

VIRTUS INVESTMENT PARTNERS, INC.

Form 10-Q

May 07, 2014

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2014**

**OR**

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 001-10994**

**VIRTUS INVESTMENT PARTNERS, INC.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**  
**100 Pearl St., Hartford, CT 06103**  
**(Address of principal executive offices) (Zip Code)**  
**(800) 248-7971**  
**(Registrant's telephone number, including area code)**

**95-4191764**  
**(I.R.S. Employer**  
**Identification No.)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

The number of shares outstanding of the registrant's common stock was 9,163,740 as of April 22, 2014.

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We, us, our, the Company and Virtus as used in this Quarterly Report on Form 10-Q, refer to Virtus Investment Partners, Inc., a Delaware corporation, and its subsidiaries.

**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Virtus Investment Partners, Inc.****Condensed Consolidated Balance Sheets****(Unaudited)**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
<i>(\$ in thousands, except share data)</i>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 234,795	\$ 271,014
Cash of consolidated sponsored investment products	2,543	531
Investments	102,490	37,258
Investments of consolidated sponsored investment products	62,086	139,054
Accounts receivable, net	54,386	50,166
Furniture, equipment, and leasehold improvements, net	6,898	7,219
Intangible assets, net	43,528	44,633
Goodwill	5,260	5,260
Deferred taxes, net	56,520	64,500
Other assets	16,104	15,724
Other assets of consolidated sponsored investment products	1,217	9,595
<b>Total assets</b>	<b>\$ 585,827</b>	<b>\$ 644,954</b>
<b>Liabilities and Equity</b>		
<b>Liabilities:</b>		
Accrued compensation and benefits	\$ 18,349	\$ 53,140
Accounts payable and accrued liabilities	29,169	29,912
Other liabilities	21,846	18,413
Other liabilities of consolidated sponsored investment products	2,500	8,435
<b>Total liabilities</b>	<b>71,864</b>	<b>109,900</b>
<b>Commitments and Contingencies (Note 9)</b>		
Redeemable noncontrolling interests	3,867	42,186
<b>Equity:</b>		
<b>Equity attributable to stockholders:</b>		
Common stock, \$0.01 par value, 1,000,000,000 shares authorized; 9,513,140 shares issued and 9,163,140 shares outstanding at March 31, 2014 and 9,455,521 shares issued and 9,105,521 shares outstanding at December 31, 2013	95	95
Additional paid-in capital	1,130,857	1,135,644

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Accumulated deficit	(583,283)	(605,221)
Accumulated other comprehensive loss	(63)	(150)
Treasury stock, at cost, 350,000 shares at March 31, 2014 and December 31, 2013, respectively	(37,438)	(37,438)
Total equity attributable to stockholders	510,168	492,930
Noncontrolling interests	(72)	(62)
Total equity	510,096	492,868
Total liabilities and equity	\$ 585,827	\$ 644,954

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Table of Contents****Virtus Investment Partners, Inc.****Condensed Consolidated Statements of Operations****(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<i>(\$ in thousands, except per share data)</i>		
<b>Revenues</b>		
Investment management fees	\$ 71,792	\$ 57,777
Distribution and service fees	22,438	17,361
Administration and transfer agent fees	13,073	10,695
Other income and fees	568	335
Total revenues	107,871	86,168
<b>Operating Expenses</b>		
Employment expenses	35,029	32,411
Distribution and administration expenses	27,737	21,628
Other operating expenses	10,534	8,957
Other operating expenses of consolidated sponsored investment products	331	184
Restructuring and severance		203
Depreciation and other amortization	657	575
Amortization expense	957	1,110
Total operating expenses	75,245	65,068
<b>Operating Income</b>	32,626	21,100
<b>Other Income (Expense)</b>		
Realized and unrealized gain on investments, net	1,846	825
Realized and unrealized gain on investments of consolidated sponsored investment products, net	36	372
Other income (expense), net	151	(18)
Total other income, net	2,033	1,179
<b>Interest Income (Expense)</b>		
Interest expense	(138)	(221)
Interest and dividend income	383	97
Interest and dividend income of investments of consolidated sponsored investment products	873	480
Total interest income, net	1,118	356

<b>Income Before Income Taxes</b>	35,777	22,635
Income tax expense	14,010	8,450
<b>Net Income</b>	21,767	14,185
Noncontrolling interests	171	(225)
<b>Net Income Attributable to Common Stockholders</b>	\$ 21,938	\$ 13,960
<b>Earnings per share Basic</b>	\$ 2.41	\$ 1.79
<b>Earnings per share Diluted</b>	\$ 2.34	\$ 1.73
<b>Weighted Average Shares Outstanding Basic (in thousands)</b>	9,116	7,820
<b>Weighted Average Shares Outstanding Diluted (in thousands)</b>	9,361	8,088

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Virtus Investment Partners, Inc.****Condensed Consolidated Statements of Comprehensive Income****(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<i>(\$ in thousands)</i>		
Net Income	\$ 21,767	\$ 14,185
<b>Other comprehensive income, net of tax:</b>		
Foreign currency translation adjustment, net of tax of (\$15) for the three months ended March 31, 2014	24	
Unrealized gain on available-for-sale securities, net of tax of (\$40) and \$120 for the three months ended March 31, 2014 and 2013, respectively	63	233
Other comprehensive income	87	233
Comprehensive income	21,854	14,418
Comprehensive loss (income) attributable to noncontrolling interests	171	(225)
Comprehensive income attributable to common stockholders	\$ 22,025	\$ 14,193

The accompanying notes are an integral part of these condensed consolidated financial statements.



**Table of Contents****Virtus Investment Partners, Inc.****Condensed Consolidated Statements of Cash Flows****(Unaudited)****Three Months Ended****March 31,  
2014      2013***(\$ in thousands)***Cash Flows from Operating Activities:**

Net income	\$ 21,767	\$ 14,185
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense, intangible asset and other amortization	1,675	1,739
Stock-based compensation	1,629	1,448
Excess tax benefit from stock-based compensation	(263)	
Amortization of deferred commissions	4,794	2,877
Payments of deferred commissions	(4,559)	(4,281)
Equity in earnings of equity method investments, net of dividends	(134)	
Realized and unrealized gains on trading securities	(1,846)	(825)
Realized and unrealized gains on investments of consolidated sponsored investment products	(36)	(372)
(Purchase) sale of trading securities, net	(18,223)	126
Purchase of investments by consolidated sponsored investment products, net	(12,481)	(4,176)
Deferred income taxes	7,925	7,984
Changes in operating assets and liabilities:		
Accounts receivable, net and other assets	(4,833)	(6,431)
Other assets of consolidated sponsored investment products	6,480	(799)
Accrued compensation and benefits, accounts payable, accrued liabilities and other liabilities	(31,052)	(17,303)
Other liabilities of consolidated sponsored investment products	(4,074)	466
Net cash used in operating activities	(33,231)	(5,362)

**Cash Flows from Investing Activities:**

Capital expenditures	(439)	(762)
Change in cash and cash equivalents of consolidated sponsored investment products due to deconsolidation	(366)	(734)
Purchase of available-for-sale securities	(53)	(48)
Net cash used in investing activities	(858)	(1,544)

**Cash Flows from Financing Activities:**

Contingent consideration paid for acquired investment management contracts		(145)
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Repurchase of common shares		(10,356)
Proceeds from exercise of stock options	105	126
Taxes paid related to net share settlement of restricted stock units	(7,401)	(5,157)
Excess tax benefit from stock-based compensation	263	
Contributions of noncontrolling interests, net	6,915	4,923
<b>Net cash used in financing activities</b>	<b>(118)</b>	<b>(10,609)</b>
Net decrease in cash and cash equivalents	(34,207)	(17,515)
Cash and cash equivalents, beginning of period	271,545	63,446
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 237,338</b>	<b>\$ 45,931</b>
<b>Non-Cash Financing Activities:</b>		
Satisfaction of accrued compensation through the issuance of RSU s	\$ 849	\$ 420
Decrease to noncontrolling interest due to deconsolidation of sponsored investment products, net	\$ (45,075)	\$ (6,187)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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## Virtus Investment Partners, Inc.

## Condensed Consolidated Statements of Changes in Equity

(Unaudited)

	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Comprehensive Deficit	Other Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Attributed To Stockholders	Non- controlling Interests	Total Equity	Redeemable Non- controlling Interests
<i>(in thousands)</i>											
<b>Balances at December 31, 2012</b>	7,826,674	\$ 81	\$ 942,825	\$ (680,411)	\$ (287)	245,000	\$ (17,734)	\$ 244,474	\$ (3)	\$ 244,471	\$ 3,160
Net income (loss)				13,960				13,960	(18)	13,942	24
Unrealized gain on securities available-for-sale					233			233		233	
Dividends paid to controlling interests, net											(1,200)
Purchase of common shares	(60,000)					60,000	(10,356)	(10,356)		(10,356)	
Issuance of common stock related to employee stock purchase plan	53,465		126					126		126	
Expenses paid on stock-based compensation			(5,157)					(5,157)		(5,157)	
Stock-based compensation			1,868					1,868		1,868	
<b>Balances at March 31, 2013</b>	7,820,139	\$ 81	\$ 939,662	\$ (666,451)	\$ (54)	305,000	\$ (28,090)	\$ 245,148	\$ (21)	\$ 245,127	\$ 2,140
<b>Balances at December 31, 2013</b>	9,105,521	\$ 95	\$ 1,135,644	\$ (605,221)	\$ (150)	350,000	\$ (37,438)	\$ 492,930	\$ (62)	\$ 492,868	\$ 42,180
Net income (loss)				21,938				21,938	(10)	21,928	(10)
Unrealized gain on securities available-for-sale					63			63		63	
					24			24		24	

Foreign currency translation adjustment												
Minority interest, net												(38,150)
Change in fair value of common stock attributable to employee stock transactions	57,619		105				105					105
Expenses paid on equity-based compensation			(7,401)				(7,401)					(7,401)
Expenses paid on debt-based compensation			2,509				2,509					2,509
<b>Balances at March 31, 2014</b>	9,163,140	\$ 95	\$ 1,130,857	\$ (583,283)	\$ (63)	350,000	\$ (37,438)	\$ 510,168	\$ (72)	\$ 510,096	\$ 3,800,000	\$ 3,800,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

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**Virtus Investment Partners, Inc.**

**Notes to Condensed Consolidated Financial Statements**

**(Unaudited)**

**1. Organization and Business**

Virtus Investment Partners, Inc. (the Company, we, us, our or Virtus ), a Delaware corporation, operates in the investment management industry through its wholly-owned subsidiaries.

The Company provides investment management and related services to individuals and institutions throughout the United States of America. The Company's retail investment management services are provided to individuals through products consisting of open-end mutual funds, closed-end funds, variable insurance funds and separately managed accounts. Separately managed accounts are offered through intermediary programs that are sponsored and distributed by unaffiliated broker-dealers and individual direct managed account investment services that are provided by the Company. Institutional investment management services are provided primarily to corporations, multi-employer retirement funds, employee retirement systems, foundations and endowments.

**2. Basis of Presentation and Significant Accounting Policies**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ( GAAP ) for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the Company's financial condition and results of operations. The condensed consolidated financial statements include the accounts of the Company, its subsidiaries and sponsored investment products in which it has a controlling financial interest. The Company is generally considered to have a controlling financial interest when it owns a majority of the voting interest in an entity or otherwise has the power to govern the financial and operating policies of the subsidiary. See Note 10 for additional information related to the consolidation of sponsored investment products. Material intercompany accounts and transactions have been eliminated. Operating results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (the 2013 Annual Report on Form 10-K ) filed with the Securities and Exchange Commission ( SEC ). The Company's significant accounting policies, which have been consistently applied, are summarized in the 2013 Annual Report on Form 10-K.

Effective December 31, 2013, the Company changed the presentation of its Consolidated Balance Sheets from a classified basis, which distinguishes between current and long-term assets and liabilities, to an unclassified basis, which has no such distinction. There were no changes to the Condensed Consolidated Balance Sheets that impacted the Condensed Consolidated Statements of Operations. Amounts in the prior year's Condensed Consolidated Statements of Cash Flows have been recast to conform to the current year's presentation.

**3. Intangible Assets, Net**

Intangible assets, net are summarized as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
<i>(\$ in thousands)</i>		
<b>Definite-lived intangible assets:</b>		
Investment contracts	\$ 157,672	\$ 157,882
Accumulated amortization	(146,560)	(145,665)
Definite-lived intangible assets, net	11,112	12,217
<b>Indefinite-lived intangible assets</b>	<b>32,416</b>	<b>32,416</b>
Total intangible assets, net	\$ 43,528	\$ 44,633

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Activity in intangible assets, net is as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<i>(\$ in thousands)</i>		
<b>Intangible assets, net</b>		
Balance, beginning of period	\$ 44,633	\$ 48,711
Amortization	(1,105)	(1,053)
<b>Balance, end of period</b>	<b>\$ 43,528</b>	<b>\$ 47,658</b>

**4. Investments**

Investments consist primarily of investments in our sponsored mutual funds. The Company's investments, excluding the assets of consolidated sponsored investment products discussed in Note 10, at March 31, 2014 and December 31, 2013 are as follows:

	<b>March 31,</b>	<b>December 31,</b>
	<b>2014</b>	<b>2013</b>
<i>(\$ in thousands)</i>		
Marketable securities	\$ 93,949	\$ 28,968
Equity method investments	4,242	4,070
Nonqualified retirement plan assets	4,299	4,220
<b>Total investments</b>	<b>\$ 102,490</b>	<b>\$ 37,258</b>

**Marketable Securities**

The Company's marketable securities consist of both trading (including securities held by a broker-dealer affiliate) and available-for-sale securities. The composition of the Company's marketable securities is summarized as follows:

**March 31, 2014**

	<b>Cost</b>	<b>Unrealized Loss</b>	<b>Unrealized Gain</b>	<b>Fair Value</b>
<i>(\$ in thousands)</i>				
<b>Trading:</b>				
Sponsored mutual funds and variable insurance funds	\$ 75,866	\$ (627)	\$ 6,959	\$ 82,198
Equity securities	7,486		1,424	8,910
<b>Available-for-sale:</b>				
Sponsored closed-end funds	2,867	(108)	82	2,841

<b>Total marketable securities</b>	\$ 86,219	\$ (735)	\$ 8,465	\$ 93,949
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December 31, 2013

	<b>Cost</b>	<b>Unrealized Loss</b>	<b>Unrealized Gain</b>	<b>Fair Value</b>
<i>(\$ in thousands)</i>				
<b>Trading:</b>				
Sponsored mutual funds and variable insurance funds	\$ 16,079	\$ (704)	\$ 2,529	\$ 17,904
Equity securities	7,043		1,336	8,379
<b>Available-for-sale:</b>				
Sponsored closed-end funds	2,815	(145)	15	2,685
<b>Total marketable securities</b>	\$ 25,937	\$ (849)	\$ 3,880	\$ 28,968

For the three months ended March 31, 2014 and 2013, the Company recognized a realized gain of \$0.9 million and \$0.1 million, respectively, on trading securities.



**Table of Contents****5. Fair Value Measurements**

The Company's assets and liabilities measured at fair value, excluding the assets and liabilities of consolidated sponsored investment products discussed in Note 10, on a recurring basis as of March 31, 2014 and December 31, 2013 by fair value hierarchy level were as follows:

**March 31, 2014**

	Level 1	Level 2	Level 3	Total
<i>(\$ in thousands)</i>				
<b>Assets</b>				
Cash equivalents	\$ 234,181	\$	\$	\$ 234,181
<b>Marketable securities trading:</b>				
Sponsored mutual funds and variable insurance funds	82,198			82,198
Equity securities	8,910			8,910
<b>Marketable securities available for sale:</b>				
Sponsored closed-end funds	2,841			2,841
<b>Other investments:</b>				
Nonqualified retirement plan assets	4,299			4,299
<b>Total assets measured at fair value</b>	<b>\$ 332,429</b>	<b>\$</b>	<b>\$</b>	<b>\$ 332,429</b>

**December 31, 2013**

	Level 1	Level 2	Level 3	Total
<i>(\$ in thousands)</i>				
<b>Assets</b>				
Cash equivalents	\$ 270,262	\$	\$	\$ 270,262
<b>Marketable securities trading:</b>				
Sponsored mutual funds and variable insurance funds	17,904			17,904
Equity securities	8,379			8,379
<b>Marketable securities available for sale:</b>				
Sponsored closed-end funds	2,685			2,685
<b>Other investments:</b>				
Nonqualified retirement plan assets	4,220			4,220
<b>Total assets measured at fair value</b>	<b>\$ 303,450</b>	<b>\$</b>	<b>\$</b>	<b>\$ 303,450</b>

The following is a discussion of the valuation methodologies used for the Company's assets measured at fair value.

*Sponsored mutual funds and variable insurance funds* represent investments in open-end mutual funds and variable insurance funds for which the Company acts as the investment manager. The fair value of these securities is determined based on their published net asset values and are categorized as Level 1.

*Equity securities* include securities traded on active markets and are valued at the official closing price (typically last sale or bid) on the exchange on which the securities are primarily traded and are categorized as Level 1.

*Sponsored closed-end funds* represent investments for which the Company acts as adviser and are actively traded on the New York Stock Exchange. The fair value of these securities is determined based on the official closing price and are categorized as Level 1.

*Nonqualified retirement plan assets* represent mutual funds within a nonqualified retirement plan whose fair value is determined based on their published net asset value and are categorized as Level 1.

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities equal or approximate fair value based on the short-term nature of these instruments. Marketable securities are reflected in the condensed consolidated financial statements at fair value based upon publicly quoted market prices.

Transfers into and out of levels are reflected when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable or unobservable or when the Company determines it has the ability, or no longer has the ability, to redeem, in the near term, certain investments that the Company values using a net asset value, or if the book value of certain equity method investments no longer represents fair value. There were no significant transfers between Level 1 and Level 2 during the three months ended March 31, 2014 or 2013.

**Table of Contents****6. Accumulated Other Comprehensive Income**

The changes in accumulated other comprehensive income by component for the three months ended March 31, 2014 and 2013 is as follows:

<i>(\$ in thousands)</i>	<b>Unrealized Gains and (Losses) on Securities Available-for-Sale</b>		<b>Foreign Currency Translation Adjustments</b>
Balance December 31, 2013	\$	(231)	\$ 81
Unrealized net gains on investments, net of tax of (\$40)		63	
Foreign currency translation adjustments, net of tax of (\$15)			24
Amounts reclassified from accumulated other comprehensive income			
Net current-period other comprehensive income		63	24
Balance March 31, 2014	\$	(168)	\$ 105

<i>(\$ in thousands)</i>	<b>Unrealized Gains and (Losses) on Securities Available-for-Sale</b>	
Balance December 31, 2012	\$	(287)
Unrealized net gains on investments, net of tax of \$120		233
Amounts reclassified from accumulated other comprehensive income		
Net current-period other comprehensive income		233
Balance March 31, 2013	\$	(54)

**7. Stock-based Compensation**

The Company has an Omnibus Incentive and Equity Plan (the Plan) under which officers, employees and directors may be granted equity-based awards, including restricted stock units (RSUs), stock options and unrestricted shares of common stock. At March 31, 2014, 451,855 shares of common stock remain available for issuance of the 1,800,000 shares that were reserved for issuance under the Plan. Each RSU entitles the holder to one share of Virtus common stock when the restriction expires. RSUs generally have a term of one to three years and may be time-vested or

performance-contingent. Stock options generally cliff vest after three years and have a contractual life of ten years. Stock options are granted with an exercise price equal to the fair market value of the shares at the date of grant. The fair value of each RSU is estimated using the intrinsic value method, which is based on the fair market value price on the date of grant unless it contains a performance metric that is considered a market condition. RSUs that contain a market condition are valued using a simulation valuation model. Shares that are issued upon exercise of stock options and vesting of RSUs are newly issued shares from the Plan and are not issued from treasury stock.

***Restricted Stock Units***

RSU activity for the three months ended March 31, 2014 is summarized as follows:

	<b>Number of Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Outstanding at December 31, 2013	233,763	\$ 87.97
Granted	43,803	\$ 183.95
Forfeited		\$
Settled	(95,997)	\$ 61.99
Outstanding at March 31, 2014	181,569	\$ 124.86

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For the three months ended March 31, 2014 and 2013, a total of 42,021 and 27,747 RSUs, respectively, were withheld by the Company as a result of net share settlements to satisfy employee tax withholding obligations. During the three months ended March 31, 2014 and 2013, the Company paid \$7.4 million and \$5.2 million, respectively, in employee tax withholding obligations related to RSUs that vested during each period. These net share settlements had the effect of share repurchases by the Company as they reduced the number of shares that would have been otherwise issued as a result of the vesting.

**Stock Options**

Stock option activity for the three months ended March 31, 2014 is summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2013	190,160	\$ 20.11
Granted		\$
Fund Snapshot		
Common Share Price	\$ 14.73	
Common Share Net Asset Value (NAV)	\$ 14.71	
Premium/(Discount) to NAV	0.14%	
Market Yield	4.56%	
Taxable-Equivalent Yield <sup>1</sup>	6.74%	
Net Assets Applicable to Common Shares (\$000)	\$ 67,039	
Leverage		
Regulatory Leverage	32.49%	
Effective Leverage	34.98%	

Average Annual Total Returns  
(Inception 9/25/02)

	On Share Price	On NAV
1-Year	11.12%	12.04%
5-Year	5.62%	5.42%
Since Inception	5.11%	5.38%

Portfolio Composition<sup>3</sup>  
(as a % of total investments)

Tax Obligation/General	17.3%
U.S. Guaranteed	16.6%
Water and Sewer	15.6%
Tax Obligation/Limited	12.1%
Health Care	11.6%
Education and Civic Organizations	8.2%
Housing/Multifamily	4.2%
Other	14.4%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 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 a national rating agency.
- 3 Holdings are subject to change.

NNC Nuveen North Carolina  
 Performance Premium Income  
 OVERVIEW Municipal Fund

as of May 31, 2012

## Fund Snapshot

Common Share Price	\$	15.97
Common Share Net Asset Value (NAV)	\$	15.30
Premium/(Discount) to NAV		4.38%
Market Yield		4.28%
Taxable-Equivalent Yield <sup>1</sup>		6.45%
Net Assets Applicable to Common Shares (\$000)	\$	97,497

## Leverage

Regulatory Leverage	33.82%
Effective Leverage	36.08%

Average Annual Total Returns  
(Inception 5/20/93)

	On Share Price	On NAV
1-Year	16.23%	11.88%
5-Year	7.39%	6.23%
10-Year	5.10%	6.19%

Portfolio Composition<sup>3</sup>

(as a % of total investments)

Health Care	20.7%
Tax Obligation/Limited	19.5%
U.S. Guaranteed	15.4%
Water and Sewer	13.8%
Education and Civic Organizations	10.7%
Transportation	8.1%
Other	11.8%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 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 a national rating agency.
- 3 Holdings are subject to change.





