NUVEEN CALIFORNIA MUNICIPAL VALUE FUND INC
Form N-CSR
May 05, 2016

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05235

Nuveen California Municipal Value Fund, Inc.
(Exact name of registrant as specified in charter)

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

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

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

Date of fiscal year end: February 29

Date of reporting period: February 29, 2016

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Life is Complex
Nuveen makes things e-simple.
It only takes a minute to sign up for e-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready—no more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report and save it on your computer if you wish.
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Chairman's Letter to Shareholders

Dear Shareholders,

The financial markets saw an increase in volatility over the past year. Global economic growth has continued to look fragile, led by China's ongoing slowdown and stagnant growth in Europe and Japan. By contrast, the U.S. economy's modest recovery stayed on pace. However, concerns about downside risks to U.S. economic growth were heightened in early 2016 amid a weak global growth outlook and churning stock markets. In addition to the challenging economic backdrop, the persistent decline of oil prices and a rally in the U.S. dollar dampened U.S. corporate earnings growth, further contributing to an uncertain outlook.

For most of 2015, the U.S. Federal Reserve postponed the first increase to its main policy interest rate, which tended to boost risky assets and weigh on longer-term bond yields at points throughout the year. However, volatility rose in the late spring amid Greece's turbulent negotiations with its European Union creditors. Not soon after, China's stock market crashed amid worries about its decelerating economy and a loss of confidence in its policy makers. Conditions turned more favorable in the fall, as the Fed delayed its rate hike again in October, the European Central Bank appeared poised for further easing and China administered another round of stimulus measures. By the time the Fed announced the rate hike in December, the move was widely expected and had very little market impact.

Although volatility spiked in early 2016, conditions have generally improved since mid-February 2016. Global growth expectations remain subdued, but investors have gained more confidence that the Fed's interest rate increases will be gradual, oil prices appear more stable, the U.S. dollar has weakened and the U.S. economy continues to look fairly resilient. Consumer spending, which represents roughly two-thirds of the economy, continues to be supported by the meaningful improvement in the labor market, wage growth and cheaper gas prices.

The global markets may continue seeing bouts of market turbulence this year. While short-term volatility can be uncomfortable for investors, these periods can also provide opportunities. The experienced investment professionals working for you at Nuveen continue to seek upside potential and manage downside risks, whether markets are rising or falling. We also encourage you to contact your financial advisor, who can help you develop a plan to weather short-term price swings, while remaining consistent with your investment goals, time horizon and risk tolerance.

On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

William J. Schneider
Chairman of the Board
April 25, 2016

Portfolio Manager's Comments
Nuveen California Municipal Value Fund, Inc. (NCA)
Nuveen California Municipal Value Fund 2 (NCB)
Nuveen California AMT-Free Municipal Income Fund (NKX)
Nuveen California Dividend Advantage Municipal Fund (NAC)
Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio manager Scott R. Romans, PhD, reviews U.S. economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month performance of these Nuveen California Municipal Funds. Scott has managed NCA, NKX, NAC, NVX and NZH since 2003 and NCB since its inception in 2009.

What factors affected the U.S. economy and the national municipal bond market during the twelve-month reporting period ended February 29, 2016?

The U.S. economy grew at an overall moderate pace during the twelve-month reporting period. Harsh winter weather and a West coast port strike weighed on growth in the first quarter of 2015, but those factors proved temporary. Rebounding economic activity in the second quarter was followed by a mediocre advance in the latter half of the year. Real gross domestic product (GDP), which is the value of the goods and services produced by the nation's economy less the value of the goods and services used up in production, adjusted for price changes, increased at an annual rate of 1.4% in the fourth quarter of 2015, as reported by the "third" estimate of the Bureau of Economic Analysis, down from 2.0% in the third quarter.

The labor and housing markets were among the bright spots in the economy during the reporting period, as both showed steady improvement. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 4.9% in February 2016 from 5.5% in February 2015, and job gains averaged slightly above 200,000 per month for the past twelve months. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.4% annual gain in January 2016 (most recent data available at the time this report was prepared). The 10-City and 20-City Composites reported year-over-year increases of 5.1% and 5.7%, respectively.

