April 30, 2005, were as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

----- Gross  
unrealized: Appreciation \$102,953,528 \$83,563,829 \$87,453,254 \$71,005,257 \$54,162,711 \$50,876,061 Depreciation  
(1,155,318) (4,566,306) (15,697,641) (6,314,536) (3,632,721) (2,439,786)

----- Net  
unrealized appreciation of investments \$101,798,210 \$78,997,523 \$71,755,613 \$64,690,721 \$50,529,990 \$48,436,275

=====

69 Notes to Financial Statements (Unaudited) (continued) The tax components of undistributed net investment income and net realized gains at October 31, 2004, the Funds' last fiscal year end, were as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

-----

Undistributed net tax-exempt income \* \$15,580,820 \$12,161,503 \$9,702,437 \$9,380,605 \$8,540,409 \$9,414,844  
Undistributed net ordinary income \*\* 238,651 -- -- 138,779 22,426 40,697 Undistributed net long-term capital gains  
973,564 686,687 -- -- --

=====

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2004, paid on November 1, 2004. \*\* Net ordinary income consists of taxable market discount income and net short-term capital gains, if any. The tax character of distributions paid during the fiscal year ended October 31, 2004, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

-----

Distributions from net tax-exempt income \$62,627,198 \$47,642,154 \$46,733,618 \$42,925,745 \$32,249,670  
\$41,658,844 Distributions from net ordinary income \*\* -- 11,261 -- -- 11 -- Distributions from net long-term capital  
gains -- 641,806 -- -- 902,410 --

\*\* Net ordinary income consists of taxable market discount income and net short-term capital gains, if any. At October 31, 2004, 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: MARKET DIVIDEND DIVIDEND DIVIDEND OPPORTUNITY ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NMO) (NAD) (NXZ) (NZF)

Expiration year: 2007 \$ -- \$ 1,724,693 \$ -- \$ -- 2008 -- 14,462,547 -- -- 2009 -- -- -- 2010 1,622,794 -- -- 690,125 2011 11,657,833 4,594,300 -- -- 2012 973,824 -- 246,691 --

----- Total  
\$14,254,451 \$20,781,540 \$246,691 \$690,125

70 5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES As approved by the Board of Directors/Trustees, effective August 1, 2004, a complex-wide management fee structure was adopted for all funds sponsored by the Adviser, or its predecessor and its affiliates. This fee structure separates each fund's management fee into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser, and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser. Under no circumstances will this pricing structure result in a fund paying management fees at a rate higher than would otherwise have been applicable had the complex-wide management fee structure not been implemented. As of May 31, 2005, the complex-level fee rate was .1905%; that is, the funds' effective management fees were reduced by approximately .0095%. Effective August 1, 2004, the annual fund-level fee, payable monthly, for each of the Funds is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows: PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) FUND-LEVEL FEE RATE

----- For the first \$125 million .4500% For the next \$125 million .4375 For the next \$250 million .4250 For the next \$500 million .4125 For the next \$1 billion .4000 For the next \$3 billion .3875 For net assets over \$5 billion .3750

DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) FUND-LEVEL FEE RATE

----- For the first \$125 million .4500% For the next \$125 million .4375 For the next \$250 million .4250 For the next \$500 million .4125 For the next \$1 billion .4000 For net assets over \$2 billion .3750

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

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

(1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S. (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined. 71

Notes to Financial Statements (Unaudited) (continued) Each Fund paid through July 31, 2004, an annual management fee, payable monthly, at the rates set forth below, which were based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows: PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) MANAGEMENT FEE RATE

----- For the first \$125 million .6500% For the next \$125 million .6375 For the next \$250 million .6250 For the next \$500 million .6125 For the next \$1 billion .6000 For the next \$3 billion .5875 For net assets over \$5 billion .5750

===== DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) MANAGEMENT FEE RATE

----- For the first \$125 million .6500% For the next \$125 million .6375 For the next \$250 million .6250 For the next \$500 million .6125 For the next \$1 billion .6000 For net assets over \$2 billion .5750

===== The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent Directors/Trustees that enables Directors/Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds. 72 For the first ten years of Dividend Advantage's (NAD) 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 YEAR ENDING JULY 31, JULY 31,

----- 1999\* .30% 2005 .25% 2000 .30 2006 .20 2001 .30 2007 .15 2002 .30 2008 .10 2003 .30 2009 .05 2004 .30