NRB Nuveen North Carolina  
 Performance Dividend Advantage  
 OVERVIEW Municipal Fund

as of May 31, 2012

## Fund Snapshot

Common Share Price	\$	16.50
Common Share Net Asset Value (NAV)	\$	15.91
Premium/(Discount) to NAV		3.71%
Market Yield		4.58%
Taxable-Equivalent Yield <sup>1</sup>		6.90%
Net Assets Applicable to Common Shares (\$000)	\$	36,201

## Leverage

Regulatory Leverage	31.44%
Effective Leverage	38.69%

Average Annual Total Returns  
(Inception 1/25/01)

	On Share Price	On NAV
1-Year	16.29%	14.22%
5-Year	5.45%	6.94%
10-Year	6.30%	6.88%

Portfolio Composition<sup>3</sup>

(as a % of total investments)

Water and Sewer	27.2%
Health Care	17.9%
Tax Obligation/Limited	17.2%
Transportation	9.5%
Tax Obligation/General	6.8%
U.S. Guaranteed	6.4%
Education and Civic Organizations	5.2%
Other	9.8%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 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 a national rating agency.
- 3 Holdings are subject to change.



NNO Nuveen North Carolina  
 Performance Dividend Advantage  
 OVERVIEW Municipal Fund 2

as of May 31, 2012

## Fund Snapshot

Common Share Price	\$	15.83
Common Share Net Asset Value (NAV)	\$	15.72
Premium/(Discount) to NAV		0.70%
Market Yield		4.62%
Taxable-Equivalent Yield <sup>1</sup>		6.96%
Net Assets Applicable to Common Shares (\$000)	\$	59,014

## Leverage

Regulatory Leverage	33.48%
Effective Leverage	36.95%

Average Annual Total Returns  
(Inception 11/15/01)

	On Share Price	On NAV
1-Year	17.23%	13.66%
5-Year	5.76%	6.53%
10-Year	6.26%	6.63%

Portfolio Composition<sup>3</sup>(as a % of total  
investments)

Health Care	22.0%
Water and Sewer	19.9%
Tax Obligation/Limited	19.1%
U.S. Guaranteed	12.5%
Transportation	9.2%
Tax Obligation/General	6.2%
Other	11.1%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 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 a national rating agency.
- 3 Holdings are subject to change.

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NII Nuveen North Carolina  
 Performance Dividend Advantage  
 OVERVIEW Municipal Fund 3

as of May 31, 2012

## Fund Snapshot

Common Share Price	\$	15.66
Common Share Net Asset Value (NAV)	\$	15.41
Premium/(Discount) to NAV		1.62%
Market Yield		4.67%
Taxable-Equivalent Yield <sup>1</sup>		7.03%
Net Assets Applicable to Common Shares (\$000)	\$	60,686

## Leverage

Regulatory Leverage	32.13%
Effective Leverage	37.37%

Average Annual Total Returns  
(Inception 9/25/02)

	On Share Price	On NAV
1-Year	15.87%	14.09%
5-Year	6.69%	6.66%
Since Inception	5.67%	6.00%

Portfolio Composition<sup>3</sup>(as a % of total  
investments)

Water and Sewer	25.0%
Health Care	18.2%
Tax Obligation/Limited	16.2%
U.S. Guaranteed	15.8%
Utilities	8.4%
Transportation	6.7%
Other	9.7%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 33.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 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 a national rating agency.
- 3 Holdings are subject to change.



## NPG Shareholder Meeting Report

NZX

NKG

The annual meeting of shareholders was held in the offices of Nuveen Investments on December 16, 2011; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies, the approval of new Fundamental Investment Policies, the approval of the issuance of additional common shares and the approval of an Agreement and Plan of Reorganization. The meeting was subsequently adjourned to January 31, 2012. The meeting was additionally adjourned to March 5, 2012. The meeting for NPG, NZX, NNC, NRB, NNO and NII was additionally adjourned to April 13, 2012. NPG, NZX, NNO and NII additionally adjourned to May 14, 2012. NPG was additionally adjourned to May 15, 2012.

	NPG		NZX		NKG	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	3,514,377	1,418,116	1,853,926	737,568	—	1,639,530
Against	236,130	126,719	122,935	87,512	—	102,303
Abstain	57,717	14,466	102,654	29,700	—	43,400
Broker Non-Votes	805,275	309,964	405,472	129,719	—	362,754
Total	4,613,499	1,869,265	2,484,987	984,499	—	2,147,987
To approve the issuance of additional common shares.						
For	—	—	—	—	3,918,546	—
Against	—	—	—	—	318,964	—
Abstain	—	—	—	—	137,244	—
	—	—	—	—	945,510	—
Total	—	—	—	—	5,320,264	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.						
For	3,160,222	1,126,060	1,612,871	543,686	3,882,836	1,598,780
Against	255,523	129,519	134,118	85,712	340,310	106,053
Abstain	73,751	11,466	111,971	24,700	151,608	42,400
Broker Non-Votes	862,734	360,620	414,532	135,101	945,510	362,754
Total	4,352,230	1,627,665	2,273,492	789,199	5,320,264	2,109,987

To approve the new fundamental policy relating to the Fund's ability to make loans.

For	3,159,489	1,123,060	1,609,601	546,686	3,876,116	1,595,180
Against	264,266	129,519	136,743	82,712	348,193	107,553
Abstain	65,741	14,466	112,616	24,700	150,445	44,500
Broker Non-Votes	862,734	360,620	414,532	135,101	945,510	362,754
Total	4,352,230	1,627,665	2,273,492	789,199	5,320,264	2,109,987

Approval of the Board Members was reached as follows:

John P. Amboian

For	4,144,628	—	2,112,355	—	4,979,938	—
Withhold	207,602	—	161,137	—	340,326	—
Total	4,352,230	—	2,273,492	—	5,320,264	—

William C. Hunter

For	—	1,529,270	—	723,095	—	2,003,632
Withhold	—	98,395	—	66,104	—	106,355
Total	—	1,627,665	—	789,199	—	2,109,987

David J. Kundert

For	4,144,628	—	2,112,355	—	4,977,338	—
Withhold	207,602	—	161,137	—	342,926	—
Total	4,352,230	—	2,273,492	—	5,320,264	—

William J. Schneider

For	—	1,529,270	—	723,095	—	2,001,132
Withhold	—	98,395	—	66,104	—	108,855
Total	—	1,627,665	—	789,199	—	2,109,987

Terence J. Toth

For	4,144,629	—	2,112,355	—	4,979,138	—
Withhold	207,601	—	161,137	—	341,126	—
Total	4,352,230	—	2,273,492	—	5,320,264	—

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NNC  
NRB  
NNO

	NNC		NRB		NNO	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	6,342,662	2,502,566	2,214,091	846,964	3,761,433	1,528,669
Against	234,631	100,848	110,340	30,000	194,828	50,870
Abstain	261,810	128,000	50,590	3,700	153,000	52,000
Broker Non-Votes	1,208,580	369,420	451,447	145,700	905,496	338,879
Total	8,047,683	3,100,834	2,826,468	1,026,364	5,014,757	1,970,418
To approve the issuance of additional common shares.						
For	5,806,052	—	—	—	—	—
Against	333,004	—	—	—	—	—
Abstain	184,258	—	—	—	—	—
	1,377,057	—	—	—	—	—
Total	7,700,371	—	—	—	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.						
For	5,799,795	2,046,922	1,884,442	653,675	3,279,122	1,160,468
Against	334,690	139,548	135,911	35,000	246,122	54,970
Abstain	188,829	37,400	41,510	3,700	111,471	25,000
Broker Non-Votes	1,377,057	534,020	523,982	182,489	980,508	429,871
Total	7,700,371	2,757,890	2,585,845	874,864	4,617,223	1,670,309
To approve the new fundamental policy relating to the Fund's ability to make loans.						
For	5,774,338	2,033,422	1,882,008	653,675	3,287,176	1,170,468
Against	362,323	148,048	138,345	35,000	239,227	44,970
Abstain	186,653	42,400	41,510	3,700	110,312	25,000
Broker Non-Votes	1,377,057	534,020	523,982	182,489	980,508	429,871

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Total	7,700,371	2,757,890	2,585,845	874,864	4,617,223	1,670,309
Approval of the Board Members was reached as follows:						
John P. Amboian						
For	7,422,670	—	2,493,227	—	4,449,881	—
Withhold	277,701	—	92,618	—	167,342	—
Total	7,700,371	—	2,585,845	—	4,617,223	—
William C. Hunter						
For	—	2,673,342	—	844,664	—	1,642,707
Withhold	—	84,548	—	30,200	—	27,602
Total	—	2,757,890	—	874,864	—	1,670,309
David J. Kundert						
For	7,455,126	—	2,493,227	—	4,462,110	—
Withhold	245,245	—	92,618	—	155,113	—
Total	7,700,371	—	2,585,845	—	4,617,223	—
William J. Schneider						
For	—	2,673,342	—	844,664	—	1,642,707
Withhold	—	84,548	—	30,200	—	27,602
Total	—	2,757,890	—	874,864	—	1,670,309
Terence J. Toth						
For	7,450,826	—	2,493,227	—	4,462,110	—
Withhold	249,545	—	92,618	—	155,113	—
Total	7,700,371	—	2,585,845	—	4,617,223	—

Nuveen Investments 25

## Shareholder Meeting Report (continued)

NII

	Common and Preferred shares voting together as a class	NII  Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.		
For	3,832,343	1,441,463
Against	245,015	117,730
Abstain	116,198	21,200
Broker Non-Votes	690,962	184,024
Total	4,884,518	1,764,417
To approve the issuance of additional common shares.		
For	—	—
Against	—	—
Abstain	—	—
Total	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.		
For	3,483,826	1,149,580
Against	266,230	100,224
Abstain	121,421	22,200
Broker Non-Votes	748,718	241,307
Total	4,620,195	1,513,311
To approve the new fundamental policy relating to the Fund's ability to make loans.		
For	3,461,581	1,148,080
Against	285,889	102,724
Abstain	124,007	21,200
Broker Non-Votes	748,718	241,307
Total	4,620,195	1,513,311
Approval of the Board Members was reached as follows:		
John P. Amboian		
For	4,285,783	—
Withhold	247,680	—
Total	4,533,463	—
William C. Hunter		
For	—	1,354,155
Withhold	—	72,424
Total	—	1,426,579
David J. Kundert		
For	4,302,344	—
Withhold	231,119	—

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Total	4,533,463	—
William J. Schneider		
For	—	1,354,155
Withhold	—	72,424
Total	—	1,426,579
Terence J. Toth		
For	4,298,431	—
Withhold	235,032	—
Total	4,533,463	—

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Report of Independent  
Registered Public Accounting Firm

The Board of Trustees and Shareholders  
Nuveen Georgia Premium Income Municipal Fund  
Nuveen Georgia Dividend Advantage Municipal Fund  
Nuveen Georgia Dividend Advantage Municipal Fund 2  
Nuveen North Carolina Premium Income Municipal Fund  
Nuveen North Carolina Dividend Advantage Municipal Fund  
Nuveen North Carolina Dividend Advantage Municipal Fund 2  
Nuveen North Carolina Dividend Advantage Municipal Fund 3

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Georgia Premium Income Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund 2, Nuveen North Carolina Premium Income Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund 2, and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (the “Funds”) as of May 31, 2012, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of May 31, 2012, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Georgia Premium Income Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund, Nuveen Georgia Dividend Advantage Municipal Fund 2, Nuveen North Carolina Premium Income Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund, Nuveen North Carolina Dividend Advantage Municipal Fund 2, and Nuveen North Carolina Dividend Advantage Municipal Fund 3 at May 31, 2012, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois  
July 26, 2012

Nuveen Investments

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NPG		Nuveen Georgia Premium Income Municipal Fund Portfolio of Investments		May 31, 2012	
Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value	
	Consumer Staples – 4.8% (3.2% of Total Investments)				
\$ 25,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2005A, 0.000%, 5/15/50	5/15 at 11.19	BBB-\$	1,789,250	
1,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39	5/12 at 100.00	BBB+	997,180	
26,000	Total Consumer Staples			2,786,430	
	Education and Civic Organizations – 19.6% (13.2% of Total Investments)				
750	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2	819,263	
1,300	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	1,363,180	
1,550	Bulloch County Development Authority, Georgia, Student Housing and Athletic Facility Lease Revenue Bonds, Georgia Southern University, Series 2004, 5.250%, 8/01/21 – SYNCORA GTY Insured	8/14 at 100.00	A1	1,631,871	
700	Carrollton Payroll Development Authority, Georgia, Student Housing Revenue Bonds, University of West Georgia, Series 2004A, 5.000%, 9/01/21 – SYNCORA GTY Insured	9/14 at 100.00	A1	737,996	
1,535	Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech Molecular Science Building, Series 2004, 5.250%, 5/01/15 – NPFG Insured	5/14 at 100.00	Aa3	1,665,429	
150	Georgia Higher Education Facilities Authority, Revenue Bonds, USG Real Estate Foundation I LLC Project, Series 2008, 6.000%, 6/15/28	6/18 at 100.00	A2	168,213	
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:				
270	17.027%, 3/01/17 (IF)	No Opt. Call	AA+	407,646	
430	17.055%, 3/01/17 (IF)	No Opt. Call	AA+	631,773	
530	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University Project, Refunding Series 2012C, 5.250%, 10/01/30	10/22 at 100.00	Baa2	575,304	

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1,180	Savannah Economic Development Authority, Georgia, Revenue Bonds, Armstrong Atlantic State University, Compass Point LLC Project, Series 2005, 5.000%, 7/01/25 – SYNCORA GTY Insured	7/15 at 100.00	A2	1,240,794
1,490	Savannah Economic Development Authority, Georgia, Revenue Bonds, Armstrong Center LLC, Series 2005A, 5.000%, 12/01/34 – SYNCORA GTY Insured	12/15 at 100.00	A3	1,559,777
500	Savannah Economic Development Authority, Georgia, Revenue Bonds, GTREP Project, Series 2002, 5.000%, 7/01/22 – NPFG Insured	7/12 at 100.00	Aa3	501,750
10,385	Total Education and Civic Organizations Health Care – 14.8% (10.0% of Total Investments)			11,302,996
140	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1998, 5.250%, 12/01/22	6/12 at 100.00	BB	128,127
750	Chatham County Hospital Authority, Georgia, Seven Mill Tax Pledge Refunding and Improvement Revenue Bonds, Memorial Health University Medical Center Inc., Series 2012A, 5.000%, 1/01/31	1/22 at 100.00	AA	847,095
	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004:			
100	5.000%, 12/01/19	12/14 at 100.00	BBB–	101,029
900	5.250%, 12/01/22	12/14 at 100.00	BBB–	910,071
185	5.000%, 12/01/26	12/14 at 100.00	BBB–	186,598
100	Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc. Project, Series 2010, 5.000%, 6/15/40	6/20 at 100.00	AA–	106,285
1,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.000%, 12/01/40	12/20 at 100.00	N/R	1,085,910
	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B:			
300	5.125%, 2/15/40	2/20 at 100.00	AA–	319,410
1,700	5.250%, 2/15/45	2/41 at 100.00	AA–	1,833,178

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 900	Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series 2007, 5.250%, 10/01/35	10/17 at 100.00	A+	\$ 953,721
225	Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical Center of Central Georgia Inc., Series 2009, 5.000%, 8/01/35	8/19 at 100.00	AA	239,247
1,000	Savannah Hospital Authority, Georgia, Revenue Bonds, St. Joseph's/Candler Health System, Series 2003, 5.250%, 7/01/23 – RAAI Insured	1/14 at 100.00	A3	1,015,120
800	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+	832,000
8,100	Total Health Care			8,557,791
	Housing/Multifamily – 2.0% (1.3% of Total Investments)			
100	Cobb County Development Authority, Georgia, Revenue Bonds, KSU University II Real Estate Foundation, LLC Project, Series 2011, 5.000%, 7/15/41 – AGM Insured	7/21 at 100.00	AA–	109,214
1,000	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2	1,015,850
1,100	Total Housing/Multifamily			1,125,064
	Housing/Single Family – 1.6% (1.0% of Total Investments)			
900	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	6/12 at 100.00	AAA	901,359
	Industrials – 3.1% (2.1% of Total Investments)			
1,000	Cartersville Development Authority, Georgia, Sewage and Solid Waste Disposal Facilities Refunding and Revenue Bonds, Anheuser Busch Project, Senior Lien Series 2007, 5.500%, 3/01/44 (Alternative Minimum Tax)	9/12 at 100.00	A	1,002,080
750	Fulton County Development Authority, Georgia, Local District Cooling Authority Revenue Bonds, Maxon Atlantic Station LLC, Series 2005A, 5.125%, 3/01/26 (Mandatory put 3/01/15) (Alternative Minimum Tax)	9/15 at 100.00	BBB	762,855
1,750	Total Industrials			1,764,935
	Materials – 1.8% (1.2% of Total Investments)			
1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue	8/12 at 100.50	BBB	1,008,380

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Bonds, International Paper Company, Series  
2001A, 6.250%, 2/01/25 (Alternative Minimum  
Tax)

Tax Obligation/General – 32.6% (22.0% of Total  
Investments)

540	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	568,534
500	Clark County Hospital Authority, Georgia, Hospital Revenue Bonds, Athens Regional Medical Center, Series 2007, 5.000%, 1/01/27 – NPFPG Insured	1/17 at 100.00	Aa1	537,740
2,215	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00	AA+	2,466,048
3,000	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 – NPFPG Insured	7/12 at 101.00	Aa2	3,033,960
1,090	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center, Series 2003, 5.000%, 7/01/19 – NPFPG Insured	7/13 at 101.00	Aa2	1,136,063
1,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	1,146,890
905	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.375%, 5/01/32 – AGC Insured	5/19 at 100.00	AA–	1,004,604
1,000	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	1,139,000
100	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA	116,783
210	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	251,469
1,800	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	2,017,026

Nuveen Investments

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NPG Nuveen Georgia Premium Income Municipal Fund (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$ 1,060	Henry County Hospital Authority, Georgia, Revenue Certificates, Henry Medical Center, Series 2004, 5.000%, 7/01/20 – NPMFG Insured	7/14 at 101.00	Aa1	\$ 1,128,434
1,750	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	1,941,188
250	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	Aa2	273,068
500	Wayne County Hospital Authority, Georgia, Hospital Revenue Bonds, Series 2006, 5.000%, 3/01/23 – SYNCORA GTY Insured	3/16 at 100.00	N/R	506,900
1,340	Winder-Barrow Industrial Building Authority, Georgia, Revenue Bonds, City of Winder Project, Refunding Series 2012, 5.000%, 12/01/29 – AGM Insured	12/21 at 100.00	Aa3	1,552,310
17,260	Total Tax Obligation/General			18,820,017
	Tax Obligation/Limited – 21.3% (14.4% of Total Investments)			
	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007:			
70	5.250%, 12/01/19 – AGC Insured	12/17 at 100.00	AA–	78,621
420	5.000%, 12/01/23 – AGC Insured	12/17 at 100.00	AA–	451,924
580	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	7/15 at 100.00	A–	633,453
	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:			
50	5.400%, 1/01/20	7/15 at 100.00	A–	53,791
150	5.600%, 1/01/30	7/15 at 100.00	A–	159,555
150	Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31	1/16 at 100.00	BBB–	151,545
2,000	Cobb-Marietta Coliseum and Exhibit Hall Authority, Cobb County, Georgia, Revenue Bonds, Performing Arts Center, Series 2004, 5.000%, 1/01/22	1/14 at 100.00	AAA	2,133,680

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125	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Bonds, Refunding Series 2005, 5.500%, 10/01/26 – NPMG Insured	No Opt. Call	A+	160,389
3,890	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993, 5.625%, 10/01/26 – NPMG Insured	10/19 at 100.00	BBB	4,505,437
135	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	146,483
2,600	Macon-Bibb County Urban Development Authority, Georgia, Revenue Refunding Bonds, Public Facilities Projects, Series 2002A, 5.375%, 8/01/17	8/12 at 101.00	AA	2,647,034
1,000	Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Refunding Bonds, Series 1992P, 6.250%, 7/01/20 – AMBAC Insured	No Opt. Call	Aa2	1,186,630
11,170	Total Tax Obligation/Limited Transportation – 6.4% (4.3% of Total Investments)			12,308,542
2,290	Atlanta, Georgia, Airport General Revenue Bonds, Series 2004G, 5.000%, 1/01/26 – AGM Insured	1/15 at 100.00	AA–	2,463,582
1,160	Atlanta, Georgia, Airport General Revenue Bonds, Series 2012C, 5.000%, 1/01/42 (Alternative Minimum Tax)	1/22 at 100.00	A+	1,242,488
3,450	Total Transportation U.S. Guaranteed – 7.6% (5.1% of Total Investments) (4)			3,706,070
1,000	Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002, 5.000%, 12/15/16 (Pre-refunded 12/15/12) – AMBAC Insured	12/12 at 100.00	N/R (4)	1,023,920
735	Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer, and Light Commission Project, Series 2002, 5.250%, 1/01/18 (Pre-refunded 1/01/13) – FGIC Insured	1/13 at 100.00	N/R (4)	756,690
1,950	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/22 (Pre-refunded 1/01/14) – FGIC Insured	1/14 at 100.00	AA– (4)	2,094,495
25	Georgia Municipal Electric Authority, Senior Lien General Power Revenue Bonds, Series 1993Z, 5.500%, 1/01/20 (Pre-refunded 1/01/17) – FGIC Insured	1/17 at 100.00	A+ (4)	28,075
500	Georgia, General Obligation Bonds, Series 2002D, 5.000%, 8/01/16 (Pre-refunded 8/01/12)	8/12 at 100.00	Aaa	504,025
4,210	Total U.S. Guaranteed			4,407,205

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Utilities – 12.7% (8.6% of Total Investments)			
\$ 1,000	Georgia Municipal Electric Authority, General Power Revenue Bonds, Project 1, Series 2007A, 5.000%, 1/01/25 – NPFPG Insured	1/17 at 100.00	A+	\$ 1,088,820
975	Georgia Municipal Electric Authority, Senior Lien General Power Revenue Bonds, Series 1993Z, 5.500%, 1/01/20 – FGIC Insured	No Opt. Call	A+	1,078,282
	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2006B:			
250	5.000%, 3/15/20	No Opt. Call	A	266,175
500	5.000%, 3/15/21	No Opt. Call	A	535,740
750	5.000%, 3/15/22	No Opt. Call	A	802,733
250	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2007A, 5.000%, 3/15/18	No Opt. Call	Aa3	284,515
1,000	Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A, 5.000%, 11/01/20 – NPFPG Insured	11/13 at 100.00	A1	1,050,570
1,000	Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 – NPFPG Insured	1/13 at 100.00	A+	1,021,920
1,200	Virgin Islands Water and Power Authority, Electric System Revenue Bonds, Series 2007B, 5.000%, 7/01/31	7/17 at 100.00	Baa3	1,213,140
6,925	Total Utilities			7,341,895
	Water and Sewer – 20.3% (13.6% of Total Investments)			
190	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.000%, 11/01/38 – FGIC Insured	11/12 at 100.00	A1	190,276
1,225	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/24 – AGM Insured	11/14 at 100.00	AA–	1,304,588
2,490	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA	2,726,525
335	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2001, 5.250%, 6/01/26 – AMBAC Insured	6/13 at 100.00	Aa2	339,579
	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007:			
500	5.000%, 6/01/32	6/18 at 100.00	Aa2	547,495
150	5.000%, 6/01/37	6/18 at 100.00	Aa2	162,209
500	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2006B,	10/26 at 100.00	Aa2	607,095