With GDP growth averaging around 2% for the previous four quarters, the U.S. economic recovery continued to underwhelm. Consumers, whose purchases comprise the largest component of the U.S. economy, benefited from lower gasoline prices and an improving jobs market. Pessimism about the economy's future and lackluster wage growth likely contributed to consumers' somewhat muted spending. The sharp decline in energy prices and tepid wage growth also weighed on inflation during this reporting

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

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Portfolio Manager's Comments (continued)

period. The Consumer Price Index CPI rose 1.0% over the twelve-month period ended February 2016 on a seasonally adjusted basis, as reported by the U.S. Bureau of Labor Statistics. The core CPI (which excludes food and energy) increased 2.3% during the same period, the largest twelve-month gain since May 2012 and slightly above the Fed's unofficial longer term inflation objective of 2.0%.

Business investment was also rather restrained. Corporate earnings growth slowed during 2015, reflecting an array of factors ranging from weakening demand amid sluggish U.S. and global growth to the impact of falling commodity prices and a strong U.S. dollar. Energy, materials and industrials companies were hit particularly hard by the downturn in natural resource prices, as well as the expectation of rising interest rates, which would make their debts more costly to service. With demand waning, companies, especially in the health care and technology sectors, looked to consolidations with rivals as a way to boost revenues. Merger and acquisition deals, both in the U.S. and globally, reached record levels in the calendar year 2015.

Although the current expansion continued to look subpar relative to past recoveries, the U.S. Federal Reserve (Fed) believed the economy was strong enough to begin the withdrawal of its stimulus policies. After winding down its bond buying program, known as quantitative easing, in October 2014, the Fed began telegraphing its intention to raise the target federal funds rate some time in 2015. The Fed had held the fed funds rate near zero since December 2008. However, the timing of its first rate hike was uncertain, particularly as the inflation rate stayed stubbornly low and signs of global economic weakness, notably from China, merited caution.

After delaying the rate change at each prior meeting in 2015, the Fed announced in December 2015 that it would raise its main policy interest rate by 0.25%. The news had a relatively muted impact on the financial markets, as the move was widely expected. Although the Fed continued to emphasize future rate increases would be gradual, uncertainties lingered. Given the fragility of the global economy and concerns about the U.S.'s lackluster growth, the Fed seemed more than likely to remain on hold in the near term. Not surprisingly, the Fed kept its target rate unchanged at its January policy meeting.

In the broad municipal bond market, yields ended the twelve-month reporting period slightly below where they started, although their downward path was not a straight line. For most of the period, the generally improved condition of the U.S. economy and expectation of rising interest rates propelled municipal bond yields higher. However, after the Fed's first rate hike, subsequent rate hikes seemed unlikely in the near future as the pace of the U.S. economic recovery remained below average and weakness lingered abroad, especially in Europe and China. This helped renew demand for municipal bonds, bolstering prices and weighing on yields (as bond prices and yields move in opposite directions) in the final months of the reporting period.

The municipal market's supply-demand balance was generally favorable over this reporting period. Issuance was unusually strong at the beginning of 2015, fueling concerns about potential oversupply conditions. Over the twelve months ended February 29, 2016, municipal bond issuance nationwide totaled $349.2 billion, an increase of 9.8% from the issuance for the twelve-month period ended February 28, 2015. To articulate, gross municipal bond nationwide issuance is up. The surge in gross issuance is due mostly to increased refunding deals as issuers have been actively and aggressively refunding their outstanding debt given the very low interest rate environment. In these transactions the issuers are issuing new bonds and taking the bond proceeds and redeeming (calling) old bonds. These refunding transactions have ranged from 40%-60% of total issuance over the past few years. Thus, the net issuance (all bonds issued less bonds redeemed) is actually much lower than the gross issuance. In fact, the total municipal bonds outstanding has actually declined in each of the past four calendar years. So, the gross is surging, but the net is not and this has been an overall positive technical factor on municipal bond investment performance.

At the same time, regulatory changes, increased risk aversion and expectations for rising interest rates have encouraged bond dealers, typically brokers and banks, to reduce the size of their inventories in recent years. By holding smaller amounts of bonds on their books, dealers seek to mitigate their exposure to bonds that could potentially be worth less or be more difficult to sell in the future. Banks have reduced their participation in the markets in order to hold fewer bonds on their balance sheets. As a result, there has been less liquidity in the marketplace, which contributed to periods of increased price volatility.

How were the economic and market environments in California during the twelve-month reporting period ended February 29, 2016?