===== \* From the commencement of operations. The Adviser has not agreed to reimburse Dividend Advantage (NAD) for any portion of its fees and expenses beyond July 31, 2009. For the first ten years of Dividend Advantage 2's (NXZ) 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 YEAR ENDING MARCH 31, MARCH 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 Dividend Advantage 2 (NXZ) for any portion of its fees and expenses beyond March 31, 2011. For the first ten years of Dividend Advantage 3's (NZF) 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 YEAR ENDING SEPTEMBER 30, SEPTEMBER 30,

----- 2001\* .30% 2007 .25% 2002 .30 2008 .20 2003 .30 2009 .15 2004 .30 2010 .10 2005 .30 2011 .05 2006 .30

===== \* From the commencement of operations. The Adviser has not agreed to reimburse Dividend Advantage 3 (NZF) for any portion of its fees and expenses beyond September 30, 2011. 6. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several

months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. The settlement of transactions (C) and (D) above would likely be deemed an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and the Adviser, which would result in the automatic termination of each agreement under the 1940 Act. The Board of Directors/Trustees will consider approval of new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders. Those agreements, if approved by a Fund's shareholders, would take effect upon such approval. There can be no assurance that these approvals will be obtained. 73 Notes to Financial Statements (Unaudited) (continued) 7. Subsequent Event - Distributions to Common Shareholders The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on June 1, 2005, to shareholders of record on May 15, 2005, as follows: PERFORMANCE MUNICIPAL MARKET DIVIDEND DIVIDEND PLUS ADVANTAGE OPPORTUNITY ADVANTAGE 2 ADVANTAGE 3 (NPP) (NMA) (NMO) (NAD) (NXZ) (NZF)

----- Dividend  
per share \$.0780 \$.0830 \$.0760 \$.0825 \$.0860 \$.0805

74 Financial Highlights (Unaudited) 75 Financial Highlights (Unaudited) Selected data for a Common share outstanding throughout each period: Investment Operations

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

PERFORMANCE PLUS (NPP)

----- Year Ended  
10/31: 2005(c) \$15.87 \$ .51 \$ .01 \$(.07) \$ -- \$ .45 2004 15.45 1.04 .42 (.07) -- 1.39 2003 15.38 1.07 .05 (.07) -- 1.05  
2002 15.57 1.09 (.22) (.10) (.01) .76 2001 14.36 1.10 1.17 (.23) -- 2.04 2000 13.69 1.12 .69 (.29) -- 1.52 MUNICIPAL  
ADVANTAGE (NMA)

----- Year Ended  
10/31: 2005(c) 16.02 .55 .01 (.07) -- .49 2004 15.62 1.11 .41 (.08) -- 1.44 2003 15.41 1.13 .25 (.07) (.01) 1.30 2002  
15.65 1.15 (.22) (.10) (.03) .80 2001 14.61 1.16 1.10 (.24) (.03) 1.99 2000 13.98 1.24 .63 (.33) -- 1.54 MARKET  
OPPORTUNITY (NMO)

----- Year Ended  
10/31: 2005(c) 15.48 .52 (.03) (.07) -- .42 2004 15.11 1.03 .37 (.08) -- 1.32 2003 14.60 1.03 .50 (.08) -- 1.45 2002  
15.24 1.11 (.70) (.11) (.01) .29 2001 14.45 1.16 .80 (.26) (.01) 1.69 2000 14.11 1.24 .38 (.34) -- 1.28 DIVIDEND  
ADVANTAGE (NAD)

----- Year Ended  
10/31: 2005(c) 15.62 .53 (.06) (.06) -- .41 2004 15.17 1.09 .46 (.07) -- 1.48 2003 14.94 1.10 .19 (.07) -- 1.22 2002  
14.84 1.13 .01 (.10) -- 1.04 2001 13.59 1.16 1.21 (.24) -- 2.13 2000 12.78 1.15 .84 (.31) -- 1.68 DIVIDEND  
ADVANTAGE 2 (NXZ)

----- Year Ended  
10/31: 2005(c) 15.63 .57 .35 (.06) -- .86 2004 15.13 1.12 .51 (.07) -- 1.56 2003 14.89 1.16 .17 (.07) -- 1.26 2002 15.07  
1.15 (.32) (.10) -- .73 2001(a) 14.33 .52 .88 (.09) -- 1.31 DIVIDEND ADVANTAGE 3 (NZF)

----- Year Ended  
10/31: 2005(c) 15.36 .53 .19 (.06) -- .66 2004 14.74 1.06 .59 (.07) -- 1.58 2003 14.56 1.07 .10 (.07) -- 1.10 2002 14.47  
1.03 .16 (.10) -- 1.09 2001(b) 14.33 .03 .14 -- -- .17