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	5.250%, 10/01/32 – AGM Insured			
100	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Second Resolution Series 2011A, 5.250%, 10/01/41	10/21 at 100.00	Aa3	112,681
890	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPMG Insured	6/17 at 100.00	Aa2	987,428
750	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa	831,705
500	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Cobb County-Marietta Water Authority Loans, Series 2011, 5.250%, 2/15/36	2/21 at 100.00	Aaa	567,354

Nuveen Investments

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NPG Nuveen Georgia Premium Income Municipal Fund (continued)  
Portfolio of Investments  
May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$ 1,000	Midgeville, Georgia, Water and Sewerage Revenue Refunding Bonds, Series 1996, 6.000%, 12/01/21 – AGM Insured	No Opt. Call	AA-\$	1,227,259
1,000	Unified Government of Athens-Clarke County, Georgia, Water and Sewerage Revenue Bonds, Series 2008, 5.500%, 1/01/38	1/19 at 100.00	AA+	1,129,509
890	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	951,667
10,520	Total Water and Sewer			11,685,370
\$ 102,770	Total Investments (cost \$79,464,477) – 148.6%			85,716,054
	Floating Rate Obligations – (2.1)%			(1,190,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (49.1)% (5)			(28,340,000)
	Other Assets Less Liabilities – 2.6%			1,506,465
	Net Assets Applicable to Common Shares – 100%			\$ 57,692,519

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.1%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

32 Nuveen Investments

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NZX Nuveen Georgia Dividend Advantage Municipal Fund  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 3.5% (2.4% of Total Investments)			
\$ 15,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2005A, 0.000%, 5/15/50	5/15 at 11.19	BBB–\$	1,073,550
	Education and Civic Organizations – 13.4% (9.4% of Total Investments)			
500	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2	546,175
1,200	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	1,258,320
625	Fulton County Development Authority Georgia Tech Foundation, 5.000%, 11/01/31	5/22 at 100.00	AA+	731,225
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:			
145	17.027%, 3/01/17 (IF)	No Opt. Call	AA+	218,921
230	17.055%, 3/01/17 (IF)	No Opt. Call	AA+	337,925
265	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University Project, Refunding Series 2012C, 5.250%, 10/01/30	10/22 at 100.00	Baa2	287,652
750	Savannah Economic Development Authority, Georgia, Revenue Bonds, GTREP Project, Series 2002, 5.000%, 7/01/19 – NPFG Insured	7/12 at 100.00	Aa3	752,723
3,715	Total Education and Civic Organizations			4,132,941
	Health Care – 16.1% (11.3% of Total Investments)			
195	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1998, 5.375%, 12/01/28	12/12 at 100.00	BB	169,436
500	Chatham County Hospital Authority, Georgia, Seven Mill Tax Pledge Refunding and Improvement Revenue Bonds, Memorial Health University Medical Center Inc., Series 2012A, 5.000%, 1/01/31	1/22 at 100.00	AA	564,730
500	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004: 5.250%, 12/01/22	12/14 at 100.00	BBB–	505,595

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45	5.000%, 12/01/26	12/14 at 100.00	BBB-	45,389
115	Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc. Project, Series 2010, 5.000%, 6/15/40	6/20 at 100.00	AA-	122,228
500	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.000%, 12/01/40	12/20 at 100.00	N/R	542,955
600	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B, 5.250%, 2/15/45	2/41 at 100.00	AA-	647,004
500	Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series 2007, 5.250%, 10/01/35	10/17 at 100.00	A+	529,845
	Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical Center of Central Georgia Inc., Series 2009:			
200	5.000%, 8/01/32	8/19 at 100.00	AA	215,508
300	5.000%, 8/01/35	8/19 at 100.00	AA	318,996
500	Savannah Hospital Authority, Georgia, Revenue Bonds, St. Joseph's/Candler Health System, Series 2003, 5.250%, 7/01/23 – RAAI Insured	1/14 at 100.00	A3	507,560
750	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+	780,000
4,705	Total Health Care			4,949,246
	Housing/Multifamily – 2.9% (2.1% of Total Investments)			
500	Cobb County Development Authority, Georgia, Revenue Bonds, KSU University II Real Estate Foundation, LLC Project, Series 2011, 5.000%, 7/15/41 – AGM Insured	7/21 at 100.00	AA-	546,070
350	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2	355,548
850	Total Housing/Multifamily			901,618

Nuveen Investments

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NZX Nuveen Georgia Dividend Advantage Municipal Fund (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Housing/Single Family – 5.4% (3.8% of Total Investments)			
\$ 650	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2002B-2, 5.350%, 12/01/22 (Alternative Minimum Tax)	6/12 at 100.00	AAA	\$ 650,982
1,000	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2006C-2, 4.500%, 12/01/27 (Alternative Minimum Tax)	12/15 at 100.00	AAA	1,022,900
1,650	Total Housing/Single Family			1,673,882
	Industrials – 1.7% (1.2% of Total Investments)			
500	Fulton County Development Authority, Georgia, Local District Cooling Authority Revenue Bonds, Maxon Atlantic Station LLC, Series 2005A, 5.125%, 3/01/26 (Mandatory put 3/01/15) (Alternative Minimum Tax)	9/15 at 100.00	BBB	508,570
	Materials – 2.1% (1.4% of Total Investments)			
20	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company, Series 2003A, 5.750%, 11/01/27 (Alternative Minimum Tax)	11/13 at 100.00	BBB	21,008
600	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Refunding Bonds, International Paper Company, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax)	2/13 at 100.00	BBB	607,902
620	Total Materials			628,910
	Tax Obligation/General – 31.9% (22.4% of Total Investments)			
360	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	379,022
500	Clarke County Hospital Authority, Georgia, Hospital Revenue Bonds, Athens Regional Medical Center, Series 2007, 5.000%, 1/01/27 – NPMFG Insured	1/17 at 100.00	Aa1	537,740
600	Clarke County Hospital Authority, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2012, 5.000%, 1/01/32	1/22 at 100.00	Aa1	674,544
200			AA+	222,668

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	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00		
2,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	2,293,780
250	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.500%, 5/01/38 – AGC Insured	5/19 at 100.00	AA–	273,958
500	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	569,500
700	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA	817,481
100	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	119,747
1,000	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	1,120,570
500	Henry County Hospital Authority, Georgia, Revenue Certificates, Henry Medical Center, Series 2004, 5.000%, 7/01/20 – NPFPG Insured	7/14 at 101.00	Aa1	532,280
150	La Grange-Troup County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series 2008A, 5.500%, 7/01/38	7/18 at 100.00	Aa2	163,262
250	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	277,313
1,000	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	Aa2	1,092,270
660	Winder-Barrow Industrial Building Authority, Georgia, Revenue Bonds, City of Winder Project, Refunding Series 2012, 5.000%, 12/01/29 – AGM Insured	12/21 at 100.00	Aa3	764,570
8,770	Total Tax Obligation/General			9,838,705

34 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited – 12.9% (9.1% of Total Investments)			
\$ 40	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007, 5.000%, 12/01/23 – AGC Insured	12/17 at 100.00	AA–\$	43,040
500	Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008B. Remarketed, 7.375%, 1/01/31	1/19 at 100.00	N/R	552,615
100	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	7/15 at 100.00	A–	109,216
	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:			
330	5.400%, 1/01/20	7/15 at 100.00	A–	355,017
75	5.600%, 1/01/30	7/15 at 100.00	A–	79,778
750	Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31	1/16 at 100.00	BBB–	757,725
	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993:			
250	5.500%, 10/01/18 – NPFQ Insured	No Opt. Call	BBB	272,740
100	5.625%, 10/01/26 – NPFQ Insured	10/19 at 100.00	BBB	115,821
135	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	146,483
1,525	Macon-Bibb County Urban Development Authority, Georgia, Revenue Refunding Bonds, Public Facilities Projects, Series 2002A, 5.000%, 8/01/14	8/12 at 101.00	AA	1,552,176
3,805	Total Tax Obligation/Limited			3,984,611
	Transportation – 8.7% (6.1% of Total Investments)			
515	Atlanta, Georgia, Airport General Revenue Bonds, Series 2012C, 5.000%, 1/01/42 (Alternative Minimum Tax)	1/22 at 100.00	A+	551,622
1,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2011B, 5.000%, 1/01/30	1/21 at 100.00	A+	1,078,420
1,000	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Refunding Series 2004C, 5.000%, 1/01/33 – AGM Insured	7/14 at 100.00	AA–	1,060,370
2,515	Total Transportation			2,690,412
	U.S. Guaranteed – 16.8% (11.8% of Total Investments) (4)			
1,000	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East	12/12 at 100.00	Aa2 (4)	1,024,870

	Campus Housing LLC Project, Series 2002, 5.250%, 12/01/21 (Pre-refunded 12/01/12) – AMBAC Insured			
1,500	Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer, and Light Commission Project, Series 2002, 5.250%, 1/01/18 (Pre-refunded 1/01/13) – FGIC Insured	1/13 at 100.00	N/R (4)	1,544,265
500	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/22 (Pre-refunded 1/01/14) – FGIC Insured	1/14 at 100.00	AA– (4)	537,050
2,000	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2002, 5.250%, 10/01/27 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 101.00	A+ (4)	2,051,940
5,000	Total U.S. Guaranteed Utilities – 7.5% (5.3% of Total Investments)			5,158,125
200	Burke County Development Authority, Georgia, Pollution Control Revenue Bonds, Ogelthrope Power Company – Vogtle Plant, Series 2008, 0.900%, 1/01/39 (Mandatory put 3/01/13)	No Opt. Call	A	199,970
	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2006B:			
500	5.000%, 3/15/20	No Opt. Call	A	532,350
300	5.000%, 3/15/21	No Opt. Call	A	321,444
250	5.000%, 3/15/22	No Opt. Call	A	267,578
400	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2007A, 5.000%, 3/15/18	No Opt. Call	Aa3	455,224
500	Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A, 5.250%, 11/01/15 – NPMFG Insured	11/13 at 100.00	A1	530,020
2,150	Total Utilities			2,306,586

Nuveen Investments

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NZX Nuveen Georgia Dividend Advantage Municipal Fund (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer – 19.5% (13.7% of Total Investments)			
\$ 1,200	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.000%, 11/01/24 – AGM Insured	11/14 at 100.00	AA–\$	1,277,964
625	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA	684,369
350	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 6/01/37	6/18 at 100.00	Aa2	378,487
250	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2006B, 5.250%, 10/01/32 – AGM Insured	10/26 at 100.00	Aa2	303,547
1,000	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Second Resolution Series 2011A, 5.250%, 10/01/41	10/21 at 100.00	Aa3	1,126,809
890	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPMF Insured	6/17 at 100.00	Aa2	987,427
375	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa	415,852
385	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/35 – FGIC Insured	1/14 at 100.00	AA–	403,614
400	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	427,715
5,475	Total Water and Sewer			6,005,784
\$ 54,755	Total Investments (cost \$40,757,936) – 142.4%			43,852,940
	Floating Rate Obligations – (2.1%)			(660,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (46.6%) (5)			(14,340,000)
	Other Assets Less Liabilities – 6.3%			1,950,897
	Net Assets Applicable to Common Shares – 100%		\$	30,803,837

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

(2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may

be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.7%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

NKKG Nuveen Georgia Dividend Advantage Municipal Fund 2  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 3.5% (2.4% of Total Investments)			
\$ 5,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2005A, 0.000%, 5/15/50	5/15 at 11.19	BBB-\$	357,850
2,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39	11/12 at 100.00	BBB+	1,994,360
7,000	Total Consumer Staples			2,352,210
	Education and Civic Organizations – 12.1% (8.2% of Total Investments)			
500	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2009, 5.250%, 6/15/35	6/19 at 100.00	Aa2	546,175
2,500	Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC Project, Series 2007, 5.000%, 7/01/39	7/17 at 100.00	Aa3	2,621,500
2,000	Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech – Klaus Parking and Family Housing, Series 2003, 5.000%, 11/01/23 – NPFGE Insured	11/13 at 100.00	Aa3	2,104,040
1,050	Fulton County Development Authority, Georgia, Revenue Bonds, TUFF Morehouse Project, Series 2002A, 5.000%, 2/01/34 – AMBAC Insured	8/12 at 100.00	A2	1,051,061
	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 2009B, Trust 3404:			
315	17.027%, 3/01/17 (IF)	No Opt. Call	AA+	475,587
490	17.055%, 3/01/17 (IF)	No Opt. Call	AA+	719,928
530	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University Project, Refunding Series 2012C, 5.250%, 10/01/30	10/22 at 100.00	Baa2	575,304
7,385	Total Education and Civic Organizations			8,093,595
	Health Care – 17.1% (11.6% of Total Investments)			
	Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center, Series 1998:			
65	5.250%, 12/01/22	6/12 at 100.00	BB	59,487
550	5.375%, 12/01/28	12/12 at 100.00	BB	477,895

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750	Chatham County Hospital Authority, Georgia, Seven Mill Tax Pledge Refunding and Improvement Revenue Bonds, Memorial Health University Medical Center Inc., Series 2012A, 5.000%, 1/01/31	1/22 at 100.00	AA	847,095
	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004:			
185	5.000%, 12/01/19	12/14 at 100.00	BBB-	186,904
1,000	5.250%, 12/01/22	12/14 at 100.00	BBB-	1,011,190
500	Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc. Project, Series 2010, 5.000%, 6/15/40	6/20 at 100.00	AA-	531,425
1,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.000%, 12/01/40	12/20 at 100.00	N/R	1,085,910
	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B:			
700	5.125%, 2/15/40	2/20 at 100.00	AA-	745,290
1,645	5.250%, 2/15/45	2/41 at 100.00	AA-	1,773,869
1,140	Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series 2007, 5.250%, 10/01/35	10/17 at 100.00	A+	1,208,047
	Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical Center of Central Georgia Inc., Series 2009:			
225	5.000%, 8/01/32	8/19 at 100.00	AA	242,447
450	5.000%, 8/01/35	8/19 at 100.00	AA	478,494
2,000	Savannah Hospital Authority, Georgia, Revenue Bonds, St. Joseph's/Candler Health System, Series 2003, 5.250%, 7/01/23 – RAAI Insured	1/14 at 100.00	A3	2,030,240

Nuveen Investments

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Nuveen Georgia Dividend Advantage Municipal Fund 2 (continued)  
 NKG Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 750	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center, Series 2007, 5.000%, 10/01/33	10/17 at 100.00	A+	\$ 780,000
10,960	Total Health Care			11,458,293
	Housing/Multifamily – 6.2% (4.2% of Total Investments)			
1,000	Cobb County Development Authority, Georgia, Revenue Bonds, KSU University II Real Estate Foundation, LLC Project, Series 2011, 5.000%, 7/15/41 – AGM Insured	7/21 at 100.00	AA–	1,092,140
25	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 – AMBAC Insured	7/17 at 100.00	Baa2	25,396
	Savannah Economic Development Authority, Georgia, GNMA Collateralized Multifamily Housing Revenue Bonds, Snap I-II-III Apartments, Series 2002A:			
500	5.150%, 11/20/22 (Alternative Minimum Tax)	11/12 at 102.00	AA+	513,745
980	5.200%, 11/20/27 (Alternative Minimum Tax)	11/12 at 102.00	AA+	1,005,019
1,465	5.250%, 11/20/32 (Alternative Minimum Tax)	11/12 at 102.00	AA+	1,501,010
3,970	Total Housing/Multifamily			4,137,310
	Housing/Single Family – 0.3% (0.2% of Total Investments)			
170	Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2006C-2, 4.550%, 12/01/31 (Alternative Minimum Tax)	12/15 at 100.00	AAA	171,681
	Industrials – 4.6% (3.1% of Total Investments)			
2,190	Cobb County Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Georgia Waste Management Project, Series 2004A, 5.000%, 4/01/33 (Alternative Minimum Tax)	4/16 at 101.00	BBB	2,303,376
750	Fulton County Development Authority, Georgia, Local District Cooling Authority Revenue Bonds, Maxon Atlantic Station LLC, Series 2005A, 5.125%, 3/01/26 (Mandatory put 3/01/15) (Alternative Minimum Tax)	9/15 at 100.00	BBB	762,855
2,940	Total Industrials			3,066,231

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Materials – 2.5% (1.7% of Total Investments)

1,000	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax)	8/12 at 100.50	BBB	1,008,380
250	Richmond County Development Authority, Georgia, Environmental Improvement Revenue Refunding Bonds, International Paper Company, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax)	2/13 at 100.00	BBB	253,293
370	Savannah Economic Development Authority, Georgia, Pollution Control Revenue Bonds, Union Camp Corporation, Series 1995, 6.150%, 3/01/17	No Opt. Call	Baa3	415,469
1,620	Total Materials			1,677,142
	Tax Obligation/General – 25.5% (17.3% of Total Investments)			
600	Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 – AMBAC Insured (Alternative Minimum Tax)	7/17 at 100.00	AA+	631,704
900	Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 – AGM Insured	1/17 at 100.00	AA+	1,002,006
1,000	Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 – NCFG Insured	7/12 at 101.00	Aa2	1,011,320
1,000	Forsyth County, Georgia, General Obligation Bonds, Series 2004, 5.250%, 3/01/19	3/14 at 101.00	Aaa	1,089,330
1,000	Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization Bonds, Loan Pool Series 2011, 5.125%, 3/15/31	3/21 at 100.00	Aaa	1,146,890
915	Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose Project, Series 2009, 5.500%, 5/01/38 – AGC Insured	5/19 at 100.00	AA–	1,002,684
1,000	Georgia State, General Obligation Bonds, Series 2005B, 5.000%, 7/01/15	No Opt. Call	AAA	1,139,000
1,700	Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24	8/17 at 100.00	AAA	1,985,311
1,645	Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	AAA	1,969,838
750	Georgia, General Obligation Bonds, Series 1998D, 5.250%, 10/01/15	No Opt. Call	AAA	867,885

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$ 2,100	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36 (UB)	2/18 at 100.00	AAA	\$ 2,353,197
295	La Grange-Troup County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series 2008A, 5.500%, 7/01/38	7/18 at 100.00	Aa2	321,081
475	Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%, 2/01/33	2/17 at 100.00	AA+	526,894
1,000	Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia Medical Center Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	Aa2	1,092,270
950	Wayne County Hospital Authority, Georgia, Hospital Revenue Bonds, Series 2006, 5.000%, 3/01/23 – SYNCORA GTY Insured	3/16 at 100.00	N/R	963,110
15,330	Total Tax Obligation/General			17,102,520
	Tax Obligation/Limited – 17.9% (12.1% of Total Investments)			
	Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Series 2007:			
80	5.250%, 12/01/21 – AGC Insured	12/17 at 100.00	AA–	88,236
620	5.000%, 12/01/23 – AGC Insured	12/17 at 100.00	AA–	667,126
1,000	Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008B. Remarketed, 7.375%, 1/01/31	1/19 at 100.00	N/R	1,105,230
385	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005A, 5.625%, 1/01/16 (Alternative Minimum Tax)	7/15 at 100.00	A–	420,482
	Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:			
450	5.400%, 1/01/20	7/15 at 100.00	A–	484,115
350	5.600%, 1/01/30	7/15 at 100.00	A–	372,295
750	Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31	1/16 at 100.00	BBB–	757,725
	Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993:			
210	5.500%, 10/01/18 – NCFG Insured	No Opt. Call	BBB	229,102
1,755	5.625%, 10/01/26 – NCFG Insured	10/19 at 100.00	BBB	2,032,659

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750	Georgia Municipal Association Inc., Certificates of Participation, Atlanta Court Project, Series 2002, 5.125%, 12/01/21 – AMBAC Insured	6/13 at 100.00	N/R	758,678
135	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	146,483
2,500	Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Refunding Bonds, Series 1992P, 6.250%, 7/01/20 – AMBAC Insured	No Opt. Call	Aa2	2,966,575
1,945	Tift County Hospital Authority, Georgia, Revenue Anticipation Bonds, Tift Regional Medical Center, Series 2002, 5.250%, 12/01/19 – AMBAC Insured	12/12 at 101.00	Aa3	1,983,064
10,930	Total Tax Obligation/Limited Transportation – 4.8% (3.2% of Total Investments)			12,011,770
1,035	Atlanta, Georgia, Airport General Revenue Bonds, Series 2012C, 5.000%, 1/01/42 (Alternative Minimum Tax)	1/22 at 100.00	A+	1,108,599
1,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2011B, 5.000%, 1/01/30	1/21 at 100.00	A+	1,078,420
1,000	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Series 2004J, 5.000%, 1/01/34 – AGM Insured	1/15 at 100.00	AA–	1,044,640
3,035	Total Transportation			3,231,659
	U.S. Guaranteed – 24.5% (16.6% of Total Investments) (4)			
	Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus Housing LLC Project, Series 2002:			
180	5.000%, 12/01/33 (Pre-refunded 12/01/12) – AMBAC Insured	12/12 at 100.00	Aa2 (4)	184,252
2,320	5.000%, 12/01/33 (Pre-refunded 12/01/12) – AMBAC Insured	12/12 at 100.00	Aa2 (4)	2,376,005
1,225	Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002, 5.000%, 12/15/18 (Pre-refunded 12/15/12) – AMBAC Insured	12/12 at 100.00	N/R (4)	1,254,302

Nuveen Investments

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NKG Nuveen Georgia Dividend Advantage Municipal Fund 2 (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (4) (continued)			
\$ 1,000	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.250%, 10/01/22 (Pre-refunded 10/01/12) – AGM Insured	10/12 at 100.00	AA- (4)	\$ 1,016,970
1,000	Cherokee County School System, Georgia, General Obligation Bonds, Series 2003, 5.000%, 8/01/16 (Pre-refunded 8/01/13) – NPFPG Insured	8/13 at 100.00	AA+ (4)	1,055,690
2,000	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2002, 5.000%, 4/01/32 (Pre-refunded 4/01/13)	4/13 at 100.00	Aaa	2,079,460
	Newnan Hospital Authority, Georgia, Revenue Anticipation Certificates, Newnan Hospital Inc., Series 2002:			
2,260	5.500%, 1/01/19 (Pre-refunded 1/01/13) – NPFPG Insured	1/13 at 100.00	Aa3 (4)	2,329,992
3,020	5.500%, 1/01/20 (Pre-refunded 1/01/13) – NPFPG Insured	1/13 at 100.00	Aa3 (4)	3,113,529
	Oconee County, Georgia, General Obligation Bonds, Recreation Project, Series 2003:			
1,410	5.500%, 1/01/23 (Pre-refunded 1/01/13) – AMBAC Insured	1/13 at 101.00	Aa2 (4)	1,467,669
1,470	5.250%, 1/01/26 (Pre-refunded 1/01/13) – AMBAC Insured	1/13 at 101.00	Aa2 (4)	1,527,977
15,885	Total U.S. Guaranteed			16,405,846
	Utilities – 5.6% (3.8% of Total Investments)			
1,000	Georgia Municipal Electric Authority, General Power Revenue Bonds, Project 1, Series 2007A, 5.000%, 1/01/25 – NPFPG Insured	1/17 at 100.00	A+	1,088,820
	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2006B:			
250	5.000%, 3/15/20	No Opt. Call	A	266,175
500	5.000%, 3/15/21	No Opt. Call	A	535,740
500	5.000%, 3/15/22	No Opt. Call	A	535,155
300	Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2007A, 5.000%, 3/15/18	No Opt. Call	Aa3	341,418
1,000	Municipal Electric Authority of Georgia, Project One Subordinated Lien Revenue Bonds, Series 2003A, 5.000%, 1/01/22 – NPFPG Insured	1/13 at 100.00	A+	1,021,920
3,550	Total Utilities			3,789,228
	Water and Sewer – 23.0% (15.6% of Total Investments)			

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Atlanta, Georgia, Water and Wastewater Revenue  
Bonds, Series 2004:

500	5.250%, 11/01/15 – AGM Insured	11/14 at 100.00	AA–	551,535
700	5.000%, 11/01/37 – AGM Insured	11/14 at 100.00	AA–	729,806
3,500	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/27 – AGM Insured	10/12 at 100.00	AA–	3,524,780
1,990	Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%, 8/01/35 – AGM Insured	8/18 at 100.00	AA	2,179,030
	Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007:			
500	5.000%, 6/01/32	6/18 at 100.00	Aa2	547,495
500	5.000%, 6/01/37	6/18 at 100.00	Aa2	540,695
500	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2006B, 5.250%, 10/01/32 – AGM Insured	10/26 at 100.00	Aa2	607,095
750	DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Second Resolution Series 2011A, 5.250%, 10/01/41	10/21 at 100.00	Aa3	845,108
1,000	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2005, 5.000%, 6/01/29 – NPMG Insured	12/15 at 100.00	Aa2	1,105,740
445	Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewer Revenue Bonds, Series 2007, 5.000%, 6/01/37 – NPMG Insured	6/17 at 100.00	Aa2	493,713

40 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$ 375	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%, 4/01/37 – AGM Insured	4/17 at 100.00	Aaa	\$ 415,852
3,100	Harris County, Georgia, Water System Revenue Bonds, Series 2002, 5.000%, 12/01/22 – AMBAC Insured	12/12 at 100.00	A+	3,158,992
685	Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	2/18 at 100.00	Aa2	732,463
14,545	Total Water and Sewer			15,432,304
\$ 97,320	Total Investments (cost \$93,325,443) – 147.6%			98,929,789
	Floating Rate Obligations – (2.1)%			(1,395,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (48.1)% (5)			(32,265,000)
	Other Assets Less Liabilities – 2.6%			1,769,123
	Net Assets Applicable to Common Shares – 100%			\$ 67,038,912

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor’s Group (“Standard & Poor’s”), Moody’s Investors Service, Inc. (“Moody’s”) or Fitch, Inc. (“Fitch”) rating. Ratings below BBB by Standard & Poor’s, Baa by Moody’s or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.6%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.