California's economy is the largest in the United States and ranks eighth in the world according to the International Monetary Fund. Job growth continues to increase faster than the nation, driven by high technology, international trade and tourism but also supplemented by better residential construction and real estate conditions. As a result, the state's unemployment rate improved to 5.5% as of February 2016, down from 6.7% the year prior and the gap between the state and the nation's 4.9% unemployment rate is narrowing. According to the S&P/Case-Shiller Index, home prices in San Diego, Los Angeles and San Francisco rose 6.9%, 6.9% and 10.5%, respectively, over the twelve months ended January 2016 (most recent data available at the time this report was prepared) compared with an average increase of 5.4% nationally. California entered its fifth straight year of drought conditions resulting in the Governor issuing mandatory water cuts. El Nino storms since December 2015 have provided some relief, but a full recovery from the drought will require more rain and snowfall. Agriculture is exempt from the mandate. Although farms consume 80% of California's water, they only generate 2% of the state's economic activity. The most significant economic risk would be a slowdown in California's home building industry, which is a major part of the state's economy. In looking at the impact of the drought more broadly, the non-partisan Legislative Analyst Office says the drought is not likely to have a significant effect on California's economy or state government revenues in the short term.

The enacted Fiscal 2016 budget is 0.8% higher than the revised estimate for Fiscal Year 2015. Strong revenue growth due to a recovering economy and the passage of Proposition 30 (increases state sales and personal income taxes temporarily) have aided in the State's fiscal recovery. For Fiscal Year 2016-2017, the proposed General Fund Governor's Budget totals $122.6 billion. The proposed budget echoes Governor Brown's recurring theme since he took office in 2011 to maintain a cautious approach to managing the state's finances. The proposal, which after meeting the constitutional requirements for reserve deposits and increase spending on education, calls for an extra deposit into the Rainy Day Fund and one-time infrastructure spending from discretionary resources. On July 2, 2015, S&P upgraded its rating on California general obligation (GO) debt to "AA-/STABLE" from "A+/CreditWatch Positive." Moody's upgraded the State GO to Aa3 with stable outlook from A1 in June 2014. During the twelve months ended February 29, 2016, municipal issuance in California totaled $52.9 billion, an 8% gross issuance increase over the prior twelve months. For this reporting period, California was the largest state issuer in the nation, representing approximately 13.4% of total issuance nationwide.

What key strategies were used to manage these California Funds during the twelve-month reporting period ended February 29, 2016?

The broad municipal bond market enjoyed positive performance during the twelve-month reporting period overall. In general, California municipal bonds outpaced the overall municipal market return for the reporting period. California's economy continued to improve, as a declining unemployment rate and legislative changes improved the state's overall financial health and credit conditions. Additionally, investors seeking greater yield potential continued to bolster demand for California municipal bonds, which helped credit spreads contract during this reporting period.

We continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believed had the potential to perform well over the long term. Our trading activity continued to focus on pursuing the Funds' investment objectives. Generally speaking, throughout this reporting period, the Funds maintained their overall positioning strategies in terms of duration and yield curve positioning, credit quality exposures and sector allocations. We've also continued to be more cautious in selecting individual securities. As investor demand for municipal securities has increased and created a slight supply-demand imbalance, we've started to see underwriters bring new issues to market that are structured with terms more favorable to the issuer and perhaps less advantageous to the investor than in the recent past. We believe this shift in the marketplace merits extra vigilance on our part to ensure that every credit considered for the portfolio offers adequate reward potential for the level of risk to the bondholder. In cases where our convictions have been less certain, we've sought compensation for the additional risk or have passed on the deal all together.

Portfolio Manager's Comments (continued)

To keep the Funds fully invested, we continued to focus on purchasing bonds in areas of the market that we expected to perform well as the economy continued to improve. We emphasized intermediate and longer maturities, lower rated credits and sectors offering higher yields. To fund these purchases, we generally reinvested the proceeds from called and maturing bonds. In some cases, we sold bonds that we believed had deteriorating fundamentals or could be traded for a better relative value, as well as selling short-dated, higher quality issues that we tend to hold over short timeframes as a source of liquidity.

We continued to find opportunities to purchase bonds in both the primary and secondary markets that helped keep the Funds fully invested. Overall, our emphasis in purchase activity was on relative value and credit quality, rather than sector. We found the most relative value in the A rated category, which included additions in the higher education and health care sectors, as these sectors tend to have a higher proportion of A rated credits. Especially in the primary market, A rated bonds featured better pricing relative to BBB and AA rated credits.