Less Distributions ----- Net Offering Investment Capital Costs and Ending Income to  
Gains to Preferred Common Common Common Share Share Ending Share- Share- Underwriting Net Asset Market  
holders holders Total Discounts Value Value

PERFORMANCE PLUS (NPP)

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----- Year Ended  
10/31: 2005(c) \$ (.48) \$ (.02) \$ (.50) \$ -- \$ 15.82 \$ 14.2500 2004 (.97) -- (.97) -- 15.87 14.9500 2003 (.95) (.03) (.98)  
-- 15.45 14.6400 2002 (.90) (.04) (.94) (.01) 15.38 14.2800 2001 (.83) -- (.83) -- 15.57 14.5800 2000 (.84) -- (.84)  
(.01) 14.36 12.1875 MUNICIPAL ADVANTAGE (NMA)

----- Year Ended  
10/31: 2005(c) (.51) (.01) (.52) -- 15.99 15.2000 2004 (1.03) (.01) (1.04) -- 16.02 15.7000 2003 (1.02) (.07) (1.09) --  
15.62 15.4400 2002 (.94) (.10) (1.04) -- 15.41 14.6600 2001 (.87) (.08) (.95) -- 15.65 14.8500 2000 (.91) -- (.91) --  
14.61 12.8750 MARKET OPPORTUNITY (NMO)

----- Year Ended  
10/31: 2005(c) (.47) -- (.47) -- 15.43 13.9300 2004 (.95) -- (.95) -- 15.48 14.4400 2003 (.94) -- (.94) -- 15.11 14.2900  
2002 (.91) (.02) (.93) -- 14.60 13.8000 2001 (.87) (.03) (.90) -- 15.24 14.6500 2000 (.94) -- (.94) -- 14.45 13.0000  
DIVIDEND ADVANTAGE (NAD)

----- Year Ended  
10/31: 2005(c) (.51) -- (.51) -- 15.52 14.5400 2004 (1.03) -- (1.03) -- 15.62 15.3100 2003 (.99) -- (.99) -- 15.17  
15.1200 2002 (.94) -- (.94) -- 14.94 14.5000 2001 (.88) -- (.88) -- 14.84 15.1400 2000 (.86) -- (.86) (.01) 13.59  
12.6250 DIVIDEND ADVANTAGE 2 (NXZ)

----- Year Ended  
10/31: 2005(c) (.52) -- (.52) -- 15.97 15.2900 2004 (1.03) (.03) (1.06) -- 15.63 15.3800 2003 (1.01) (.01) (1.02) --  
15.13 14.8500 2002 (.91) (.01) (.92) .01 14.89 13.9100 2001(a) (.45) -- (.45) (.12) 15.07 14.9600 DIVIDEND  
ADVANTAGE 3 (NZF)

----- Year Ended  
10/31: 2005(c) (.48) -- (.48) -- 15.54 14.3200 2004 (.96) -- (.96) -- 15.36 14.5000 2003 (.93) -- (.93) .01 14.74 13.8000  
2002 (.91) -- (.91) (.09) 14.56 13.5300 2001(b) -- -- -- (.03) 14.47 15.0700

=====

\* Annualized. \*\* Total Investment Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. Total Return on Common Share Net Asset Value is the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. Total returns are not annualized. \*\*\* After custodian fee credit and expense reimbursement, where applicable. + The amounts shown are based on Common share equivalents. ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares, where applicable. (a) For the period March 27, 2001 (commencement of operations) through October 31, 2001. (b) For the period September 25, 2001 (commencement of operations) through October 31, 2001. (c) For the six months ended April 30, 2005. 76 Total Returns ----- Based on Based  
Common on Share Net Market Asset Value\*\* Value\*\* -----