NNC Nuveen North Carolina Premium Income Municipal Fund  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 16.5% (10.7% of Total Investments)			
\$ 2,500	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2005A, 5.000%, 10/01/41 (UB)	10/15 at 100.00	AA+	\$ 2,708,700
	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A:			
970	5.250%, 4/01/23 – SYNCORA GTY Insured	4/13 at 100.00	N/R	985,375
500	5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	503,560
1,530	University of North Carolina System, Pooled Revenue Bonds, Series 2005A, 5.000%, 4/01/15 – AMBAC Insured	No Opt. Call	A+	1,715,987
	University of North Carolina Wilmington, Certificates of Participation, Student Housing Project Revenue Bonds, Series 2006:			
1,430	5.000%, 6/01/23 – FGIC Insured	6/16 at 100.00	A–	1,546,574
1,505	5.000%, 6/01/24 – FGIC Insured	6/16 at 100.00	A–	1,619,952
	University of North Carolina, Chapel Hill, System Net Revenue Bonds, Series 2003:			
2,380	5.000%, 12/01/19	12/13 at 100.00	Aaa	2,528,464
2,725	5.000%, 12/01/21	12/13 at 100.00	Aaa	2,892,451
1,500	5.000%, 12/01/23	12/13 at 100.00	Aaa	1,594,965
15,040	Total Education and Civic Organizations			16,096,028
	Health Care – 31.9% (20.7% of Total Investments)			
1,145	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/27	10/17 at 100.00	N/R	1,151,252
500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA–	548,665
2,300	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	2,414,678

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1,750	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2012A, 5.000%, 1/15/43 (WI/DD, Settling 6/01/12)	1/22 at 100.00	AA-	1,914,168
1,000	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008A, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA-	1,090,740
2,570	Nash Health Care Systems, North Carolina, Health Care Facilities Revenue Bonds, Series 2012, 5.000%, 11/01/41	5/22 at 100.00	A	2,721,373
225	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA-	247,311
500	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A: 5.250%, 11/01/40	11/20 at 100.00	AA-	537,800
3,000	5.000%, 11/01/43	11/20 at 100.00	AA-	3,180,600
500	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	514,115
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	1,152,970
2,335	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, FirstHealth of the Carolinas Project, Refunding Series 2012A, 4.000%, 10/01/39	10/17 at 100.00	AA	2,325,263
920	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA-	958,042
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/19	11/13 at 100.00	AA-	2,097,680
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanly Memorial Hospital, Series 1999, 6.375%, 10/01/29	10/12 at 100.00	BBB+	2,009,900
3,000	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.375%, 6/01/32	6/13 at 100.00	A	3,031,980



Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 1,500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/27	11/17 at 100.00	A-\$	1,565,445
1,395	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A	1,413,651
	North Carolina Medical Care Commission, Revenue Bonds, Cleveland County Healthcare System, Series 2004A:			
600	5.250%, 7/01/20 – AMBAC Insured	7/14 at 100.00	A	629,160
500	5.250%, 7/01/22 – AMBAC Insured	7/14 at 100.00	A	520,590
300	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB	322,116
700	Onslow County Hospital Authority, North Carolina, FHA Insured Mortgage Revenue Bonds, Onslow Memorial Hospital Project, Series 2006, 5.000%, 4/01/31 – NPFGE Insured	10/16 at 100.00	BBB	733,663
29,740	Total Health Care			31,081,162
	Housing/Multifamily – 3.5% (2.3% of Total Investments)			
2,260	Mecklenburg County, North Carolina, FNMA Multifamily Housing Revenue Bonds, Little Rock Apartments, Series 2003, 5.375%, 1/01/36 (Alternative Minimum Tax)	7/13 at 105.00	AA+	2,396,662
1,000	North Carolina Capital Facilities Financing Agency, Housing Revenue Bonds, Elizabeth City State University, Series 2003A, 5.000%, 6/01/28 – AMBAC Insured	6/13 at 100.00	N/R	1,005,270
3,260	Total Housing/Multifamily			3,401,932
	Housing/Single Family – 2.6% (1.7% of Total Investments)			
700	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA	700,686
885	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2007-29A, 4.800%, 7/01/33 (Alternative Minimum Tax)	1/17 at 100.00	AA	908,196
100	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2011-1, 4.500%, 1/01/28	1/21 at 100.00	AA	107,587
775	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A, 4.900%,	7/16 at 100.00	AA	792,949



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7/01/37 (Alternative Minimum Tax)

2,460	Total Housing/Single Family Long-Term Care – 0.4% (0.2% of Total Investments)			2,509,418
375	North Carolina Medical Care Commission, Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36	1/16 at 100.00	A–	379,335
	Materials – 0.5% (0.3% of Total Investments)			
500	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27	3/17 at 100.00	BBB	506,735
	Tax Obligation/General – 4.5% (2.9% of Total Investments)			
1,820	Durham, North Carolina, General Obligation Bonds, Series 2007, 5.000%, 4/01/21	4/17 at 100.00	AAA	2,113,202
2,000	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	2,262,940
3,820	Total Tax Obligation/General Tax Obligation/Limited – 30.0% (19.5% of Total Investments)			4,376,142
1,700	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.375%, 6/01/26	6/13 at 100.00	AA+	1,771,995
950	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	1,033,752
1,505	Charlotte, North Carolina, Certificates of Participation, Transit Projects, Series 2003A, 5.000%, 6/01/33	6/13 at 100.00	AA+	1,556,170
	Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002:			
1,050	5.250%, 6/01/20	6/13 at 100.00	AAA	1,064,574
1,750	5.000%, 6/01/25	6/13 at 100.00	AAA	1,773,713

Nuveen Investments

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NNC Nuveen North Carolina Premium Income Municipal Fund (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 1,400	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPFPG Insured	6/17 at 100.00	AA-\$	1,529,444
1,000	Davidson County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/14 – AMBAC Insured	No Opt. Call	Aa3	1,084,740
395	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	428,599
750	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/28 – AGC Insured	6/19 at 100.00	AA-	830,843
945	Jacksonville Public Facilities Corporation, North Carolina, Limited Obligation Bonds, Series 2012, 5.000%, 4/01/29 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	1,082,772
	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004:			
1,715	5.250%, 4/01/18 – AGM Insured	4/14 at 100.00	AA-	1,835,839
500	5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA-	530,660
1,000	5.250%, 4/01/22 – AGM Insured	4/14 at 100.00	AA-	1,053,330
200	Mecklenburg County, North Carolina, Certificates of Participation, Series 2009A, 5.000%, 2/01/27	2/19 at 100.00	AA+	224,564
3,315	North Carolina Turnpike Authority, Monroe Connector System State Appropriation Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	AA	3,741,607
2,000	Puerto Rico Highway and Transportation Authority, Grant Anticipation Revenue Bonds, Series 2004, 5.000%, 9/15/21 – NPFPG Insured	3/14 at 100.00	A+	2,037,200
3,675	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	1,019,298
285	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	311,639
1,000	Randolph County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/20 – AGM Insured	6/14 at 102.00	AA-	1,078,840
1,000	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA-	1,101,030

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1,950	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA–	2,073,455
1,200	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	1,328,460
700	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	760,326
29,985	Total Tax Obligation/Limited Transportation – 12.5% (8.1% of Total Investments)			29,252,850
2,500	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	Aa3	2,749,950
600	Charlotte, North Carolina, Airport Revenue Bonds, Series 2004A: 5.250%, 7/01/24 – NPFPG Insured	7/14 at 100.00	Aa3	651,204
2,710	5.000%, 7/01/29 – NPFPG Insured	7/14 at 100.00	Aa3	2,873,603
1,020	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	1,117,084
600	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A, 5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA–	677,808
4,230	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B: 0.000%, 1/01/33 – AGC Insured	No Opt. Call	AA–	1,653,803
655	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA–	208,853
500	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA–	151,425
500	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A–	542,750
1,375	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	5/20 at 100.00	Aa3	1,534,115
14,690	Total Transportation			12,160,595

44 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed – 23.7% (15.4% of Total Investments) (4)			
\$ 1,330	Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/17 (Pre-refunded 2/01/13)	2/13 at 100.00	AA (4)	\$ 1,374,834
1,800	Catawba County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/21 (Pre-refunded 6/01/14) – NPFPG Insured	6/14 at 100.00	Aa2 (4)	1,974,942
1,295	Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2005A, 5.000%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 100.00	AAA	1,471,638
25	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2003C, 5.375%, 1/01/17 (Pre-refunded 1/01/13)	1/13 at 100.00	A– (4)	25,669
	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:			
5	5.500%, 1/01/17 (Pre-refunded 7/01/12) – FGIC Insured	7/12 at 100.00	A– (4)	5,022
65	5.500%, 1/01/21 (Pre-refunded 7/01/12)	7/12 at 100.00	A– (4)	65,287
3,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2003F, 5.500%, 1/01/15 (Pre-refunded 1/01/13)	1/13 at 100.00	A– (4)	3,091,470
1,500	North Carolina Infrastructure Finance Corporation, Certificates of Participation, Correctional Facilities, Series 2004A, 5.000%, 2/01/23 (Pre-refunded 2/01/14)	2/14 at 100.00	AA+ (4)	1,616,805
735	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	N/R (4)	814,064
4,260	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1986, 5.000%, 1/01/20 (ETM)	No Opt. Call	Aaa	5,378,889
2,285	North Carolina State University at Raleigh, General Revenue Bonds, Series 2003A, 5.000%, 10/01/15 (Pre-refunded 10/01/13)	10/13 at 100.00	Aa1 (4)	2,429,526
1,500	North Carolina, Certificates of Participation, Repair and Renovation Project, Series 2004B, 5.000%, 6/01/20 (Pre-refunded 6/01/14)	6/14 at 100.00	AA+ (4)	1,638,330
	North Carolina, Certificates of Participation, Series 2003:			
1,130	5.250%, 6/01/21 (Pre-refunded 6/01/13)	6/13 at 100.00	AA+ (4)	1,184,703
1,000	5.250%, 6/01/23 (Pre-refunded 6/01/13)	6/13 at 100.00	AA+ (4)	1,048,410

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University of North Carolina System, Pooled  
Revenue Refunding Bonds, Series 2002A:

420	5.375%, 4/01/22 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	427,316
460	5.375%, 4/01/22 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	467,981
120	5.375%, 4/01/22 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	A+ (4)	122,087
20,930	Total U.S. Guaranteed			23,136,973
Utilities – 6.8% (4.4% of Total Investments)				
1,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	1,139,540
1,375	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2012A, 5.000%, 1/01/25	7/22 at 100.00	A–	1,615,996
165	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 6.000%, 1/01/22 – FGIC Insured	No Opt. Call	Baa1	213,368
575	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	635,444
2,000	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/15 – AMBAC Insured	1/13 at 100.00	A	2,056,160
1,000	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/13 at 100.50	A1	1,013,660
6,115	Total Utilities			6,674,168
Water and Sewer – 21.2% (13.8% of Total Investments)				
1,605	Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2005, 5.000%, 6/01/20 – SYNCORA GTY Insured	6/15 at 100.00	A2	1,709,405
500	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA–	556,100
2,135	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2011, 5.000%, 8/01/31	8/21 at 100.00	AA	2,485,140

Nuveen Investments

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NNC Nuveen North Carolina Premium Income Municipal Fund (continued)  
Portfolio of Investments  
May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$ 2,540	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/36	2/21 at 100.00	AA	\$ 2,872,257
1,000	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41	6/21 at 100.00	AAA	1,139,380
550	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A: 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA–	633,424
1,000	6.000%, 6/01/36 – AGC Insured	6/19 at 100.00	AA–	1,149,680
	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011:			
500	5.625%, 6/01/30 – AGC Insured	6/21 at 100.00	AA–	587,965
1,300	5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA–	1,509,443
500	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	535,380
1,000	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00	Baa2	1,061,260
1,325	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Refunding Series 2012A, 5.000%, 3/01/31	3/22 at 100.00	AAA	1,582,779
500	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A, 5.000%, 3/01/31	3/16 at 100.00	AAA	554,394
3,865	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	4,307,079
18,320	Total Water and Sewer			20,683,686
\$ 145,235	Total Investments (cost \$140,132,425) – 154.1%			150,259,024
	Floating Rate Obligations – (5.3)%			(5,195,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (51.1)% (5)			(49,835,000)
	Other Assets Less Liabilities – 2.3%			2,267,931
	Net Assets Applicable to Common Shares – 100%			\$ 97,496,955

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

(2)

Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.2%.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

NRB Nuveen North Carolina Dividend Advantage Municipal Fund  
 Portfolio of Investments  
 May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 8.3% (5.2% of Total Investments)			
\$ 750	Fayetteville State University, North Carolina, Limited Obligation Revenue Bonds, Student Housing Project, Series 2011, 5.000%, 4/01/43 – AGM Insured	4/21 at 100.00	AA–\$	805,020
150	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	151,068
285	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A, 5.375%, 4/01/17 – AMBAC Insured	10/12 at 100.00	A+	288,981
1,750	University of North Carolina, Chapel Hill, System Net Revenue Bonds, Series 2001A, 5.000%, 12/01/25	12/12 at 100.00	Aaa	1,756,090
2,935	Total Education and Civic Organizations			3,001,159
	Health Care – 28.6% (17.9% of Total Investments)			
590	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/38	10/17 at 100.00	N/R	567,975
1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA–	1,097,330
950	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	997,367
500	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2012A, 5.000%, 1/15/43	1/22 at 100.00	AA–	546,905
250	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008A, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA–	272,685
430	Nash Health Care Systems, North Carolina, Health Care Facilities Revenue Bonds, Series 2012, 5.000%, 11/01/41	5/22 at 100.00	A	455,327
30	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical	10/19 at 100.00	AA–	32,975



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Center, Series 2006B, 5.125%, 10/01/31 – AGM  
Insured

North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:					
1,000	5.250%, 11/01/40	11/20 at 100.00	AA–		1,075,600
500	5.000%, 11/01/43	11/20 at 100.00	AA–		530,100
250	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A		257,058
180	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+		207,535
330	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA–		343,646
980	North Carolina Medical Care Commission, Healthcare Revenue Bonds, Carolina Medicorp, Series 1996, 5.250%, 5/01/26	11/12 at 100.00	AA–		981,725
1,500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.250%, 6/01/22	6/13 at 100.00	A		1,517,085
500	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/20	11/17 at 100.00	A–		547,100
250	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A		253,343
150	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB		161,058

Nuveen Investments

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NRB Nuveen North Carolina Dividend Advantage Municipal Fund (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 500	Onslow County Hospital Authority, North Carolina, FHA Insured Mortgage Revenue Bonds, Onslow Memorial Hospital Project, Series 2006, 5.000%, 4/01/31 – NPMFG Insured	10/16 at 100.00	BBB	\$ 524,045
9,890	Total Health Care			10,368,859
	Housing/Single Family – 5.3% (3.3% of Total Investments)			
280	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA	280,274
225	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2007-29A, 4.800%, 7/01/33 (Alternative Minimum Tax)	1/17 at 100.00	AA	230,897
1,000	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2011-1, 4.500%, 1/01/28	1/21 at 100.00	AA	1,075,870
310	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A, 4.900%, 7/01/37 (Alternative Minimum Tax)	7/16 at 100.00	AA	317,180
1,815	Total Housing/Single Family			1,904,221
	Long-Term Care – 1.8% (1.1% of Total Investments)			
	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Presbyterian Homes, Series 2006:			
200	5.400%, 10/01/27	10/16 at 100.00	N/R	202,292
300	5.500%, 10/01/31	10/16 at 100.00	N/R	302,850
150	North Carolina Medical Care Commission, Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36	1/16 at 100.00	A-	151,734
650	Total Long-Term Care			656,876
	Materials – 1.1% (0.7% of Total Investments)			
400	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27	3/17 at 100.00	BBB	405,388
	Tax Obligation/General – 10.9% (6.8% of Total Investments)			

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1,000	Durham, North Carolina, General Obligation Bonds, Series 2007, 5.000%, 4/01/21	4/17 at 100.00	AAA	1,161,100
	North Carolina State, General Obligation Bonds, Series 2004A:			
1,000	5.000%, 3/01/18	3/14 at 100.00	AAA	1,077,110
1,000	5.000%, 3/01/22	3/14 at 100.00	AAA	1,073,290
550	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	622,309
3,550	Total Tax Obligation/General Tax Obligation/Limited – 27.5% (17.2% of Total Investments)			3,933,809
1,400	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.375%, 6/01/26	6/13 at 100.00	AA+	1,459,290
305	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	331,889
160	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/23 – NPMG Insured	6/17 at 100.00	AA–	178,867
1,250	Davidson County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/21 – AMBAC Insured	6/14 at 100.00	Aa3	1,356,750
1,390	Durham, North Carolina, Certificates of Participation, Series 2005B, 5.000%, 6/01/25	6/15 at 100.00	AA+	1,526,818
135	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	146,483
50	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/28 – AGC Insured	6/19 at 100.00	AA–	55,390

48 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Jacksonville Public Facilities Corporation, North Carolina, Limited Obligation Bonds, Series 2012:			
\$ 615	5.000%, 4/01/30 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	\$ 700,774
200	5.000%, 4/01/32 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	225,212
1,500	North Carolina Turnpike Authority, Monroe Connector System State Appropriation Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	AA	1,693,035
525	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	145,614
470	Raleigh, North Carolina, Certificates of Participation, Downtown Improvement Project, Series 2004B, 5.000%, 6/01/20	6/14 at 100.00	AA+	504,221
170	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	185,890
150	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA–	165,155
700	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA–	744,317
250	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	276,763
250	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	271,545
9,520	Total Tax Obligation/Limited Transportation – 15.2% (9.5% of Total Investments)			9,968,013
1,000	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	Aa3	1,099,980
700	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International, Series 2010B, 5.000%, 7/01/36 (Alternative Minimum Tax)	7/21 at 100.00	Aa3	750,372
360	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	394,265
500	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010B, 5.000%, 2/01/29	2/20 at 100.00	A3	544,935
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series			

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2009A:

140	5.000%, 1/01/21 – AGC Insured	1/19 at 100.00	AA–	163,479
50	5.375%, 1/01/26 – AGC Insured	1/19 at 100.00	AA–	56,933
285	5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA–	322,452
275	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA–	310,662
North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:				
2,300	0.000%, 1/01/34 – AGC Insured	No Opt. Call	AA–	855,508
175	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA–	52,999
300	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A–	325,650
550	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	5/20 at 100.00	Aa3	613,646
6,635	Total Transportation			5,490,881
U.S. Guaranteed – 10.3% (6.4% of Total Investments) (4)				
100	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AA+ (4)	111,995
500	Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2005A, 5.000%, 6/01/25 (Pre-refunded 6/01/15)	6/15 at 100.00	AAA	568,200

Nuveen Investments

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NRB Nuveen North Carolina Dividend Advantage Municipal Fund (continued)  
 Portfolio of Investments  
 May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
U.S. Guaranteed (4) (continued)				
\$ 745	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 (Pre-refunded 7/01/12) – FGIC Insured	7/12 at 100.00	A– (4)\$	748,293
300	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	N/R (4)	332,271
1,020	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A: 5.375%, 4/01/17 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	1,037,768
910	5.375%, 4/01/17 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	925,789
3,575	Total U.S. Guaranteed			3,724,316
Utilities – 7.6% (4.7% of Total Investments)				
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	569,770
525	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2012A, 5.000%, 1/01/25	7/22 at 100.00	A–	617,017
25	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	27,628
1,500	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/13 at 100.50	A1	1,520,490
2,550	Total Utilities			2,734,905
Water and Sewer – 43.5% (27.2% of Total Investments)				
100	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA–	111,220
505	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/35	8/18 at 100.00	AA	576,594
1,000	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2008, 5.000%, 7/01/38	7/18 at 100.00	AAA	1,134,390
250	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/41	2/21 at 100.00	AA	279,698

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1,500	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41	6/21 at 100.00	AAA	1,709,070
700	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A, 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA–	806,176
400	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	428,304
550	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00	Baa2	583,693
275	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Refunding Series 2012A, 5.000%, 3/01/30	3/22 at 100.00	AAA	330,061

50 Nuveen Investments

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
\$ 4,440	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	\$ 4,923,028
3,000	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	3,326,370
5	Raleigh, North Carolina, Combined Enterprise System Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.726%, 3/01/14 (IF)	No Opt. Call	AAA	6,631
1,385	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	1,543,416
14,110	Total Water and Sewer			15,758,651
\$ 55,630	Total Investments (cost \$53,977,608) – 160.1%			57,947,078
	Floating Rate Obligations – (17.2)%			(6,235,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (45.9)% (5)			(16,600,000)
	Other Assets Less Liabilities – 3.0%			1,088,703
	Net Assets Applicable to Common Shares – 100%			\$ 36,200,781

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 28.6%.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.