We continued to be more selective within the lower credit quality segments of the market (BBB and below investment grade), as yield spreads on lower rated bonds began to tighten. For example, we participated in some newly issued land-secured bonds that we believe offered relative values that were especially compelling. We also maintained the Funds' overweight tobacco exposures. Tobacco bonds continued to offer attractive yields for what we believe is a relatively moderate level of credit risk and good relative value, even after the sector's recently strong performance. In some of the Funds, we sold tobacco bonds to buy structures with similar income distribution profiles but less risk.

In addition, we continued to replace some of the 4% and 5% coupon bonds that had been bought at significant premiums for similar structures offering better relative value. These transactions helped bolster the Funds' income distribution capabilities, as well as improve the tax efficiency of the overall portfolios.

One of the shorter-term, more tactical strategies we implemented during this reporting period included increasing exposure to higher grade, higher liquidity bonds (primarily AA rated). These positions helped keep the Funds fully invested and were intended as short-term holdings that could be easily sold when proceeds were needed to fund a new purchase.

As of February 29, 2016, all six of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the twelve-month reporting period ended February 29, 2016?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year, ten-year and/or since inception periods ended February 29, 2016. Each Fund's returns on common share net asset value (NAV) are compared with the performance of corresponding market indexes and Lipper classification average.

For the twelve months ended February 29, 2016, the total returns at common share NAV for all six of these Funds exceeded the return for the S&P Municipal Bond California Index as well as that for the national S&P Municipal Bond Index. For this same period, NKX, NAC, NVX and NZH outperformed the average return for the Lipper California Municipal Debt Funds Classification Average, while NCA and NCB trailed this Lipper California average.

The main contributor to the Funds' relative performance during this reporting period was yield curve and duration positioning. We continued to overweight the longer parts of the yield curve with corresponding underweights to the shorter end of the curve, which resulted in longer durations than the municipal market in general. This positioning was advantageous in this reporting period as intermediate- and longer-dated bonds generally outperformed shorter-dated bonds.

The Funds' credit quality exposures also contributed positively, although to a lesser extent than yield curve and duration positioning. Lower rated municipal bonds outperformed higher-rated bonds during this reporting period, as the low interest rate environment continued to propel investor demand for yield. The Funds were positioned with overweight allocations to the outperforming A, BBB, below investment grade and non-rated categories and with underweight allocations to the underperforming AA and AAA rated categories. These tilts were advantageous to performance during this reporting period.

An Update Involving Puerto Rico

As noted in the Funds' previous shareholder reports, we continue to monitor situations in the broader municipal market for any impact on the Funds' holdings and performance: the ongoing economic problems of Puerto Rico is one such case. Puerto Rico's continued economic weakening, escalating debt service obligations, and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Puerto Rico has warned investors since 2014 that the island's debt burden may be unsustainable and the Commonwealth has been exploring various strategies to deal with this burden, including Chapter 9 bankruptcy, which is currently not available by law.

In terms of Puerto Rico holdings, shareholders should note that NVX had 1.71%, NCB had no exposure and the other four Funds had allocations of less than 1% at the end of the reporting period, all of which are insured or escrowed to maturity. The Puerto Rico credits offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state and local taxes). Puerto Rico general obligation debt is currently rated Caa2/CC/CC (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the returns of the Funds relative to their comparative benchmarks was the Funds' use of leverage through their issuance of preferred shares and/or investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. NCA and NCB do not use regulatory leverage. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Leverage had a positive impact on the performance of the Funds over this reporting period. For NCA, the impact was less due to the low level of leverage used in the Fund.

As of February 29, 2016, the Funds' percentages of leverage are as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Effective Leverage*	1.58%	9.56%	32.36%	34.61%	31.30%	37.33%
Regulatory Leverage*	0.00%	0.00%	29.81%	28.86%	29.25%	30.75%

* Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUNDS' REGULATORY LEVERAGE

As of February 29, 2016, the following Funds have issued and outstanding Institutional MuniFund Term Preferred (iMTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying table. As mentioned previously, NCA and NCB do not use regulatory leverage.

	iMTP Shares		VRDP Shares		
	Series	Shares Issued at Liquidation Preference	Series	Shares Issued at Liquidation Preference	Total
NKX	2018	$36,000,000	2	$35,500,000	
			3	$42,700,000	
			4	$109,000,000	
			5	$104,400,000	
		$36,000,000		$291,600,000	$327,600,000
NAC	—	—	1	$136,200,000	
			2	$91,000,000	
			3	$49,800,000	
			4	$105,600,000	
			5	$158,900,000	
			6	$158,100,000	
				$699,600,000	$699,600,000
NVX	—	—	1	$98,000,000	$98,000,000
NZH	—	—	1	$160,000,000	$160,000,000

Refer to Notes to Financial Statements, Note 4 — Fund Shares, Preferred Shares for further details on iMTP and VRDP Shares and each Fund's respective transactions.