PERFORMANCE PLUS (NPP) ----- Year Ended 10/31: 2005(c)  
(1.34)% 2.88% 2004 9.10 9.30 2003 9.58 6.97 2002 4.51 5.03 2001 26.96 14.51 2000 .90 11.47 MUNICIPAL  
ADVANTAGE (NMA) ----- Year Ended 10/31: 2005(c) .18 3.14  
2004 8.82 9.57 2003 13.17 8.71 2002 5.89 5.39 2001 23.35 13.97 2000 1.46 11.48 MARKET OPPORTUNITY  
(NMO) ----- Year Ended 10/31: 2005(c) (.30) 2.75 2004 7.97 9.00  
2003 10.62 10.24 2002 .49 2.03 2001 20.03 11.93 2000 2.97 9.41 DIVIDEND ADVANTAGE (NAD)  
----- Year Ended 10/31: 2005(c) (1.69) 2.65 2004 8.37 10.06 2003  
11.41 8.41 2002 2.01 7.26 2001 27.35 16.03 2000 (.79) 13.61 DIVIDEND ADVANTAGE 2 (NXZ)  
----- Year Ended 10/31: 2005(c) 2.81 5.56 2004 11.16 10.67 2003  
14.39 8.67 2002 (.81) 5.16 2001(a) 2.75 8.39 DIVIDEND ADVANTAGE 3 (NZF)  
----- Year Ended 10/31: 2005(c) 2.14 4.39 2004 12.45 11.10 2003  
9.04 7.82 2002 (4.26) 7.20 2001(b) .47 .98

===== Ratios/Supplemental  
Data ----- Before Credit/Refund After  
Credit/Refund\*\*\* ----- Ratio Ratio of Net of Net Ratio of Investment Ratio  
of Investment Ending Expenses Income to Expenses Income to Net to Average Average to Average Average Assets

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Net Assets Net Assets Net Assets Net Assets Applicable Applicable Applicable Applicable Applicable Portfolio to  
Common to Common to Common to Common to Common Turnover Shares (000) Shares++ Shares++ Shares++  
Shares++ Rate -----

## PERFORMANCE PLUS (NPP)

----- Year Ended 10/31:  
2005(c) \$948,099 1.15%\* 6.57%\* 1.15%\* 6.58%\* 2% 2004 950,993 1.17 6.69 1.17 6.70 11 2003 925,525 1.18 6.89  
1.18 6.90 10 2002 921,376 1.18 7.11 1.17 7.12 11 2001 932,937 1.15 7.29 1.14 7.30 14 2000 860,556 1.17 8.09 1.16  
8.10 25 MUNICIPAL ADVANTAGE (NMA)

----- Year Ended 10/31:  
2005(c) 687,896 1.18\* 6.90\* 1.17\* 6.91\* 5 2004 689,190 1.19 7.00 1.18 7.00 4 2003 671,147 1.21 7.27 1.20 7.27 7  
2002 662,270 1.22 7.55 1.22 7.55 17 2001 672,673 1.23 7.60 1.22 7.61 18 2000 628,099 1.23 8.77 1.23 8.77 39  
MARKET OPPORTUNITY (NMO)

----- Year Ended 10/31:  
2005(c) 702,503 1.20\* 6.76\* 1.19\* 6.76\* 4 2004 704,760 1.21 6.75 1.19 6.77 4 2003 687,955 1.25 6.94 1.25 6.94 9  
2002 664,914 1.24 7.50 1.24 7.51 13 2001 694,025 1.23 7.73 1.23 7.74 11 2000 658,070 1.25 8.76 1.23 8.77 52  
DIVIDEND ADVANTAGE (NAD)

----- Year Ended 10/31:  
2005(c) 609,536 1.16\* 6.55\* .78\* 6.93\* 6 2004 613,328 1.14 6.69 .70 7.12 7 2003 595,266 1.35 6.78 .89 7.24 3 2002  
586,045 1.25 7.24 .80 7.70 7 2001 581,089 1.26 7.56 .78 8.04 12 2000 531,571 1.22 8.34 .73 8.83 37 DIVIDEND  
ADVANTAGE 2 (NXZ)

----- Year Ended 10/31:  
2005(c) 467,516 1.14\* 6.78\* .68\* 7.23\* 1 2004 457,552 1.14 6.87 .69 7.32 3 2003 443,101 1.17 7.20 .71 7.66 11  
2002 435,907 1.17 7.32 .70 7.79 9 2001(a) 441,308 1.13\* 5.56\* .63\* 6.06\* 5 DIVIDEND ADVANTAGE 3 (NZF)

----- Year Ended 10/31:  
2005(c) 626,434 1.14\* 6.49\* .68\* 6.95\* 1 2004 619,118 1.15 6.64 .69 7.10 3 2003 594,154 1.17 6.80 .71 7.26 3 2002  
586,799 1.17 6.78 .70 7.25 7 2001(b) 583,100 .72\* 2.05\* .42\* 2.36\* 1

Preferred Shares at End of Period ----- Aggregate Liquidation Amount and Market Asset  
Outstanding Value Coverage (000) Per Share Per Share -----