NNO Nuveen North Carolina Dividend Advantage Municipal Fund 2  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 4.6% (2.9% of Total Investments)			
\$ 800	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	\$ 805,696
1,000	University of North Carolina System, Pooled Revenue Bonds, Series 2005A, 5.000%, 4/01/22 – AMBAC Insured	4/15 at 100.00	A+	1,093,940
500	University of North Carolina Wilmington, Certificates of Participation, Student Housing Project Revenue Bonds, Series 2006, 5.000%, 6/01/21 – FGIC Insured	6/16 at 100.00	A–	546,720
250	University of North Carolina, Charlotte, Certificates of Participation, Student Housing Project, Series 2005, 5.000%, 3/01/21 – AMBAC Insured	3/15 at 100.00	A	268,670
2,550	Total Education and Civic Organizations			2,715,026
	Health Care – 34.3% (22.0% of Total Investments)			
1,065	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/38	10/17 at 100.00	N/R	1,025,244
750	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA–	822,998
500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	524,930
1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2011A, 5.250%, 1/15/42	1/21 at 100.00	AA–	1,118,580
1,500	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2012A, 5.000%, 1/15/43 (WI/DD, Settling 6/01/12)	1/22 at 100.00	AA–	1,640,715
500	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008A, 5.250%,	4/18 at 100.00	AA–	545,370

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10/01/36 – AGM Insured				
430	Nash Health Care Systems, North Carolina, Health Care Facilities Revenue Bonds, Series 2012, 5.000%, 11/01/41	5/22 at 100.00	A	455,327
120	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA–	131,899
	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:			
1,250	5.250%, 11/01/40	11/20 at 100.00	AA–	1,344,500
1,000	5.000%, 11/01/43	11/20 at 100.00	AA–	1,060,200
1,000	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	1,028,230
500	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	576,485
680	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Cleveland County Healthcare System, Refunding Series 2011A, 5.750%, 1/01/35	1/21 at 100.00	A	750,890
455	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA–	473,814
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/20	11/13 at 100.00	AA–	2,089,320
	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002:			
1,000	5.500%, 6/01/15	6/13 at 100.00	A	1,013,070
2,100	5.250%, 6/01/22	6/13 at 100.00	A	2,123,919
925	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/27	11/17 at 100.00	A–	965,358

52 Nuveen Investments

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 1,250	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A	\$ 1,266,713
	North Carolina Medical Care Commission, Revenue Bonds, Cleveland County Healthcare System, Series 2004A:			
595	5.250%, 7/01/20 – AMBAC Insured	7/14 at 100.00	A	623,917
500	5.250%, 7/01/22 – AMBAC Insured	7/14 at 100.00	A	520,590
150	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB	161,058
19,270	Total Health Care			20,263,127
	Housing/Single Family – 3.1% (2.0% of Total Investments)			
245	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative Minimum Tax)	7/12 at 100.00	AA	245,240
	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 13A:			
495	4.700%, 7/01/12 (Alternative Minimum Tax)	No Opt. Call	AA	496,361
475	4.850%, 7/01/13 (Alternative Minimum Tax)	No Opt. Call	AA	476,116
100	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2011-1, 4.500%, 1/01/28	1/21 at 100.00	AA	107,587
485	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A, 4.900%, 7/01/37 (Alternative Minimum Tax)	7/16 at 100.00	AA	496,233
1,800	Total Housing/Single Family			1,821,537
	Long-Term Care – 1.8% (1.1% of Total Investments)			
	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Presbyterian Homes, Series 2006:			
250	5.400%, 10/01/27	10/16 at 100.00	N/R	252,865
600	5.500%, 10/01/31	10/16 at 100.00	N/R	605,700
185	North Carolina Medical Care Commission, Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36	1/16 at 100.00	A–	187,139
1,035	Total Long-Term Care			1,045,704
	Materials – 0.5% (0.3% of Total Investments)			
300			BBB	304,041

	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27	3/17 at 100.00		
	Tax Obligation/General – 9.7% (6.2% of Total Investments)			
1,475	Durham, North Carolina, General Obligation Bonds, Series 2007, 5.000%, 4/01/22	4/17 at 100.00	AAA	1,731,429
1,050	Forsyth County, North Carolina, General Obligation Bonds, Limited Obligation Series 2009, 5.000%, 4/01/30	4/20 at 100.00	AA+	1,205,463
500	North Carolina State, General Obligation Bonds, Series 2004A, 5.000%, 3/01/22	3/14 at 100.00	AAA	536,645
2,000	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	2,262,940
5,025	Total Tax Obligation/General			5,736,477
	Tax Obligation/Limited – 29.9% (19.1% of Total Investments)			
1,750	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/28	6/13 at 100.00	AA+	1,809,500
575	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	625,692
1,850	Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002, 5.250%, 6/01/18	6/13 at 100.00	AAA	1,875,678
800	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPMF Insured	6/17 at 100.00	AA–	873,968

Nuveen Investments

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NNO Nuveen North Carolina Dividend Advantage Municipal Fund 2 (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 265	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	\$ 287,541
500	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/29 – AGC Insured	6/19 at 100.00	AA–	550,280
	Jacksonville Public Facilities Corporation, North Carolina, Limited Obligation Bonds, Series 2012:			
550	5.000%, 4/01/30 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	626,709
300	5.000%, 4/01/31 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	340,224
715	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004, 5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA–	758,844
1,750	North Carolina Turnpike Authority, Monroe Connector System State Appropriation Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	AA	1,975,208
1,380	Pasquotank County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/25 – NPFQ Insured	6/14 at 100.00	A	1,428,410
2,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	728,070
	Raleigh, North Carolina, Certificates of Participation, Downtown Improvement Project, Series 2004B:			
805	5.000%, 6/01/20	6/14 at 100.00	AA+	863,612
1,310	5.000%, 6/01/21	6/14 at 100.00	AA+	1,402,696
115	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	125,749
1,000	Randolph County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/20 – AGM Insured	6/14 at 102.00	AA–	1,078,840
100	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA–	110,103
1,150	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA–	1,222,807

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500	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	553,525
400	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	434,472
18,440	Total Tax Obligation/Limited Transportation – 14.3% (9.2% of Total Investments)			17,671,928
1,000	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	Aa3	1,099,980
1,935	Charlotte, North Carolina, Airport Revenue Bonds, Series 2004A, 5.000%, 7/01/34 – NPFGB Insured	7/14 at 100.00	Aa3	2,061,027
660	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	722,819
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A:			
90	5.375%, 1/01/26 – AGC Insured	1/19 at 100.00	AA–	102,479
220	5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA–	248,910
430	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA–	485,762
	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:			
150	0.000%, 1/01/31 – AGC Insured	No Opt. Call	AA–	65,427
125	0.000%, 1/01/33 – AGC Insured	No Opt. Call	AA–	48,871
50	0.000%, 1/01/35 – AGC Insured	No Opt. Call	AA–	17,808
5,600	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA–	1,785,616
350	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA–	105,998
435	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A–	472,193
1,100	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	5/20 at 100.00	Aa3	1,227,292
12,145	Total Transportation			8,444,182

54 Nuveen Investments

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed – 19.6% (12.5% of Total Investments) (4)			
	Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2002:			
\$ 1,040	5.000%, 7/15/14 (Pre-refunded 7/15/12) – NPFG Insured	7/12 at 100.00	Aa2 (4)	\$ 1,046,146
1,000	5.000%, 7/15/15 (Pre-refunded 7/15/12) – NPFG Insured	7/12 at 100.00	Aa2 (4)	1,005,910
30	Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/16 (Pre-refunded 2/01/13)	2/13 at 100.00	AA (4)	31,011
200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AA+ (4)	223,990
	Hartnett County, North Carolina, Certificates of Participation, Series 2002:			
1,000	5.250%, 12/01/15 (Pre-refunded 12/01/12) – AGM Insured	12/12 at 101.00	AA– (4)	1,035,430
1,525	5.375%, 12/01/16 (Pre-refunded 12/01/12) – AGM Insured	12/12 at 101.00	AA– (4)	1,579,992
	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:			
745	5.500%, 1/01/17 (Pre-refunded 7/01/12) – FGIC Insured	7/12 at 100.00	A– (4)	748,293
15	5.500%, 1/01/21 (Pre-refunded 7/01/12)	7/12 at 100.00	A– (4)	15,066
500	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	N/R (4)	553,785
2,070	Pitt County, North Carolina, Certificates of Participation, School Facilities Project, Series 2004B, 5.000%, 4/01/29 (Pre-refunded 4/01/14) – AMBAC Insured Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004:	4/14 at 100.00	AA (4)	2,245,536
1,000	5.000%, 3/01/21 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,080,170
1,250	5.000%, 3/01/22 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,350,213
130	University of North Carolina System, Pooled Revenue Bonds, Series 2002B, 5.375%, 4/01/19 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	A+ (4)	132,261
505	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A,	10/12 at 100.00	N/R (4)	513,762



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	5.375%, 4/01/19 (Pre-refunded 10/01/12) – AMBAC Insured			
11,010	Total U.S. Guaranteed			11,561,565
	Utilities – 7.5% (4.8% of Total Investments)			
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	569,770
800	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2012A, 5.000%, 1/01/25	7/22 at 100.00	A–	940,216
225	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	248,652
2,600	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/13 at 100.50	A1	2,635,516
4,125	Total Utilities			4,394,154
	Water and Sewer – 31.2% (19.9% of Total Investments)			
500	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA–	556,100
500	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/35	8/18 at 100.00	AA	570,885
1,520	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2002A, 5.250%, 7/01/13	No Opt. Call	AAA	1,603,448
500	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/41	2/21 at 100.00	AA	559,395
1,000	Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002, 5.000%, 6/01/23 – NPFGE Insured	6/13 at 100.00	AA	1,036,970
3,050	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41	6/21 at 100.00	AAA	3,475,109
610	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 6/01/23 – NPFGE Insured	6/18 at 100.00	A2	677,314

Nuveen Investments

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NNO Nuveen North Carolina Dividend Advantage Municipal Fund 2 (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$ 700	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A, 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA-\$	806,176
500	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011, 5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA-	580,555
275	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Refunding Series 2012A, 5.000%, 3/01/30	3/22 at 100.00	AAA	330,066
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
3,095	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	3,431,705
975	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	1,081,070
40	Raleigh, North Carolina, Combined Enterprise System Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.424%, 3/01/14 (IF)	No Opt. Call	AAA	53,052
1,000	Wilmington, North Carolina, Water and Sewer Revenue Bonds, Series 2005, 5.000%, 6/01/25 – AGM Insured	6/15 at 100.00	AA	1,101,825
2,275	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	2,535,215
16,540	Total Water and Sewer			18,398,885
\$ 92,240	Total Investments (cost \$86,112,494) – 156.5%			92,356,626
	Floating Rate Obligations – (8.1)%			(4,805,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (50.3)% (5)			(29,700,000)
	Other Assets Less Liabilities – 1.9%			1,162,649
	Net Assets Applicable to Common Shares – 100%			\$ 59,014,275

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not

rated by any of these national rating agencies.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.2%.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

56 Nuveen Investments

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NII Nuveen North Carolina Dividend Advantage Municipal Fund 3  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 3.3% (2.1% of Total Investments)			
\$ 2,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.500%, 5/15/39	11/12 at 100.00	BBB+	\$ 1,994,360
	Education and Civic Organizations – 3.4% (2.1% of Total Investments)			
30	Appalachian State University, North Carolina, Revenue Bonds, Series 2005, 5.250%, 7/15/17 – NCFG Insured	No Opt. Call	Aa2	35,927
750	Fayetteville State University, North Carolina, Limited Obligation Revenue Bonds, Student Housing Project, Series 2011, 5.000%, 4/01/43 – AGM Insured	4/21 at 100.00	AA–	805,020
200	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	201,424
440	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A, 5.000%, 4/01/27 – AMBAC Insured	10/12 at 100.00	A+	447,040
500	University of North Carolina Wilmington, Certificates of Participation, Student Housing Project Revenue Bonds, Series 2006, 5.000%, 6/01/21 – FGIC Insured	6/16 at 100.00	A–	546,720
1,920	Total Education and Civic Organizations			2,036,131
	Health Care – 28.5% (18.2% of Total Investments)			
	Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007:			
695	5.250%, 10/01/27	10/17 at 100.00	N/R	698,795
70	5.250%, 10/01/38	10/17 at 100.00	N/R	67,387
500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA–	548,665
1,200	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	1,259,832
1,000			AA–	1,118,580

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	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Series 2011A, 5.250%, 1/15/42	1/21 at 100.00		
1,500	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care Revenue Bonds, DBA Carolinas HealthCare System, Refunding Series 2012A, 5.000%, 1/15/43 (WI/DD, Settling 6/01/12)	1/22 at 100.00	AA-	1,640,715
520	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008A, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA-	567,185
430	Nash Health Care Systems, North Carolina, Health Care Facilities Revenue Bonds, Series 2012, 5.000%, 11/01/41	5/22 at 100.00	A	455,327
180	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA-	197,849
	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A:			
2,000	5.250%, 11/01/40	11/20 at 100.00	AA-	2,151,200
500	5.000%, 11/01/43	11/20 at 100.00	AA-	530,100
1,000	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	1/20 at 100.00	A	1,028,230
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	7/21 at 100.00	BBB+	1,152,970
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Cleveland County Healthcare System, Refunding Series 2011A, 5.750%, 1/01/35	1/21 at 100.00	A	1,104,250
545	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	10/14 at 100.00	AA-	567,536
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/18	11/13 at 100.00	AA-	2,103,460
1,000	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/27	11/17 at 100.00	A-	1,043,630



NII Nuveen North Carolina Dividend Advantage Municipal Fund 3 (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 400	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	1/15 at 100.00	A	\$ 405,348
150	Northern Hospital District of Surry County, North Carolina, Health Care Facilities Revenue Bonds, Series 2008, 6.250%, 10/01/38	4/18 at 100.00	BBB	161,058
495	Onslow County Hospital Authority, North Carolina, FHA Insured Mortgage Revenue Bonds, Onslow Memorial Hospital Project, Series 2006, 5.000%, 4/01/31 – NPFG Insured	10/16 at 100.00	BBB	518,805
16,185	Total Health Care			17,320,922
	Housing/Multifamily – 1.8% (1.1% of Total Investments)			
1,000	Mecklenburg County, North Carolina, FNMA Multifamily Housing Revenue Bonds, Little Rock Apartments, Series 2003, 5.150%, 1/01/22 (Alternative Minimum Tax)	7/13 at 105.00	AA+	1,067,140
	Housing/Single Family – 3.3% (2.1% of Total Investments)			
445	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2007-29A, 4.800%, 7/01/33 (Alternative Minimum Tax)	1/17 at 100.00	AA	456,663
1,000	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 2011-1, 4.500%, 1/01/28	1/21 at 100.00	AA	1,075,870
480	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 25-A, 4.900%, 7/01/37 (Alternative Minimum Tax)	7/16 at 100.00	AA	491,117
1,925	Total Housing/Single Family			2,023,650
	Long-Term Care – 1.7% (1.1% of Total Investments)			
	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Presbyterian Homes, Series 2006:			
250	5.400%, 10/01/27	10/16 at 100.00	N/R	252,865
600	5.500%, 10/01/31	10/16 at 100.00	N/R	605,700
190	North Carolina Medical Care Commission, Revenue Bonds, Pines at Davidson, Series 2006A, 5.000%, 1/01/36	1/16 at 100.00	A–	192,196
1,040	Total Long-Term Care			1,050,761

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Materials – 0.3% (0.2% of Total Investments)				
200	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2007A, 4.625%, 3/01/27	3/17 at 100.00	BBB	202,694
Tax Obligation/General – 1.6% (1.0% of Total Investments)				
300	North Carolina State, General Obligation Bonds, Series 2004A, 5.000%, 3/01/22	3/14 at 100.00	AAA	321,987
550	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	622,309
850	Total Tax Obligation/General			944,296
Tax Obligation/Limited – 25.4% (16.2% of Total Investments)				
2,750	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/33	6/13 at 100.00	AA+	2,843,500
575	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	625,692
800	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPMG Insured	6/17 at 100.00	AA–	873,968
265	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	287,541
200	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/28 – AGC Insured	6/19 at 100.00	AA–	221,558
Jacksonville Public Facilities Corporation, North Carolina, Limited Obligation Bonds, Series 2012:				
120	5.000%, 4/01/29 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	137,495
700	5.000%, 4/01/31 (WI/DD, Settling 6/01/12)	4/22 at 100.00	A+	793,856
500	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004, 5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA–	530,660

58 Nuveen Investments



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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 200	Mecklenburg County, North Carolina, Certificates of Participation, Series 2009A, 5.000%, 2/01/27	2/19 at 100.00	AA+	\$ 224,564
1,500	North Carolina Turnpike Authority, Monroe Connector System State Appropriation Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	AA	1,693,035
2,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	728,070
565	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	617,811
565	Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21 – AMBAC Insured	9/12 at 101.00	A1	574,622
1,000	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 12/01/27 – AGM Insured	12/17 at 100.00	AA–	1,101,030
1,200	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA–	1,275,972
1,785	Union County, North Carolina, Certificates of Participation, Series 2003, 5.000%, 6/01/20 – AMBAC Insured	6/13 at 101.00	Aa2	1,877,820
500	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	553,525
400	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	434,472
16,250	Total Tax Obligation/Limited Transportation – 10.6% (6.7% of Total Investments)			15,395,191
500	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	Aa3	549,990
700	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International, Series 2010B, 5.000%, 7/01/36 (Alternative Minimum Tax)	7/21 at 100.00	Aa3	750,372
660	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	722,819
810	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A: 5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA–	916,442
1,155	5.750%, 1/01/39 – AGC Insured		AA–	1,304,780

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		1/19 at		
		100.00		
North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:				
2,295	0.000%, 1/01/35 – AGC Insured	No Opt. Call	AA–	817,387
140	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA–	44,640
300	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA–	90,855
1,100	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	5/20 at 100.00	Aa3	1,227,292
7,660	Total Transportation			6,424,577
U.S. Guaranteed – 24.8% (15.8% of Total Investments) (4)				
1,800	Catawba County, North Carolina, Certificates of Participation, Series 2004, 5.250%, 6/01/22 (Pre-refunded 6/01/14) – NPMFG Insured	6/14 at 100.00	Aa2 (4)	1,974,942
200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00	AA+ (4)	223,990
3,000	Dare County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 6/01/23 (Pre-refunded 12/01/12) – AMBAC Insured	12/12 at 100.00	AA– (4)	3,072,150
Forsyth County, North Carolina, Certificates of Participation, Public Facilities and Equipment Project, Series 2002:				
1,325	5.125%, 1/01/16 (Pre-refunded 1/01/13)	1/13 at 101.00	AA+ (4)	1,375,337
770	5.250%, 1/01/19 (Pre-refunded 1/01/13)	1/13 at 101.00	AA+ (4)	799,814
1,600	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2002A, 5.125%, 7/01/42 (Pre-refunded 10/01/12)	10/12 at 100.00	Aaa	1,626,432
150	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2003F, 5.500%, 1/01/16 (Pre-refunded 1/01/13)	1/13 at 100.00	A– (4)	154,574

Nuveen Investments

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NII Nuveen North Carolina Dividend Advantage Municipal Fund 3 (continued)  
Portfolio of Investments

May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
U.S. Guaranteed (4) (continued)				
\$ 1,210	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B, 5.500%, 1/01/17 (Pre-refunded 7/01/12) – FGIC Insured	7/12 at 100.00	A– (4)	\$ 1,215,348
500	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14)	11/14 at 100.00	N/R (4)	553,785
1,000	North Carolina, Certificates of Participation, Repair and Renovation Project, Series 2004B, 5.000%, 6/01/20 (Pre-refunded 6/01/14)	6/14 at 100.00	AA+ (4)	1,092,220
1,435	Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21 (Pre-refunded 9/01/12) – AMBAC Insured	9/12 at 101.00	A1 (4)	1,466,570
University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A:				
265	5.000%, 4/01/27 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	269,240
610	5.000%, 4/01/27 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	619,864
585	5.000%, 4/01/27 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	594,419
14,450	Total U.S. Guaranteed			15,038,685
Utilities – 13.1% (8.4% of Total Investments)				
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured	1/16 at 100.00	A–	569,770
1,400	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2009B, 5.000%, 1/01/26	1/19 at 100.00	A–	1,570,114
800	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2012A, 5.000%, 1/01/25	7/22 at 100.00	A–	940,216
North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:				
95	6.000%, 1/01/22	No Opt. Call	A–	123,036
15	6.000%, 1/01/22 – FGIC Insured	No Opt. Call	Baa1	19,397
275	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	303,908
2,665	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A,	1/13 at 100.00	A	2,739,833

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5.250%, 1/01/15 – AMBAC Insured				
250	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2008A, 5.250%, 1/01/20	1/18 at 100.00	A	294,090
1,400	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/13 at 100.50	A1	1,419,124
7,400	Total Utilities			7,979,488
Water and Sewer – 39.3% (25.0% of Total Investments)				
2,000	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA–	2,224,400
425	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series 2008, 5.000%, 8/01/28	8/18 at 100.00	AA	499,826
Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011:				
1,320	5.000%, 2/01/36	2/21 at 100.00	AA	1,492,669
500	5.000%, 2/01/41	2/21 at 100.00	AA	559,395
300	Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002, 5.000%, 6/01/18 – NPFPG Insured	6/13 at 100.00	AA	312,438
3,050	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41	6/21 at 100.00	AAA	3,475,109
1,535	Mooresville, North Carolina, Enterprise System Revenue Bonds, Refunding Series 2012, 5.000%, 5/01/28	5/22 at 100.00	AA–	1,827,817
600	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 6/01/23 – NPFPG Insured	6/18 at 100.00	A2	666,210
Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A:				
70	6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA–	80,618
20	6.000%, 6/01/36 – AGC Insured	6/19 at 100.00	AA–	22,994

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Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$ 300	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011, 5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA-\$	348,333
500	Onslow County, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004B, 5.000%, 6/01/23 – SYNCORA GTY Insured	6/14 at 100.00	A+	535,380
275	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Refunding Series 2012A, 5.000%, 3/01/31	3/22 at 100.00	AAA	328,498
	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A:			
4,950	5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	5,488,511
3,000	5.000%, 3/01/36 (UB)	3/16 at 100.00	AAA	3,326,370
5	Raleigh, North Carolina, Combined Enterprise System Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.726%, 3/01/14 (IF)	No Opt. Call	AAA	6,631
2,375	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/17 at 100.00	AAA	2,646,653
21,225	Total Water and Sewer			23,841,852
\$ 92,105	Total Investments (cost \$89,291,169) – 157.1%			95,319,747
	Floating Rate Obligations – (12.3)%			(7,480,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (47.3)% (5)			(28,725,000)
	Other Assets Less Liabilities – 2.5%			1,571,168
	Net Assets Applicable to Common Shares – 100%			\$ 60,685,915

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.1%.

- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Investments

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Statement of  
Assets & Liabilities

May 31, 2012

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
<b>Assets</b>			
Investments, at value (cost \$79,464,477, \$40,757,936 and \$93,325,443, respectively)	\$ 85,716,054	\$ 43,852,940	\$ 98,929,789
Cash	393,778	324,867	368,143
<b>Receivables:</b>			
Interest	1,353,475	637,486	1,556,795
Investments sold	—	1,023,304	—
Deferred offering costs	360,059	229,980	394,121
Other assets	2,118	1,420	11,602
<b>Total assets</b>	<b>87,825,484</b>	<b>46,069,997</b>	<b>101,260,450</b>
<b>Liabilities</b>			
Cash overdraft	—	—	—
Floating rate obligations	1,190,000	660,000	1,395,000
<b>Payables:</b>			
Common share dividends	204,390	115,976	249,582
Interest	68,851	34,838	78,386
Investments purchased	—	—	—
Offering costs	—	5,711	16,250
MuniFund Term Preferred (MTP) Shares, at liquidation value	28,340,000	14,340,000	32,265,000
<b>Accrued expenses:</b>			
Management fees	46,446	24,374	53,616
Other	283,278	85,261	163,704
<b>Total liabilities</b>	<b>30,132,965</b>	<b>15,266,160</b>	<b>34,221,538</b>
<b>Net assets applicable to Common shares</b>	<b>\$ 57,692,519</b>	<b>\$ 30,803,837</b>	<b>\$ 67,038,912</b>
Common shares outstanding	3,809,438	1,974,509	4,556,176
<b>Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)</b>	<b>\$ 15.14</b>	<b>\$ 15.60</b>	<b>\$ 14.71</b>
<b>Net assets applicable to Common shares consist of:</b>			
Common shares, \$.01 par value per share	\$ 38,094	\$ 19,745	\$ 45,562
Paid-in surplus	51,899,574	27,735,565	63,829,969
Undistributed (Over-distribution of) net investment income	477,472	108,268	209,556
Accumulated net realized gain (loss)	(974,198)	(154,745)	(2,650,521)
Net unrealized appreciation (depreciation)	6,251,577	3,095,004	5,604,346
<b>Net assets applicable to Common shares</b>	<b>\$ 57,692,519</b>	<b>\$ 30,803,837</b>	<b>\$ 67,038,912</b>
<b>Authorized shares:</b>			
Common	Unlimited	Unlimited	Unlimited
Preferred	Unlimited	Unlimited	Unlimited

See accompanying notes to financial statements.

62 Nuveen Investments

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	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
<b>Assets</b>				
Investments, at value (cost \$140,132,425, \$53,977,608, \$86,112,494 and \$89,291,169, respectively)	\$ 150,259,024	\$ 57,947,078	\$ 92,356,626	\$ 95,319,747
Cash	—	2,965	213,780	—
<b>Receivables:</b>				
Interest	2,439,562	871,621	1,452,819	1,472,163
Investments sold	4,281,998	1,170,048	1,088,246	2,187,906
Deferred offering costs	854,684	285,205	402,063	380,982
Other assets	26,017	10,263	11,192	11,210
<b>Total assets</b>	<b>157,861,285</b>	<b>60,287,180</b>	<b>95,524,726</b>	<b>99,372,008</b>
<b>Liabilities</b>				
Cash overdraft	2,841,072	—	—	492,871
Floating rate obligations	5,195,000	6,235,000	4,805,000	7,480,000
<b>Payables:</b>				
Common share dividends	340,306	140,202	223,656	235,691
Interest	119,886	39,559	70,776	69,787
Investments purchased	1,354,308	924,751	1,514,015	1,478,396
Offering costs	204,082	43,316	36,530	27,608
<b>MuniFund Term Preferred (MTP)</b>				
Shares, at liquidation value	49,835,000	16,600,000	29,700,000	28,725,000
<b>Accrued expenses:</b>				
Management fees	78,290	28,314	46,752	47,142
Other	396,386	75,257	113,722	129,598
<b>Total liabilities</b>	<b>60,364,330</b>	<b>24,086,399</b>	<b>36,510,451</b>	<b>38,686,093</b>
<b>Net assets applicable to Common shares</b>	<b>\$ 97,496,955</b>	<b>\$ 36,200,781</b>	<b>\$ 59,014,275</b>	<b>\$ 60,685,915</b>
Common shares outstanding	6,370,909	2,274,818	3,754,991	3,938,977
<b>Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)</b>	<b>\$ 15.30</b>	<b>\$ 15.91</b>	<b>\$ 15.72</b>	<b>\$ 15.41</b>
<b>Net assets applicable to Common shares consist of:</b>				
Common shares, \$.01 par value per share	\$ 63,709	\$ 22,748	\$ 37,550	\$ 39,390
Paid-in surplus	87,250,916	32,009,135	52,894,384	55,179,242
Undistributed (Over-distribution of) net investment income	438,594	99,079	43,473	2,751
Accumulated net realized gain (loss)	(382,863)	100,349	(205,264)	(564,046)
Net unrealized appreciation (depreciation)	10,126,599	3,969,470	6,244,132	6,028,578
	\$ 97,496,955	\$ 36,200,781	\$ 59,014,275	\$ 60,685,915

Net assets applicable to Common  
shares

Authorized shares:

Common	Unlimited	Unlimited	Unlimited	Unlimited
Preferred	Unlimited	Unlimited	Unlimited	Unlimited

See accompanying notes to financial statements.

Nuveen Investments 63

Statement of  
Operations

Year Ended May 31, 2012

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Investment Income	\$ 4,115,991	\$ 2,182,003	\$ 4,714,559
Expenses			
Management fees	538,070	281,284	624,063
Shareholders' servicing agent fees and expenses	20,289	17,166	17,232
Interest expense and amortization of offering costs	895,258	470,382	1,017,059
Custodian's fees and expenses	19,538	13,227	21,522
Trustees' fees and expenses	2,535	1,403	2,914
Professional fees	24,056	22,678	24,541
Shareholders' reports – printing and mailing expenses	28,168	16,629	28,645
Stock exchange listing fees	9,393	329	9,265
Investor relations expense	7,885	4,310	8,694
Reorganization expense	238,260	53,907	119,336
Other expenses	40,259	39,248	47,592
Total expenses before custodian fee credit and expense reimbursement	1,823,711	920,563	1,920,863
Custodian fee credit	(377)	(598)	(342)
Expense reimbursement	—	(7,354)	—
Net expenses	1,823,334	912,611	1,920,521
Net investment income (loss)	2,292,657	1,269,392	2,794,038
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from investments	200,344	147,942	242,277
Change in net unrealized appreciation (depreciation) of investments	4,479,460	2,521,901	4,370,828
Net realized and unrealized gain (loss)	4,679,804	2,669,843	4,613,105
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 6,972,461	\$ 3,939,235	\$ 7,407,143

See accompanying notes to financial statements.

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Investment Income	\$ 6,743,850	\$ 2,598,071	\$ 4,158,087	\$ 4,290,754
Expenses				
Management fees	911,817	327,463	542,081	545,898
Shareholders' servicing agent fees and expenses	26,917	17,014	17,193	17,316
Interest expense and amortization of offering costs	1,618,627	562,712	937,191	932,409
Custodian's fees and expenses	29,796	15,028	20,954	21,157
Trustees' fees and expenses	4,235	1,617	2,610	2,628
Professional fees	34,536	22,948	28,099	28,151
Shareholders' reports – printing and mailing expenses	29,698	14,645	20,746	22,232
Stock exchange listing fees	38,682	15,025	33,185	33,978
Investor relations expense	12,084	4,620	7,514	7,663
Reorganization expense	347,080	41,254	74,256	87,458
Other expenses	45,642	39,225	41,041	41,202
Total expenses before custodian fee credit and expense reimbursement	3,099,114	1,061,551	1,724,870	1,740,092
Custodian fee credit	(874)	(578)	(486)	(907)
Expense reimbursement	—	—	(21,352)	—
Net expenses	3,098,240	1,060,973	1,703,032	1,739,185
Net investment income (loss)	3,645,610	1,537,098	2,455,055	2,551,569
Realized and Unrealized Gain (Loss)				
Net realized gain (loss) from investments	158,661	219,863	178,715	68,528
Change in net unrealized appreciation (depreciation) of investments	6,853,662	2,876,077	4,650,275	5,059,652
Net realized and unrealized gain (loss)	7,012,323	3,095,940	4,828,990	5,128,180
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 10,657,933	\$ 4,633,038	\$ 7,284,045	\$ 7,679,749

See accompanying notes to financial statements.

Statement of  
Changes in Net Assets

	Georgia Premium Income (NPG)		Georgia Dividend Advantage (NZX)		Georgia Dividend Advantage 2 (NKG)	
	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11
<b>Operations</b>						
Net investment income (loss)	\$ 2,292,657	\$ 2,455,926	\$ 1,269,392	\$ 1,327,409	\$ 2,794,038	\$ 2,956,515
Net realized gain (loss) from investments	200,344	144,637	147,942	119,104	242,277	(37,160)
Change in net unrealized appreciation (depreciation) of investments	4,479,460	(1,648,415)	2,521,901	(851,317)	4,370,828	(1,588,354)
Distributions to Auction Rate Preferred Shareholders from net investment income	—	—	—	—	—	—
Net increase (decrease) in net assets applicable to Common shares from operations	6,972,461	952,148	3,939,235	595,196	7,407,143	1,331,001
Distributions to Common Shareholders From net investment income	(2,610,368)	(2,694,971)	(1,462,172)	(1,514,237)	(3,157,205)	(3,279,797)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(2,610,368)	(2,694,971)	(1,462,172)	(1,514,237)	(3,157,205)	(3,279,797)
Capital Share Transactions						
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	36,651	18,644	30,665	35,966	12,432	4,430
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	36,651	18,644	30,665	35,966	12,432	4,430
Net increase (decrease) in net assets applicable	4,398,744	(1,724,179)	2,507,728	(883,075)	4,262,370	(1,944,366)

to Common shares						
Net assets applicable to						
Common shares at the						
beginning of period	53,293,775	55,017,954	28,296,109	29,179,184	62,776,542	64,720,908
Net assets applicable to						
Common shares at the						
end of period	\$ 57,692,519	\$ 53,293,775	\$ 30,803,837	\$ 28,296,109	\$ 67,038,912	\$ 62,776,542
Undistributed						
(Over-distribution						
of)net investment						
income at the end of						
period	\$ 477,472	\$ 425,925	\$ 108,268	\$ 163,614	\$ 209,556	\$ 305,803

See accompanying notes to financial statements.

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	North Carolina Premium Income (NNC)		North Carolina Dividend Advantage (NRB)	
	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11
<b>Operations</b>				
Net investment income (loss)	\$ 3,645,610	\$ 4,371,733	\$ 1,537,098	\$ 1,636,947
Net realized gain (loss) from investments	158,661	182,780	219,863	84,515
Change in net unrealized appreciation (depreciation) of investments	6,853,662	(2,183,452)	2,876,077	(1,143,283)
Distributions to Auction Rate Preferred Shareholders from net investment income	—	(56,262)	—	—
Net increase (decrease) in net assets applicable to Common shares from operations	10,657,933	2,314,799	4,633,038	578,179
Distributions to Common Shareholders				
From net investment income	(4,508,294)	(4,733,444)	(1,807,509)	(1,907,610)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(4,508,294)	(4,733,444)	(1,807,509)	(1,907,610)
<b>Capital Share Transactions</b>				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	91,188	104,888	38,679	49,047
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	91,188	104,888	38,679	49,047
Net increase (decrease) in net assets applicable to Common shares	6,240,827	(2,313,757)	2,864,208	(1,280,384)
Net assets applicable to Common shares at the beginning of period	91,256,128	93,569,885	33,336,573	34,616,957
Net assets applicable to Common shares at the end of period	\$ 97,496,955	\$ 91,256,128	\$ 36,200,781	\$ 33,336,573
Undistributed (Over-distribution of) net investment income at the end of period	\$ 438,594	\$ 682,618	\$ 99,079	\$ 228,092

See accompanying notes to financial statements.

Nuveen Investments 67

Statement of  
Changes in Net Assets (continued)

	North Carolina Dividend Advantage 2 (NNO)		North Carolina Dividend Advantage 3 (NII)	
	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11
<b>Operations</b>				
Net investment income (loss)	\$ 2,455,055	\$ 2,583,834	\$ 2,551,569	\$ 2,701,676
Net realized gain (loss) from investments	178,715	199,622	68,528	210,747
Change in net unrealized appreciation (depreciation) of investments	4,650,275	(1,744,087)	5,059,652	(1,916,912)
Distributions to Auction Rate Preferred Shareholders from net investment income	—	—	—	—
Net increase (decrease) in net assets applicable to Common shares from operations	7,284,045	1,039,369	7,679,749	995,511
<b>Distributions to Common Shareholders</b>				
From net investment income	(2,894,056)	(3,061,963)	(2,977,131)	(3,117,824)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(2,894,056)	(3,061,963)	(2,977,131)	(3,117,824)
<b>Capital Share Transactions</b>				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	31,124	26,093	24,272	26,901
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	31,124	26,093	24,272	26,901
Net increase (decrease) in net assets applicable to Common shares	4,421,113	(1,996,501)	4,726,890	(2,095,412)
Net assets applicable to Common shares at the beginning of period	54,593,162	56,589,663	55,959,025	58,054,437
Net assets applicable to Common shares at the end of period	\$ 59,014,275	\$ 54,593,162	\$ 60,685,915	\$ 55,959,025
Undistributed (Over-distribution of) net investment income at the end of period	\$ 43,473	\$ 270,752	\$ 2,751	\$ 201,994

See accompanying notes to financial statements.



Statement of  
Cash Flows

Year Ended May 31, 2012

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
<b>Cash Flows from Operating Activities:</b>			
Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations	\$ 6,972,461	\$ 3,939,235	\$ 7,407,143
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:			
Purchases of investments	(10,230,362)	(11,546,509)	(10,989,924)
Proceeds from sales and maturities of investments	8,224,547	11,661,042	11,258,717
Amortization (Accretion) of premiums and discounts, net	56,231	(8,919)	234,442
(Increase) Decrease in:			
Receivable for interest	83,467	79,045	72,490
Receivable for investments sold	1,086,300	(1,023,304)	—
Other assets	10,034	3,707	2,036
Increase (Decrease) in:			
Payable for interest	6,255	3,166	7,122
Payable for investments purchased	—	—	—
Accrued management fees	1,988	2,974	1,838
Accrued other expenses	256,877	67,566	137,336
Net realized (gain) loss from investments	(200,344)	(147,942)	(242,277)
Change in net unrealized (appreciation) depreciation of investments	(4,479,460)	(2,521,901)	(4,370,828)
Taxes paid on undistributed capital gains	(138)	(177)	(32)
Net cash provided by (used in) operating activities	1,787,856	507,983	3,518,063
<b>Cash Flows from Financing Activities:</b>			
(Increase) Decrease in deferred offering costs	129,300	83,836	147,795
Increase (Decrease) in:			
Cash overdraft balance	—	—	—
Floating rate obligations	—	—	—
Payable for offering costs	(156,267)	(143,479)	(189,187)
Cash distributions paid to Common shareholders	(2,577,646)	(1,435,040)	(3,161,702)
Net cash provided by (used in) financing activities	(2,604,613)	(1,494,683)	(3,203,094)
Net Increase (Decrease) in Cash	(816,757)	(986,700)	314,969
Cash at the beginning of period	1,210,535	1,311,567	53,174
Cash at the End of Period	\$ 393,778	\$ 324,867	\$ 368,143

## Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

	Georgia Premium	Georgia Dividend	Georgia Dividend
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	Income (NPG)	Advantage (NZX)	Advantage 2 (NKG)
	\$ 36,651	\$ 30,665	\$ 12,432

Cash paid for interest (excluding amortization of offering costs) was as follows:

	Georgia Premium	Georgia Dividend	Georgia Dividend Advantage 2 (NKG)
	\$ 757,085	\$ 383,380	\$ 862,143

See accompanying notes to financial statements.

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Statement of  
Cash Flows (continued)

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
<b>Cash Flows from Operating Activities:</b>				
Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations	\$ 10,657,933	\$ 4,633,038	\$ 7,284,045	\$ 7,679,749
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:				
Purchases of investments	(18,390,218)	(10,087,682)	(6,536,922)	(11,675,535)
Proceeds from sales and maturities of investments	19,022,160	11,012,356	6,832,439	12,345,316
Amortization (Accretion) of premiums and discounts, net	335,375	94,082	118,248	159,392
(Increase) Decrease in:				
Receivable for interest	49,928	54,700	(41,984)	(47,042)
Receivable for investments sold	(4,072,344)	(583,270)	(965,775)	(2,126,599)
Other assets	12,155	(4,604)	(1,894)	(1,629)
Increase (Decrease) in:				
Payable for interest	10,890	3,599	6,438	6,341
Payable for investments purchased	308,668	(643,709)	(1,675,187)	(1,710,806)
Accrued management fees	2,613	1,279	5,520	2,138
Accrued other expenses	359,057	49,857	82,891	103,673
Net realized (gain) loss from investments	(158,661)	(219,863)	(178,715)	(68,528)
Change in net unrealized (appreciation) depreciation of investments	(6,853,662)	(2,876,077)	(4,650,275)	(5,059,652)
Taxes paid on undistributed capital gains	—	(105)	(195)	—
Net cash provided by (used in) operating activities	1,283,894	1,433,601	278,634	(393,182)
<b>Cash Flows from Financing Activities:</b>				
(Increase) Decrease in deferred offering costs	272,776	100,855	142,176	138,886
Increase (Decrease) in:				
Cash overdraft balance	2,841,072	—	—	492,871
Floating rate obligations	—	(925,000)	—	—
Payable for offering costs	(207,464)	(145,810)	(156,689)	(199,010)
Cash distributions paid to Common shareholders	(4,441,971)	(1,782,216)	(2,889,729)	(2,973,520)
Net cash provided by (used in) financing activities	(1,535,587)	(2,752,171)	(2,904,242)	(2,540,773)
Net Increase (Decrease) in Cash	(251,693)	(1,318,570)	(2,625,608)	(2,933,955)
Cash at the beginning of period	251,693	1,321,535	2,839,388	2,933,955
Cash at the End of Period	\$ —	\$ 2,965	\$ 213,780	\$ —

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage (NNO)	North Carolina Dividend Advantage (NII)
	\$ 91,188	\$ 38,679	\$ 31,124	\$ 24,272

Cash paid for interest (excluding amortization of offering costs) was as follows:

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage (NNO)	North Carolina Dividend Advantage (NII)
	\$ 1,334,961	\$ 458,258	\$ 788,577	\$ 787,182

See accompanying notes to financial statements.

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Financial  
Highlights

Selected data for a Common share outstanding throughout each period:

Beginning Common Share	Net Investment Asset Value	Net Realized/ Unrealized Gain (Loss)	Investment Operations Distributions		Less Distributions		Ending Common Share	Net Asset Value	Ending Market Value		
			Net Auction Rate Preferred Share- holders(a)	Net Auction Rate Preferred Share- holders(a)	Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders					
Georgia Premium Income (NPG)											
Year Ended											
5/31:											
2012	\$ 14.00	\$ .60	\$ 1.23	\$ —	\$ —	\$ 1.83	\$ (.69)	\$ —	\$ (.69)	\$ 15.14	\$ 15.36
2011	14.46	.65	(.40)	—	—	.25	(.71)	—	(.71)	14.00	13.27
2010	13.72	.78	.66	(.02)	—	1.42	(.68)	—	(.68)	14.46	13.95
2009	14.19	.85	(.55)	(.16)	—	.14	(.61)	—	(.61)	13.72	12.10
2008	14.55	.84	(.30)	(.24)	(.01)	.29	(.61)	(.04)	(.65)	14.19	13.15
Georgia Dividend Advantage (NZX)											
Year Ended											
5/31:											
2012	14.35	.64	1.35	—	—	1.99	(.74)	—	(.74)	15.60	15.40
2011	14.81	.67	(.36)	—	—	.31	(.77)	—	(.77)	14.35	13.84
2010	13.98	.84	.75	(.02)	—	1.57	(.74)	—	(.74)	14.81	15.18
2009	14.47	.91	(.57)	(.17)	—	.17	(.66)	—	(.66)	13.98	13.46
2008	14.65	.90	(.16)	(.26)	—	.48	(.66)	—	(.66)	14.47	13.47

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based

on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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Total Returns			Ratios/Supplemental Data					
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c)			Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d)		
Based on Market Value(b)	Based on Common Share Net Asset Value(b)	Ending Net Assets Applicable to Common Shares (000)	Expenses(e)	Net Investment Income (Loss)	Expenses(e)	Net Investment Income (Loss)		
21.36%	13.33%	\$ 57,693	3.28%	4.13%	N/A	N/A	10%	
.18	1.81	53,294	2.91	4.59	N/A	N/A	5	
21.21	10.52	55,018	1.69	5.51	N/A	N/A	2	
(2.86)	1.33	52,227	1.44	6.44	N/A	N/A	12	
(2.17)	2.06	54,011	1.25	5.86	N/A	N/A	31	
16.97	14.21	30,804	3.12	4.28	3.10%	4.30%	27	
(3.77)	2.17	28,296	2.93	4.55	2.83	4.65	9	
18.75	11.41	29,179	1.76	5.62	1.58	5.81	4	
5.67	1.46	27,522	1.53	6.50	1.27	6.76	8	
(11.73)	3.33	28,498	1.32	5.86	.99	6.19	22	

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares (“ARPS”) and/or MTP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund’s net cash on deposit with the custodian bank, where applicable. As of September 30, 2011, the Adviser is no longer reimbursing Georgia Dividend Advantage (NZX) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Georgia Premium Income (NPG)

Year Ended 5/31:

2012	1.61%
2011	1.66
2010	.46
2009	.11
2008	—



Georgia Dividend Advantage (NZX)

Year Ended 5/31:

2012	1.59
2011	1.64
2010	.46
2009	.11
2008	—

N/A Fund does not have a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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Financial  
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

Beginning Common Share Net Asset Value	Investment Unrealized Gain (Loss)	Investment Operations Distributions				Less Distributions				Ending Common Share Net Asset Value	Ending Market Value
		Net Realized/ Gain (Loss)	Net Auction Rate Preferred Share- holders(a)	Net from Investment Income to Auction Rate Preferred Share- holders(a)	Net from Capital Gains to Auction Rate Preferred Share- holders(a)	Net Investment Income to Common Share- holders	Net Capital Gains to Common Share- holders	Total	Total		
Georgia Dividend Advantage 2 (NKG)											
Year Ended 5/31:											
2012	\$ 13.78	\$ .61	\$ 1.01	\$ —	\$ —	\$ 1.62	\$ (.69)	\$ —	\$ (.69)	\$ 14.71	\$ 14.73
2011	14.21	.65	(.36)	—	—	.29	(.72)	—	(.72)	13.78	13.92
2010	13.27	.78	.87	(.02)	—	1.63	(.69)	—	(.69)	14.21	14.00
2009	13.92	.87	(.73)	(.16)	—	(.02)	(.63)	—	(.63)	13.27	11.88
2008	14.44	.88	(.50)	(.26)	—	.12	(.64)	—	(.64)	13.92	13.18

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Returns			Ratios/Supplemental Data					
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c)			Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d)		
Based on Market Value(b)	Based on Common Share Net Asset Value(b)	Ending Net Assets Applicable to Common Shares (000)	Expenses(e)	Net Investment Income (Loss)	Expenses(e)	Net Investment Income (Loss)		
11.12%	12.04%	\$ 67,039	2.95%	4.30%	N/A	N/A	11%	
4.84	2.13	62,777	2.79	4.64	2.75%	4.68%	4	
24.23	12.54	64,721	1.75	5.43	1.59	5.59	3	
(4.77)	.20	60,419	1.42	6.54	1.13	6.84	13	
(4.64)	.89	63,402	1.23	5.82	.83	6.22	23	

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of September 30, 2010, the Adviser is no longer reimbursing Georgia Dividend Advantage 2 (NKG) for any fees and expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Georgia Dividend Advantage 2 (NKG)

Year Ended 5/31:

2012	1.56%
2011	1.60
2010	.55
2009	.10
2008	—

N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.