Common Share Information
COMMON SHARE DISTRIBUTION INFORMATION
The following information regarding the Funds' distributions is current as of February 29, 2016. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investment value changes.
During the current reporting period, each Fund's distributions to common shareholders were as shown in the accompanying table.

	Per Common Share Amounts					
Monthly Distributions (Ex-Dividend Date)	NCA	NCB	NKX	NAC	NVX	NZH
March 2015	$0.0390	$0.0650	$0.0720	$0.0800	$0.0700	$0.0670
April	0.0390	0.0650	0.0720	0.0800	0.0700	0.0670
May	0.0390	0.0650	0.0720	0.0800	0.0700	0.0670
June	0.0390	0.0650	0.0720	0.0760	0.0700	0.0670
July	0.0390	0.0650	0.0720	0.0760	0.0700	0.0670
August	0.0390	0.0650	0.0720	0.0760	0.0700	0.0670
September	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
October	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
November	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
December	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
January	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
February 2016	0.0390	0.0650	0.0720	0.0760	0.0675	0.0670
Total Monthly Per Share Distributions	$0.4680	$0.7800	$0.8640	$0.9240	$0.8250	$0.8040
Ordinary Income Distribution*	$0.0038	$0.0290	$0.0047	$0.0052	$0.0060	$0.0031
Total Distributions from Net Investment Income	$0.4718	$0.8090	$0.8687	$0.9292	$0.8310	$0.8071
Total Distributions from Long-Term Capital Gains*	$—	$0.2327	$—	$—	$—	$—
Total Distributions	$0.4718	$1.0417	$0.8687	$0.9292	$0.8310	$0.8071

Yields												
Market Yield**	4.34	%	4.41	%	5.53	%	5.76	%	5.19	%	5.52	%
Taxable-Equivalent Yield**	6.65	%	6.75	%	8.47	%	8.82	%	7.95	%	8.45	%

* Distribution paid on December 2015.

** Market Yield is based on the Fund's current annualized monthly distribution divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 34.7%. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders.
As of February 29, 2016, the Funds had positive UNII balances for tax purposes and positive UNII balances for financial reporting purposes.

All monthly dividends paid by each Fund during the current reporting period, were paid from net investment income. If a portion of the Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including capital gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 – Income Tax Information within the Notes to Financial Statements of this report.

COMMON SHARE REPURCHASES

During August 2015, the Funds' Board of Directors/Trustees reauthorized an open–market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of February 29, 2016, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired common shares as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common shares cumulatively repurchased and retired	—	—	—	—	50,700	12,900
Common shares authorized for repurchase	2,570,000	330,000	4,770,000	10,740,000	1,475,000	2,415,000

During the current reporting period, the Funds did not repurchase any of their outstanding common shares.

COMMON SHARE EQUITY SHELF PROGRAMS

During the reporting period, the following Fund was authorized to issue additional common shares through its ongoing equity shelf program. Under this program, the Fund, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price at or above the Fund's NAV per common share. Under the equity shelf program, the Fund is authorized to issue the following number of additional common shares.

	NCA
Additional common shares authorized	2,500,000

During the current reporting period, NCA sold common shares through its equity shelf program at a weighted average premium to its NAV per common share as shown in the accompanying table.

	NCA
Common shares sold through equity shelf program	1,043,028
Weighted average premium to NAV per common share sold	2.21 %

OTHER COMMON SHARE INFORMATION

As of February 29, 2016, and during the current reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAVs as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common share NAV	$10.56	$17.23	$16.17	$16.06	$16.06	$14.92
Common share price	$10.79	$17.70	$15.63	$15.84	$15.62	$14.56
Premium/(Discount) to NAV	2.18 %	2.73 %	(3.34)%	(1.37)%	(2.74)%	(2.41)%
12-month average premium/(discount) to NAV	1.25 %	(3.32)%	(6.10)%	(4.04)%	(5.93)%	(6.77)%

Risk Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation.