PERFORMANCE PLUS (NPP) ----- Year Ended 10/31:  
\$479,000 \$25,000 &74,483 2005(c) 479,000 25,000 74,634 2004 479,000 25,000 73,305 2003 479,000 25,000 73,089  
2002 444,000 25,000 77,530 2001 444,000 25,000 73,455 2000 MUNICIPAL ADVANTAGE (NMA)

----- Year Ended 10/31: 358,000 25,000 73,037 2005(c)  
358,000 25,000 73,128 2004 358,000 25,000 71,868 2003 358,000 25,000 71,248 2002 358,000 25,000 71,974 2001  
358,000 25,000 68,862 2000 MARKET OPPORTUNITY (NMO)

----- Year Ended 10/31: 380,000 25,000 71,217 2005(c)  
380,000 25,000 71,366 2004 380,000 25,000 70,260 2003 380,000 25,000 68,744 2002 380,000 25,000 70,660 2001  
380,000 25,000 68,294 2000 DIVIDEND ADVANTAGE (NAD)

----- Year Ended 10/31: 295,000 25,000 76,656 2005(c)  
295,000 25,000 76,977 2004 295,000 25,000 75,446 2003 295,000 25,000 74,665 2002 295,000 25,000 74,245 2001  
295,000 25,000 70,048 2000 DIVIDEND ADVANTAGE 2 (NXZ)

----- Year Ended 10/31: 222,000 25,000 77,648 2005(c)  
222,000 25,000 76,526 2004 222,000 25,000 74,899 2003 222,000 25,000 74,089 2002 222,000 25,000 74,697  
2001(a) DIVIDEND ADVANTAGE 3 (NZF) ----- Year Ended  
10/31: 312,000 25,000 75,195 2005(c) 312,000 25,000 74,609 2004 312,000 25,000 72,608 2003 312,000 25,000  
72,019 2002 -- -- 2001(b)

===== See  
accompanying notes to financial statements. 77 Reinvest Automatically Easily and Conveniently 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 the 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.

**FLEXIBLE** You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee. You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan. The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

**CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS** 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.

**78 Other Useful Information** Effective Jan. 1, 2005, the asset management services and operations of Nuveen Advisory Corp. (NAC) and Nuveen Institutional Advisory Corp. (NIAC) became part of Nuveen Asset Management (NAM). This internal consolidation is intended to simplify the delivery of services to the investment management clients of Nuveen Investments. It does not affect the investment objectives or portfolio management of any Fund.

**QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION** Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2004, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com). You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

**GLOSSARY OF TERMS USED IN THIS REPORT**

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

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

**LEVERAGE-ADJUSTED DURATION:** Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as

interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds. MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price. NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day. TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment. BOARD OF DIRECTORS/TRUSTEES Robert P. Bremner Lawrence H. Brown Jack B. Evans William C. Hunter David J. Kundert William J. Schneider Timothy R. Schwertfeger Judith M. Stockdale Eugene S. Sunshine FUND MANAGER Nuveen Asset Management 333 West Wacker Drive Chicago, IL 60606 CUSTODIAN State Street Bank & Trust Boston, MA TRANSFER AGENT AND SHAREHOLDER SERVICES State Street Bank & Trust Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787 LEGAL COUNSEL Chapman and Cutler LLP Chicago, IL INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Ernst & Young LLP Chicago, IL Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report. 79 [GRAPHIC OMITTED] Learn more about Nuveen Funds at [www.nuveen.com/etf](http://www.nuveen.com/etf) Nuveen Investments: 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. WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS. Managing more than \$115 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 fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios. FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS. To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money. o Share prices o Fund details o Daily financial news o Investor education o Interactive planning tools [LOGO] NUVEEN Investments ESA-B-0405D 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. SCHEDULE OF INVESTMENTS. See Portfolio of Investments in Item 1. ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable to this filing. ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable at this time. ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. Not applicable. ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item. ITEM 11. CONTROLS AND PROCEDURES. (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and

procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the 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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. ITEM 12. EXHIBITS. File the exhibits listed below as part of this Form. (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 to this filing. (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. (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 Dividend Advantage Municipal Fund  
----- By (Signature and Title)\* /s/ Jessica R. Droeger  
----- Jessica R. Droeger Vice President and Secretary Date: July 8, 2005  
----- Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By (Signature and Title)\* /s/ Gifford R. Zimmerman ----- Gifford R. Zimmerman Chief Administrative Officer (principal executive officer) Date: July 8, 2005 ----- By (Signature and Title)\* /s/ Stephen D. Foy ----- Stephen D. Foy Vice President and Controller (principal financial officer) Date: July 8, 2005 ----- \* Print the name and title of each signing officer under his or her signature.