Nuveen California Municipal Value Fund, Inc. (NCA)
Nuveen California Municipal Value Fund 2 (NCB)

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. Debt or fixed income securities such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. State concentration makes the Fund more susceptible to local adverse economic, political, or regulatory changes affecting municipal bond issuers. These and other risk considerations such as tax risk are described in more detail on the Fund's web page at www.nuveen.com/NCA, www.nuveen.com/NCB.

Nuveen California AMT-Free Municipal Income Fund (NKX)
Nuveen California Dividend Advantage Municipal Fund (NAC)
Nuveen California Dividend Advantage Municipal Fund 2 (NVX)
Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. Debt or fixed income securities such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. Leverage increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. State concentration makes the Fund more susceptible to local adverse economic, political, or regulatory changes affecting municipal bond issuers. These and other risk considerations such as inverse floater risk and tax risk are described in more detail on the Fund's web page at www.nuveen.com/NKX, www.nuveen.com/NAC, www.nuveen.com/NVX, www.nuveen.com/NZH.

NCA

Nuveen California Municipal Value Fund, Inc.

Performance Overview and Holding Summaries as of February 29, 2016

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 29, 2016

	Average Annual		
	1-Year	5-Year	10-Year
NCA at Common Share NAV	4.81%	7.95%	5.37%
NCA at Common Share Price	6.08%	10.32%	6.35%
S&P Municipal Bond California Index	4.37%	6.74%	5.05%
S&P Municipal Bond Index	3.78%	5.63%	4.68%
Lipper California Municipal Debt Funds Classification Average	6.24%	10.50%	5.58%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation
(% of net assets)

Long-Term Municipal Bonds	98.9%
Other Assets Less Liabilities	2.7%
Net Assets Plus Floating Rate Obligations	101.6%
Floating Rate Obligations	(1.6)%
Net Assets	100%

Portfolio Composition
(% of total investments)

Tax Obligation/Limited	22.2%
Tax Obligation/General	20.9%
U.S. Guaranteed	19.2%
Health Care	11.9%
Transportation	9.1%
Water and Sewer	5.4%
Other	11.3%
Total	100%

Credit Quality
(% of total investment exposure)

AAA/U.S. Guaranteed	23.1%
AA	40.2%
A	15.1%

BBB	7.9%
BB or Lower	8.4%
N/R (not rated)	5.3%
Total	100%

NCB

Nuveen California Municipal Value Fund 2

Performance Overview and Holding Summaries as of February 29, 2016

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 29, 2016

	Average Annual		
	1-Year	5-Year	Since Inception
NCB at Common Share NAV	4.57%	8.43%	8.17%
NCB at Common Share Price	12.91%	11.22%	8.16%
S&P Municipal Bond California Index	4.37%	6.74%	6.36%
S&P Municipal Bond Index	3.78%	5.63%	5.60%
Lipper California Municipal Debt Funds Classification Average	6.24%	10.50%	6.22%

Since inception returns are from 4/28/09. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation
(% of net assets)

Long-Term Municipal Bonds	94.8%
Other Assets Less Liabilities	5.2%
Net Assets	100%

Portfolio Composition
(% of total investments)

Tax Obligation/Limited	19.4%
Utilities	14.8%
Health Care	14.2%
U.S. Guaranteed	13.7%
Tax Obligation/General	13.3%
Consumer Staples	6.2%
Transportation	5.3%
Housing/Single Family	5.0%
Other	8.1%
Total	100%

Credit Quality
(% of total investment exposure)

AAA/U.S. Guaranteed	22.3%
AA	24.6%

A	34.4%
BBB	8.7%
BB or Lower	8.9%
N/R (not rated)	1.1%
Total	100%

NKX

Nuveen California AMT-Free Municipal Income Fund

Performance Overview and Holding Summaries as of February 29, 2016

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of February 29, 2016

	Average Annual		
	1-Year	5-Year	10-Year
NKX at Common Share NAV	7.09%	10.95%	6.50%
NKX at Common Share Price	12.93%	12.50%	6.88%
S&P Municipal Bond California Index	4.37%	6.74%	5.05%
S&P Municipal Bond Index	3.78%	5.63%	4.68%
Lipper California Municipal Debt Funds Classification Average	6.24%	10.50%	5.58%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation
(% of net assets)

Long-Term Municipal Bonds	140.0%
Other Assets Less Liabilities	2.6%
Net Assets Plus Floating Rate Obligations, iMTP Shares, at Liquidation Preference & VRDP Shares, at Liquidation Preference	142.6%
Floating Rate Obligations	(0.1)%
iMTP Shares, at Liquidation Preference	(4.7)%