Financial  
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

Beginning Common Share Net Asset Value	Investment Income to to	Investment Operations Distributions		Less Distributions		Net Investment Income to Share- holders Total	Capital Gains to Share- holders Total	Ending Common Share Net Asset Value	Ending Market Value		
		Net Realized/ Unrealized Gain (Loss)	Auction Rate Preferred Share- holders(a)	Auction Rate Preferred Share- holders(a)	Net Investment Income to Common Share- holders Total					Capital Gains to Common Share- holders Total	
North Carolina Premium Income (NNC)											
Year Ended 5/31:											
2012	\$ 14.34	\$ .57	\$ 1.10	\$ —	\$ —	\$ 1.67	\$ (.71)	\$ —	\$ (.71)	\$ 15.30	\$ 15.97
2011	14.72	.69	(.32)	(.01)	—	.36	(.74)	—	(.74)	14.34	14.41
2010	13.78	.81	.87	(.03)	—	1.65	(.71)	—	(.71)	14.72	15.37
2009	13.98	.85	(.27)	(.17)	—	.41	(.61)	—	(.61)	13.78	12.60
2008	14.36	.84	(.35)	(.23)	(.01)	.25	(.59)	(.04)	(.63)	13.98	13.30
North Carolina Dividend Advantage (NRB)											
Year Ended 5/31:											
2012	14.67	.68	1.36	—	—	2.04	(.80)	—	(.80)	15.91	16.50
2011	15.26	.72	(.47)	—	—	.25	(.84)	—	(.84)	14.67	14.94
2010	14.52	.94	.64	(.03)	—	1.55	(.81)	—	(.81)	15.26	16.15
2009	14.52	.95	(.08)	(.17)	—	.70	(.70)	—	(.70)	14.52	14.26
2008	14.78	.93	(.22)	(.24)	(.01)	.46	(.69)	(.03)	(.72)	14.52	15.28

(a) The amounts shown are based on Common share equivalents.

(b) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the

following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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Total Returns			Ratios/Supplemental Data					Portfolio Turnover Rate
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c)		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d)			
Based on Market Value(b)	Based on Common Share Net Asset Value(b)	Ending Net Assets Applicable to Common Shares (000)	Expenses(e)	Net Investment Income (Loss)	Expenses(e)	Net Investment Income (Loss)		
16.23%	11.88%	\$ 97,497	3.28%	3.85%	N/A	N/A	13%	
(1.27)	2.57	91,256	2.49	4.77	N/A	N/A	6	
28.20	12.24	93,570	1.54	5.68	N/A	N/A	6	
(.44)	3.22	87,558	1.39	6.43	N/A	N/A	4	
(2.52)	1.76	88,827	1.39	5.94	N/A	N/A	12	
16.29	14.22	36,201	3.05	4.42	N/A	N/A	18	
(2.16)	1.72	33,337	3.01	4.80	2.95%	4.85%	10	
19.40	10.88	34,617	1.63	6.13	1.51	6.25	6	
(1.82)	5.17	32,894	1.71	6.63	1.51	6.83	7	
(2.28)	3.26	32,868	1.91	6.07	1.63	6.35	6	

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of January 31, 2011, the Adviser is no longer reimbursing North Carolina Dividend Advantage (NRB) for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

North Carolina Premium Income (NNC)

Year Ended 5/31:

2012	1.71%
2011	1.29
2010	.34
2009	.07
2008	.14

North Carolina Dividend Advantage (NRB)

Year Ended 5/31:

2012	1.62
2011	1.68
2010	.37
2009	.34
2008	.62

N/A Fund does not have, or no longer has, a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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Financial  
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

Beginning Common Share Net Asset Value	Net Investment Income (Loss)	Unrealized Gain (Loss)	Investment Operations Distributions		Less Distributions		Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders	Total	Ending Common Share Net Asset Value	Ending Market Value
			Net Auction Rate Preferred Share- holders(a)	from Distributions Net Investment Income to Auction Rate Preferred Share- holders(a)	Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders					
North Carolina Dividend Advantage 2 (NNO)											
Year Ended 5/31:											
2012	\$ 14.55	\$ .65	\$ 1.29	\$ —	\$ —	\$ 1.94	\$ (.77)	\$ —	\$ (.77)	\$ 15.72	\$ 15.83
2011	15.09	.69	(.41)	—	—	.28	(.82)	—	(.82)	14.55	14.21
2010	14.31	.89	.70	(.03)	—*	1.56	(.78)	—*	(.78)	15.09	15.73
2009	14.47	.92	(.26)	(.17)	—	.49	(.65)	—	(.65)	14.31	13.60
2008	14.76	.91	(.24)	(.25)	(.02)	.40	(.63)	(.06)	(.69)	14.47	13.66
North Carolina Dividend Advantage 3 (NII)											
Year Ended 5/31:											
2012	14.21	.65	1.31	—	—	1.96	(.76)	—	(.76)	15.41	15.66
2011	14.75	.69	(.44)	—	—	.25	(.79)	—	(.79)	14.21	14.22
2010	14.00	.85	.67	(.02)	—	1.50	(.75)	—	(.75)	14.75	15.86
2009	14.13	.90	(.21)	(.16)	—	.53	(.66)	—	(.66)	14.00	13.60
2008	14.38	.88	(.25)	(.23)	—	.40	(.65)	—	(.65)	14.13	14.12

(a) The amounts shown are based on Common share equivalents.

(b) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the

following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

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Total Returns			Ratios/Supplemental Data					Portfolio Turnover Rate
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(c)		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d)			
Based on Market Value(b)	Based on Common Share Net Asset Value(b)	Ending Net Assets Applicable to Common Shares (000)	Expenses(e)	Net Investment Income (Loss)	Expenses(e)	Net Investment Income (Loss)		
17.23%	13.66%	\$ 59,014	3.03%	4.27%	2.99%	4.31%	7%	
(4.55)	1.92	54,593	2.91	4.57	2.79	4.69	14	
21.86	11.11	56,590	1.55	5.80	1.36	5.99	9	
4.72	3.69	53,653	1.48	6.39	1.21	6.66	4	
(7.33)	2.83	54,240	1.54	5.87	1.21	6.20	8	
15.87	14.09	60,686	2.97	4.36	N/A	N/A	13	
(5.28)	1.79	55,959	2.79	4.74	2.75	4.78	17	
22.76	10.95	58,054	1.76	5.71	1.60	5.87	6	
1.43	4.11	55,065	1.55	6.39	1.26	6.68	4	
1.12	2.90	55,555	1.68	5.79	1.28	6.19	15	

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of September 30, 2010 and November 30, 2011, the Adviser is no longer reimbursing North Carolina Dividend Advantage 3 (NII) and North Carolina Dividend Advantage 2 (NNO), respectively, for any fees or expenses.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

#### North Carolina Dividend Advantage 2 (NNO)

##### Year Ended 5/31:

2012	1.65%
2011	1.70
2010	.32

2009	.16
2008	.29

North Carolina Dividend Advantage 3 (NII)

Year Ended 5/31:

2012	1.59
2011	1.65
2010	.56
2009	.24
2008	.44

\* Rounds to less than \$.01 per share.

N/A Fund no longer has contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

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	ARPS at the End of Period			MTP Shares at the End of Period (a)		
	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share
<b>Georgia Premium Income (NPG)</b>						
Year Ended 5/31:						
2012	\$ —	\$ —	\$ —	28,340	\$ 10.00	\$ 30.36
2011	—	—	—	28,340	10.00	28.81
2010	—	—	—	28,340	10.00	29.41
2009	27,800	25,000	71,967	—	—	—
2008	27,800	25,000	73,571	—	—	—

<b>Georgia Dividend Advantage (NZX)</b>						
Year Ended 5/31:						
2012	—	—	—	14,340	10.00	31.48
2011	—	—	—	14,340	10.00	29.73
2010	—	—	—	14,340	10.00	30.35
2009	15,000	25,000	70,871	—	—	—
2008	15,000	25,000	72,497	—	—	—

<b>Georgia Dividend Advantage 2 (NKG)</b>						
Year Ended 5/31:						
2012	—	—	—	32,265	10.00	30.78
2011	—	—	—	32,265	10.00	29.46
2010	—	—	—	32,265	10.00	30.06
2009	31,700	25,000	72,649	—	—	—
2008	33,000	25,000	73,032	—	—	—

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	Series	Ending Market Value Per Share	Average Market Value Per Share
<b>Georgia Premium Income (NPG)</b>			
Year Ended 5/31:			
2012	2015	\$ 10.10	\$ 10.07
2011	2015	10.06	10.02
2010	2015	9.99	9.99^
2009	—	—	—
2008	—	—	—

Georgia Dividend Advantage (NZX)

Year Ended 5/31:

2012	2015	10.08	10.07
2011	2015	10.07	10.03
2010	2015	9.97	9.98 <sup>^</sup>
2009	—	—	—
2008	—	—	—

Georgia Dividend Advantage 2 (NKG)

Year Ended 5/31:

2012	2015	10.10	10.08
2011	2015	10.04	10.02
2010	2015	10.00	9.99 <sup>^^</sup>
2009	—	—	—
2008	—	—	—

<sup>^</sup> For the period February 22, 2010 (first issuance date of shares) through May 31, 2010.

<sup>^^</sup> For the period January 29, 2010 (first issuance date of shares) through May 31, 2010.

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	ARPS at the End of Period			MTP Shares at the End of Period (a)			ARPS and MTP Shares at the End of Period
	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share	Asset Coverage Per \$1 Liquidation Preference
<b>North Carolina Premium Income (NNC)</b>							
Year Ended 5/31:							
2012	\$ —	\$ —	\$ —	49,835	\$ 10.00	\$ 29.56	—
2011	—	—	—	49,835	10.00	28.31	—
2010	21,550	25,000	76,020	24,300	10.00	30.41	3.04
2009	46,800	25,000	71,773	—	—	—	—
2008	46,800	25,000	72,450	—	—	—	—
<b>North Carolina Dividend Advantage (NRB)</b>							
Year Ended 5/31:							
2012	—	—	—	16,600	10.00	30.81	—
2011	—	—	—	16,600	10.00	30.08	—
2010	—	—	—	16,600	10.00	30.85	—
2009	17,000	25,000	73,373	—	—	—	—
2008	17,000	25,000	73,335	—	—	—	—
<b>North Carolina Dividend Advantage 2 (NNO)</b>							
Year Ended 5/31:							
2012	—	—	—	29,700	10.00	29.87	—
2011	—	—	—	29,700	10.00	28.38	—
2010	—	—	—	29,700	10.00	29.05	—
2009	28,000	25,000	72,905	—	—	—	—
2008	28,000	25,000	73,428	—	—	—	—

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

Ending	Average	Ending	Average
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	Series	Market Value Per Share	Market Value Per Share	Series	Market Value Per Share	Market Value Per Share
<b>North Carolina Premium Income (NNC)</b>						
Year Ended 5/31:						
2012	2015	\$ 10.11	\$ 10.09	2016	\$ 10.10	\$ 10.07
2011	2015	10.04	10.04	2016	10.00	9.94
2010	2015	9.99	10.01	—	—	—
2009	—	—	—	—	—	—
2008	—	—	—	—	—	—

<b>North Carolina Dividend Advantage (NRB)</b>						
Year Ended 5/31:						
2012	2015	10.09	10.07	—	—	—
2011	2015	10.04	10.01	—	—	—
2010	2015	10.00	9.97	—	—	—
2009	—	—	—	—	—	—
2008	—	—	—	—	—	—

<b>North Carolina Dividend Advantage 2 (NNO)</b>						
Year Ended 5/31:						
2012	2015	10.06	10.06	—	—	—
2011	2015	10.01	10.01	—	—	—
2010	2015	9.97	9.97	—	—	—
2009	—	—	—	—	—	—
2008	—	—	—	—	—	—

For the period January 21, 2010 (first issuance date of shares) through May 31, 2010.

For the period December 14, 2010 (first issuance date of shares) through May 31, 2011.

For the period March 30, 2010 (first issuance date of shares) through May 31, 2010.

See accompanying notes to financial statements.

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	ARPS at the End of Period			MTP Shares at the End of Period (a)		
	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Liquidation Value Per Share	Asset Coverage Per Share
North Carolina Dividend Advantage 3 (NII)						
Year Ended 5/31:						
2012	\$ —	\$ —	\$ —	28,725	\$ 10.00	\$ 31.13
2011	—	—	—	28,725	10.00	29.48
2010	—	—	—	28,725	10.00	30.21
2009	28,000	25,000	74,165	—	—	—
2008	28,000	25,000	74,602	—	—	—

(a) The Ending and Average Market Value Per Share for the Fund's MTP Shares were as follows:

	Series	Ending Market Value Per Share	Average Market Value Per Share
North Carolina Dividend Advantage 3 (NII)			
Year Ended 5/31:			
2012	2015	\$ 10.05	\$ 10.08
2011	2015	10.02	10.03
2010	2015	10.00	9.99 <sup>^</sup>
2009	—	—	—
2008	—	—	—

<sup>^</sup> For the period February 9, 2010 (first issuance date of shares) through May 31, 2010.

See accompanying notes to financial statements.

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Financial Statements

1. General Information and Significant Accounting Policies

General Information

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

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a portfolio of municipal obligations issued by state and local government authorities within a single state or certain U.S. territories.

Approved Fund Reorganizations

On August 1, 2011, the Funds’ Board of Trustees approved a series of reorganizations for all the Georgia and North Carolina Funds included in this report. The reorganizations in each respective state are intended to create a single larger state Fund, which would potentially offer shareholders the following benefits:

- Lower Fund expense ratios (excluding the effects of leverage), as fixed costs are spread over a larger asset base;
- Enhanced secondary market trading, as larger Funds potentially make it easier for investors to buy and sell Fund shares;
- Lower per share trading costs through reduced bid/ask spreads due to a larger common share float; and
- Increased Fund flexibility in managing the structure and cost of leverage over time.

The approved reorganizations are as follows:

Acquired Funds	Acquiring Fund
Georgia Funds	
Georgia Premium Income (NPG)	Georgia Dividend Advantage 2 (NKG)
Georgia Dividend Advantage (NZX)	
Acquired Funds	Acquiring Fund
North Carolina Funds	
North Carolina Dividend Advantage (NRB)	North Carolina Premium Income (NNC)
North Carolina Dividend Advantage 2 (NNO)	
North Carolina Dividend Advantage 3 (NII)	

The reorganizations of Georgia Premium Income (NPG) and Georgia Dividend Advantage (NZX) into Georgia Dividend Advantage 2 (NKG) was approved by shareholders of the Acquired Funds at a special meeting on May 14, 2012, which was consummated before the opening of business on July 9, 2012 (subsequent to the end of this reporting period). The reorganization of North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) into North Carolina Premium Income (NNC) was approved by the Acquired Funds at a special meeting on May 15, 2012, which was consummated before the opening of business on July 9, 2012 (subsequent to the end of this reporting period).

Upon the closing of the reorganizations, the Acquired Funds will transfer their assets to the Acquiring Funds in exchange for common and preferred shares of the Acquiring Funds, and the assumption by the Acquiring Funds of the liabilities of the Acquired Funds. The Acquired Funds will then be liquidated, dissolved and terminated in accordance with their Declaration of Trust.

In addition, shareholders of Acquired Funds became shareholders of the Acquiring Funds. Holders of common shares received newly issued common shares of the Acquiring Funds, the aggregate net asset value of which are equal to the aggregate net asset value of the common shares of the Acquired Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would

Notes to  
Financial Statements (continued)

be entitled). Fractional shares will be sold on the open market and shareholders will receive cash in lieu of such fractional shares. Holders of MuniFund Term Preferred (“MTP”) Shares of each Acquired Fund will receive on a one-for-one basis newly issued MTP Shares of the Acquiring Fund, in exchange for MTP Shares of the Acquired Fund held immediately prior to the reorganization.

In connection with the reorganizations, each of the Acquired Funds and Acquiring Funds have accrued for certain associated costs and expenses. Such amounts are included as components of “Accrued other expense” on the Statement of Assets and Liabilities and “Reorganization expense” on the Statement of Operations.

#### Significant Accounting Policies

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 (“U.S. GAAP”).

#### Investment Valuation

Prices of municipal bonds are provided by a pricing service approved by the Funds’ Board of Trustees. These securities are generally classified as Level 2 for fair value measurement purposes. The pricing service establishes a security’s fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor’s credit characteristics considered relevant. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer, or market activity, provided by Nuveen Fund Advisors, Inc. (the “Adviser”), a wholly-owned subsidiary of Nuveen Investments, Inc. (“Nuveen”). These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Funds’ Board of Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund’s net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security’s fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor’s credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Funds’ Board of Trustees or its designee.

Refer to Footnote 2 – Fair Value Measurements for further details on the leveling of securities held by the Funds as of the end of the reporting period.

#### Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to earmark securities in the Funds' portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At May 31, 2012, North Carolina Premium Income (NNC), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) had outstanding delayed delivery purchase commitments of \$1,354,308, \$924,751, \$1,514,015 and \$1,478,396, respectively. There were no such outstanding purchase commitments in any of the other Funds.

#### Investment Income

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

#### Professional Fees

Professional fees presented on 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 Fund shareholders.

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### Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its 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 (“RICs”). Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

### Dividends and Distributions to Common Shareholders

Dividends from net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of 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. GAAP.

### Auction Rate Preferred Shares

Each Fund is authorized to issue Auction Rate Preferred Shares (“ARPS”). As of May 31, 2011, the Funds redeemed all of their outstanding ARPS at liquidation value.

### MuniFund Term Preferred Shares

The Funds have issued and outstanding MTP Shares, with a \$10 stated (“par”) value per share. Proceeds from the issuance of MTP Shares, net of offering expenses, were used to redeem all, or a portion of, the remainder of each Fund’s outstanding ARPS. Each Fund’s MTP Shares may be issued in one or more Series. Dividends on MTP Shares, which are recognized as interest expense for financial reporting purposes, are paid monthly at a fixed annual rate, subject to adjustments in certain circumstances. The MTP Shares trade on the NYSE. As of May 31, 2012, the number of MTP Shares outstanding, annual interest rate and NYSE “ticker” symbol for each Fund’s series of MTP Shares are as follows:

	Georgia Premium Income (NPG)			Georgia Dividend Advantage (NZX)		
	Shares	Annual	NYSE	Shares	Annual	NYSE
	Outstanding	Interest	Ticker	Outstanding	Interest	Ticker
		Rate			Rate	
Series 2015	2,834,000	2.65%	NPG Pr C	1,434,000	2.65%	NZX Pr C
	Georgia Dividend Advantage 2 (NKG)			North Carolina Premium Income (NNC)		
	Shares	Annual	NYSE	Shares	Annual	NYSE
	Outstanding	Interest	Ticker	Outstanding	Interest	Ticker
		Rate			Rate	
Series 2015	3,226,500	2.65%		2,430,000	2.65%	

	NKG Pr C			NNC Pr C		
Series 2016	—	—	—	2,553,500	2.60	NNC Pr D
	North Carolina Dividend Advantage (NRB)			North Carolina Dividend Advantage 2 (NNO)		
	Shares Outstanding	Annual Interest Rate	NYSE Ticker NRB Pr C	Shares Outstanding	Annual Interest Rate	NYSE Ticker NNO Pr C
Series 2015	1,660,000	2.60%		2,970,000	2.60%	
				North Carolina Dividend Advantage 3 (NII)		
				Annual Shares Outstanding	Interest Rate	NYSE Ticker NII Pr C
Series 2015				2,872,500	2.65%	

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Financial Statements (continued)

Each Fund is obligated to redeem its MTP Shares by the date as specified in its offering document (“Term Redemption Date”), unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. MTP Shares will be subject to redemption at the option of each Fund (“Optional Redemption Date”), subject to a payment of premium for one year following the Optional Redemption Date (“Premium Expiration Date”), and at par thereafter. MTP Shares also will be subject to redemption, at the option of each Fund, at par in the event of certain changes in the credit rating of the MTP Shares. Each Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund’s series of MTP Shares are as follows:

	Georgia Premium Income (NPG) Series 2015	Georgia Dividend Advantage (NZX) Series 2015	Georgia Dividend Advantage 2 (NKG) Series 2015
Term Redemption Date	March 1, 2015	March 1, 2015	February 1, 2015
Optional Redemption Date	March 1, 2011	March 1, 2011	February 1, 2011
Premium Expiration Date	February 29, 2012	February 29, 2012	January 31, 2012

	North Carolina Premium Income (NNC) Series 2015	North Carolina Premium Income (NNC) Series 2016	North Carolina Dividend Advantage (NRB) Series 2015	North Carolina Dividend Advantage 2 (NNO) Series 2015	North Carolina Dividend Advantage 3 (NII) Series 2015
Term Redemption Date	February 1, 2015	January 1, 2016	April 1, 2015	April 1, 2015	March 1, 2015
Optional Redemption Date	February 1, 2011	January 1, 2012	April 1, 2011	April 1, 2011	March 1, 2011
Premium Expiration Date	January 31, 2012	December 31, 2012	March 31, 2012	March 31, 2012	February 29, 2012

The average liquidation value for all series of MTP Shares outstanding for each Fund during the fiscal year ended May 31, 2012, was as follows:

Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
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Average liquidation value of MTP Shares outstanding	\$ 28,340,000	\$ 14,340,000	\$ 32,265,000
	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)
			North Carolina Dividend Advantage 3 (NII)
Average liquidation value of MTP Shares outstanding	\$ 49,835,000	\$ 16,600,000	\$ 29,700,000
			\$ 28,725,000

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability on the Statement of Assets and Liabilities. Unpaid dividends on MTP Shares are recognized as a component of “Interest payable” on the Statement of Assets and Liabilities. Dividends paid on MTP Shares are recognized as a component of “Interest expense and amortization of offering costs” on the Statement of Operations.

#### Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond’s par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an “inverse floater”) that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates’ holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond’s downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond’s value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

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A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an “externally-deposited inverse floater”), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a “self-deposited inverse floater”). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as “(IF) – Inverse floating rate investment.” An investment in a self-deposited inverse floater is accounted for as a financing transaction. In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as “(UB) – Underlying bond of an inverse floating rate trust reflected as a financing transaction,” with the Fund accounting for the short-term floating rate certificates issued by the trust as “Floating rate obligations” on the Statement of Assets and Liabilities. In addition, the Fund reflects in “Investment Income” the entire earnings of the underlying bond and recognizes the related interest paid to the holders of the short-term floating rate certificates as a component of “Interest expense and amortization of offering costs” on the Statement of Operations.

During the fiscal year ended May 31, 2012, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a “recourse trust” or “credit recovery swap”) (such agreements referred to herein as “Recourse Trusts”) with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates issued by the trust plus any shortfalls in interest cash flows. Under these agreements, a Fund’s potential exposure to losses related to or on inverse floaters may increase beyond the value of a Fund’s inverse floater investments as a Fund may potentially be liable to fulfill all amounts owed to holders of the floating rate certificates. At period end, any such shortfall is recognized as “Unrealized depreciation on Recourse Trusts” on the Statement of Assets and Liabilities.

At May 31, 2012, the Funds were not invested in externally-deposited Recourse Trusts.

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended May 31, 2012, were as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Average floating rate obligations outstanding	\$ 1,190,000	\$ 660,000	\$ 1,395,000	\$ 5,195,000	\$ 7,160,000	\$ 4,805,000	\$ 7,480,000
Average annual interest rate and fees	0.51%	0.51%	0.51%	0.52%	0.37%	0.34%	0.35%

#### Derivative Financial Instruments

Each Fund is authorized to invest in certain derivative instruments, including foreign currency forwards, futures, options and swap contracts. Although the Funds are authorized to invest in such financial instruments, and may do so

in the future, they did not make any such investments during the fiscal year ended May 31, 2012.

#### Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, 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 valuations fluctuate, either up or down, by at least the predetermined threshold amount.

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Financial Statements (continued)

## Zero Coupon Securities

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

## Offering Costs

Costs incurred by the Funds in connection with their offerings of MTP Shares were recorded as a deferred charge, which will be amortized over the life of the shares. Each Fund's amortized deferred charges are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. Each Fund's offering costs incurred were as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)	
MTP Shares offering costs	\$ 655,100	\$ 420,100	\$ 738,975	
	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
MTP Shares offering costs	\$ 1,372,525	\$ 504,000	\$ 710,500	\$ 700,875

## Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which a Fund overdraws its account at the custodian bank.

## Indemnifications

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

## Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Fair Value Measurements

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 - Quoted prices in active markets for identical securities.
- Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 - Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

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The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of May 31, 2012:

	Level 1	Level 2	Level 3	Total
Georgia Premium Income (NPG)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 85,716,054	\$	-\$ 85,716,054
Georgia Dividend Advantage (NZX)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 43,852,940	\$	-\$ 43,852,940
Georgia Dividend Advantage 2 (NKG)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 98,929,789	\$	-\$ 98,929,789
North Carolina Premium Income (NNC)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 150,259,024	\$	-\$ 150,259,024
North Carolina Dividend Advantage (NRB)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 57,947,078	\$	-\$ 57,947,078
North Carolina Dividend Advantage 2 (NNO)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 92,356,626	\$	-\$ 92,356,626
North Carolina Dividend Advantage 3 (NII)				
Long-Term Investments:				
Municipal Bonds	\$	-\$ 95,319,747	\$	-\$ 95,319,747

During the fiscal year ended May 31, 2012, the Funds recognized no significant transfers to or from Level 1, Level 2 or Level 3.

### 3. Derivative Instruments and Hedging Activities

The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the fiscal year ended May 31, 2012.

### 4. Fund Shares

## Common Shares

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding Common shares.

Transactions in Common shares were as follows:

	Georgia Premium Income (NPG)		Georgia Dividend Advantage (NZX)		Georgia Dividend Advantage 2 (NKG)	
	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11
Common shares issued to shareholders due to reinvestment of distributions	2,496	1,290	2,028	2,445	877	313
	North Carolina Premium Income (NNC)		North Carolina Dividend Advantage (NRB)			
	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11	Year Ended 5/31/12	Year Ended 5/31/11
Common shares issued to shareholders due to reinvestment of distributions		6,117		7,169	2,522	3,242

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	North Carolina Dividend Advantage 2 (NNO)		North Carolina Dividend Advantage 3 (NII)	
	Year	Year	Year	Year
	Ended	Ended	Ended	Ended
	5/31/12	5/31/11	5/31/12	5/31/11
Common shares issued to shareholders due to reinvestment of distributions	2,021	1,708	1,619	1,828

## Preferred Shares

As of May 31, 2010, Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) redeemed all of their ARPS at liquidation value.

Transactions in ARPS were as follows:

	North Carolina Premium Income (NNC)			
	Year Ended		Year Ended	
	5/31/12		5/31/11	
	Shares	Amount	Shares	Amount
ARPS redeemed:Series TH	N/A	N/A	862	\$ 21,550,000

N/A – As of May 31, 2011, the Fund redeemed all of its outstanding ARPS at liquidation value.

Transactions in MTP Shares were as follows:

	North Carolina Premium Income (NNC)			
	Year Ended		Year Ended	
	5/31/12		5/31/11	
	Shares	Amount	Shares	Amount
MTP Shares issued:Series 2016	—	\$ —	2,553,500	\$ 25,535,000

## 5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments, where applicable) during the fiscal year ended May 31, 2012, were as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Purchases	\$ 10,230,362	\$ 11,546,509	\$ 10,989,924
Sales and maturities	8,224,547	11,661,042	11,258,717

North Carolina	North Carolina	North Carolina	North Carolina
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	Premium Income (NNC)	Dividend Advantage (NRB)	Dividend Advantage 2 (NNO)	Dividend Advantage 3 (NII)
Purchases	\$ 18,390,218	\$ 10,087,682	\$ 6,536,922	\$ 11,675,535
Sales and maturities	19,022,160	11,012,356	6,832,439	12,345,316

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## 6. Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

At May 31, 2012, the cost and unrealized appreciation (depreciation) of investments, as determined on a federal income tax basis, were as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Cost of investments	\$ 78,215,888	\$ 40,076,831	\$ 91,900,404
Gross unrealized:			
Appreciation	\$ 6,317,082	\$ 3,142,085	\$ 5,663,147
Depreciation	(6,026)	(25,084)	(30,105)
Net unrealized appreciation (depreciation) of investments	\$ 6,311,056	\$ 3,117,001	\$ 5,633,042

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Cost of investments	\$ 134,926,102	\$ 47,657,367	\$ 81,282,109	\$ 81,796,430
Gross unrealized:				
Appreciation	\$ 10,179,521	\$ 4,079,685	\$ 6,298,328	\$ 6,058,606
Depreciation	(40,667)	(26,368)	(29,724)	(15,328)
Net unrealized appreciation (depreciation) of investments	\$ 10,138,854	\$ 4,053,317	\$ 6,268,604	\$ 6,043,278

Permanent differences, primarily due to federal taxes paid, taxable market discount, nondeductible offering costs and nondeductible reorganization costs, resulted in reclassifications among the Funds' components of Common share net assets at May 31, 2012, the Funds' tax year end, as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Paid-in-surplus	\$ (369,396)	\$ (137,611)	\$ (266,952)
Undistributed (Over-distribution of) net investment income	369,258	137,434	266,920
Accumulated net realized gain (loss)	138	177	32

North Carolina	North Carolina	North Carolina	North Carolina
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	Premium Income (NNC)	Dividend Advantage (NRB)	Dividend Advantage 2 (NNO)	Dividend Advantage 3 (NII)
Paid-in-surplus	\$ (619,856)	\$ (141,514)	\$ (215,329)	\$ (226,344)
Undistributed (Over-distribution of) net investment income	618,660	141,398	211,722	226,319
Accumulated net realized gain (loss)	1,196	116	3,607	25

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Financial Statements (continued)

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at May 31, 2012, the Funds' tax year end, were as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Undistributed net tax-exempt income *	\$ 702,074	\$ 238,144	\$ 507,992
Undistributed net ordinary income **	—	3,409	6,397
Undistributed net long-term capital gains	—	—	—

  

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Undistributed net tax-exempt income *	\$ 892,451	\$ 257,187	\$ 317,027	\$ 296,303
Undistributed net ordinary income **	—	880	1,808	1,812
Undistributed net long-term capital gains	—	40,384	—	—

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on May 1, 2012, paid on June 1, 2012.

\*\* 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 Funds' tax years ended May 31, 2012 and May 31, 2011, was designated for purposes of the dividends paid deduction as follows:

2012	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
Distributions from net tax-exempt income***	\$ 3,370,744	\$ 1,847,970	\$ 4,030,387
Distributions from net ordinary income**	—	—	—
Distributions from net long-term capital gains	—	—	—

  

2012	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Distributions from net tax-exempt income***	\$ 5,847,630	\$ 2,254,861	\$ 3,692,416	\$ 3,757,920

Distributions from net ordinary income**	—	—	—	—
Distributions from net long-term capital gains	—	—	—	—

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)
2011			
Distributions from net tax-exempt income	\$ 3,445,893	\$ 1,894,084	\$ 4,134,788
Distributions from net ordinary income**	—	—	—
Distributions from net long-term capital gains	—	—	—

	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
2011				
Distributions from net tax-exempt income	\$ 5,682,816	\$ 2,338,991	\$ 3,834,059	\$ 3,878,904
Distributions from net ordinary income**	—	—	—	—
Distributions from net long-term capital gains	—	—	—	—

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

\*\*\* The Funds hereby designate these amounts paid during the fiscal year ended May 31, 2012, as Exempt Interest Dividends.

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At May 31, 2012, the Funds' tax year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Expiration:						
May 31, 2014	\$ —	\$ —	\$ 182,725	\$ —	\$ —	\$ 350,835
May 31, 2016	—	—	—	—	—	115,010
May 31, 2017	577,387	—	1,087,212	12,771	—	42,115
May 31, 2018	393,867	154,744	1,329,548	353,181	205,264	56,088
May 31, 2019	—	—	48,370	—	—	—
Total	\$ 971,254	\$ 154,744	\$ 2,647,855	\$ 365,952	\$ 205,264	\$ 564,048

During the Funds' tax year ended May 31, 2012, the Funds utilized capital loss carryforwards as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)	North Carolina Premium Income (NNC)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)
Utilized capital loss carryforwards	\$ 203,426	\$ 148,119	\$ 206,372	\$ 159,857	\$ 134,623	\$ 182,321	\$ 68,553

On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted, which changed various technical rules governing the tax treatment of RICs. The changes are generally effective for taxable years beginning after the date of enactment. One of the more prominent changes addresses capital loss carryforwards. Under the Act, each Fund will be permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation.

The Act also contains several provisions aimed at preserving the character of distributions made by a fiscal year RIC during the portion of its taxable year ending after October 31 or December 31, reducing the circumstances under which a RIC might be required to file amended Forms 1099 to restate previously reported distributions.

During the Funds' tax year ended May 31, 2012, there were no post-enactment capital losses generated by any of the Funds.

The Funds have elected to defer losses incurred from November 1, 2011 through May 31, 2012, the Funds' tax year end, in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the following fiscal year. The following Funds have elected to defer post-October losses as follows:

	Georgia Premium Income (NPG)	Georgia Dividend Advantage 2 (NKG)
Post-October capital losses	\$ 2,944	\$ 2,668
Late-year ordinary losses	—	—

#### 7. Management Fees and Other Transactions with Affiliates

Each Fund’s management fee consists of two components – a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

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The annual fund-level fee for each Fund, payable monthly, is calculated according to the following schedules:

Average Daily Managed Assets*	Georgia Premium Income (NPG)	North Carolina Premium Income (NNC)	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 managed assets over \$5 billion		.3750	

Average Daily Managed Assets*	Georgia Dividend Advantage (NZX)	Georgia Dividend Advantage 2 (NKG)	North Carolina Dividend Advantage (NRB)	North Carolina Dividend Advantage 2 (NNO)	North Carolina Dividend Advantage 3 (NII)	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 managed assets over \$2 billion						.3750

The annual complex-level fee for each Fund, payable monthly, is calculated according to the following schedule:

Complex-Level Managed Asset Breakpoint Level*	Effective Rate at Breakpoint Level
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

\*



For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen Funds and assets in excess of \$2 billion added to the Nuveen Fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of May 31, 2012, the complex level fee rate for these Funds was .1735%.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser is responsible of each Fund's overall strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Nuveen Asset Management, LLC, (the "Sub-Adviser"), a wholly-owned subsidiary of the Adviser, under which the Sub-Adviser manages the investment portfolios of the Funds. The Sub-Adviser is compensated for its services to the Funds from the management fees paid to the Adviser.

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The Funds pay no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

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

Year Ending September 30,		Year Ending September 30,	
2001*	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10
2005	.30	2011	.05
2006	.30		

\* From the commencement of operations.

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

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

Year Ending November 30,		Year Ending November 30,	
2001*	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10
2005	.30	2011	.05
2006	.30		

\* From the commencement of operations.

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

## 8. New Accounting Pronouncements

### Fair Value Measurements and Disclosures

On May 12, 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04 (“ASU No. 2011-04”) modifying Topic 820, Fair Value Measurements and Disclosures. At the same time, the International Accounting Standards Board (“IASB”) issued International Financial Reporting Standard (“IFRS”) 13, Fair Value Measurement. The objective of the FASB and IASB is convergence of their guidance on fair value measurements and disclosures. Specifically, ASU No. 2011-04 requires reporting entities to disclose i) the amounts of any transfers between Level 1 and Level 2 and the reasons for the transfers and ii) for Level 3 fair value measurements, a) quantitative information about significant unobservable inputs used, b) a description of the valuation processes used by the reporting entity and c) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value measurement. The effective date of the ASU No. 2011-04 is for interim and annual periods beginning after December 15, 2011. At this time, management is evaluating the implications of this guidance and the impact it will have to the financial statement amounts and footnote disclosures, if any.

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The Board of Trustees (each, a “Board” and each Trustee, a “Board Member”) of the Funds, including the Board Members who are not parties to the Funds’ advisory or sub-advisory agreements or “interested persons” of any such parties (the “Independent Board Members”), is responsible for approving the advisory agreements (each, an “Investment Management Agreement”) between each Fund and Nuveen Fund Advisors, Inc. (the “Advisor”) and the sub-advisory agreements (each a “Sub-Advisory Agreement”) between the Advisor and Nuveen Asset Management, LLC (the “Sub-Advisor”) (the Investment Management Agreements and the Sub-Advisory Agreements are referred to collectively as the “Advisory Agreements”) and their periodic continuation. Pursuant to the Investment Company Act of 1940, as amended (the “1940 Act”), the Board is required to consider the continuation of the Advisory Agreements on an annual basis. Accordingly, at an in-person meeting held on May 21-23, 2012 (the “May Meeting”), the Board, including a majority of the Independent Board Members, considered and approved the continuation of the Advisory Agreements for the Funds for an additional one-year period.

In preparation for their considerations at the May Meeting, the Board requested and received extensive materials prepared in connection with the review of the Advisory Agreements. The materials provided a broad range of information regarding the Funds, the Advisor and the Sub-Advisor (the Advisor and the Sub-Advisor are collectively, the “Fund Advisers” and each, a “Fund Adviser”). As described in more detail below, the information provided included, among other things, a review of Fund performance, including Fund investment performance assessments against peer groups and appropriate benchmarks, a comparison of Fund fees and expenses relative to peers, a description and assessment of shareholder service levels for the Funds, a summary of the performance of certain service providers, a review of product initiatives and shareholder communications and an analysis of the Advisor’s profitability with comparisons to comparable peers in the managed fund business. As part of their annual review, the Board also held a separate meeting on April 18-19, 2012, to review the Funds’ investment performance and consider an analysis provided by the Advisor of the Sub-Advisor which generally evaluated the Sub-Advisor’s investment team, investment mandate, organizational structure and history, investment philosophy and process, performance of the applicable Fund, and significant changes to the foregoing. As a result of their review of the materials and discussions, the Board presented the Advisor with questions and the Advisor responded.

The materials and information prepared in connection with the annual review of the Advisory Agreements supplement the information and analysis provided to the Board

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during the year. In this regard, throughout the year, the Board, acting directly or through its committees, regularly reviews the performance and various services provided by the Advisor and the Sub-Advisor. The Board meets at least quarterly as well as at other times as the need arises. At its quarterly meetings, the Board reviews reports by the Advisor which include, among other things, Fund performance, a review of the investment teams and reports on compliance, regulatory matters and risk management. The Board also meets with key investment personnel managing the Fund portfolios during the year. In October 2011, the Board also created two new standing committees (the Open-end Fund Committee and the Closed-end Fund Committee) to assist the full Board in monitoring and gaining a deeper insight into the distinctive issues and business practices of open-end and closed-end funds.

In addition, the Board continues its program of seeking to have the Board Members or a subset thereof visit each sub-advisor to the Nuveen funds at least once over a multiple year rotation, meeting with key investment and business personnel. In this regard, the Board visited with the Sub-Advisor's municipal team in Minneapolis in September 2011, and with the Sub-Advisor's municipal team in Chicago in November 2011. Further, an ad hoc committee of the Board visited the then-current transfer agents of the Nuveen funds in 2011 and the audit committee of the Board visited the various pricing agents for the Nuveen funds in January 2012.

The Board considers factors and information that are relevant to its annual consideration of the renewal of the Advisory Agreements at the meetings held throughout the year. Accordingly, the Board considers the information provided and knowledge gained at these meetings when performing its annual review of the Advisory Agreements. The Independent Board Members are assisted throughout the process by independent legal counsel who provided materials describing applicable law and the duties of directors or trustees in reviewing advisory contracts and met with the Independent Board Members in executive sessions without management present. In addition, it is important to recognize that the management arrangements for the Nuveen funds are the result of many years of review and discussion between the Independent Board Members and fund management and that the Board Members' conclusions may be based, in part, on their consideration of fee arrangements and other factors developed in previous years.

The Board considered all factors it believed relevant with respect to each Fund, including among other factors: (a) the nature, extent and quality of the services provided by the Fund Advisers, (b) the investment performance of the Fund and Fund Advisers, (c) the advisory fees and costs of the services to be provided to the Funds and the profitability of the Fund Advisers, (d) the extent of any economies of scale, (e) any benefits derived by the Fund Advisers from the relationship with the Fund and (f) other factors. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to a Fund's Advisory Agreements. The Independent Board Members did not identify any single factor as all important or controlling. The Independent Board Members' considerations were instead based on a

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comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. Nature, Extent and Quality of Services

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of the Fund Adviser's services, including advisory services and the resulting Fund performance and administrative services. The Independent Board Members further considered the overall reputation and capabilities of the Advisor and its affiliates, the commitment of the Advisor to provide high quality service to the Funds, their overall confidence in the Advisor's integrity and the Advisor's responsiveness to questions and concerns raised by them. The Independent Board Members reviewed materials outlining, among other things, the Fund Adviser's organization and business; the types of services that the Fund Adviser or its affiliates provide to the Funds; the performance record of the applicable Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line.

In considering advisory services, the Board recognized that the Advisor provides various oversight, administrative, compliance and other services for the Funds and the Sub-Advisor generally provides the portfolio investment management services to the Funds. In reviewing the portfolio management services provided to each Fund, the Board reviewed the materials provided by the Nuveen Investment Services Oversight Team analyzing, among other things, the Sub-Advisor's investment team and changes thereto, organization and history, assets under management, Fund objectives and mandate, the investment team's philosophy and strategies in managing the Fund, developments affecting the Sub-Advisor or Fund and Fund performance. The Independent Board Members also reviewed portfolio manager compensation arrangements to evaluate each Fund Adviser's ability to attract and retain high quality investment personnel, preserve stability, and reward performance but not provide an inappropriate incentive to take undue risks. In addition, the Board considered the Advisor's execution of its oversight responsibilities over the Sub-Advisor. Given the importance of compliance, the Independent Board Members also considered Nuveen's compliance program, including the report of the chief compliance officer regarding the Funds' compliance policies and procedures; the resources dedicated to compliance; and the record of compliance with the policies and procedures.

In addition to advisory services, the Board considered the quality and extent of administrative and other non-investment advisory services the Advisor and its affiliates provide to the Funds, including product management, investment services (such as oversight of investment policies and procedures, risk management, and pricing), fund administration, oversight of service providers, shareholder services and communications, administration of Board relations, regulatory and portfolio compliance, legal support, managing leverage and promoting an orderly secondary market for common shares. The Board further recognized Nuveen's additional investments in personnel, including in compliance and risk management.

In reviewing the services provided, the Board also reviewed materials describing various notable initiatives and projects the Advisor performed in connection with the closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; efforts to eliminate product overlap with fund mergers; elimination of the insurance mandate on several funds; ongoing services to manage leverage that has become increasingly complex; continued secondary market offerings, share repurchases and other support initiatives for certain funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. Nuveen's support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; supporting and promoting munifund term preferred shares (MTP) including by launching a microsite dedicated to MTP shares; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the Nuveen funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing a closed-end fund website.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided to the respective Funds under each applicable Advisory Agreement were satisfactory.

#### B. The Investment Performance of the Funds and Fund Advisers

The Board, including the Independent Board Members, reviewed and considered the performance history of each Fund over various time periods. The Board reviewed, among other things, each Fund's historic investment performance as well as information comparing the Fund's performance information with that of other funds (the "Performance Peer Group") based on data compiled by Nuveen that was provided by an independent provider of mutual fund data and with recognized and/or customized benchmarks (i.e., benchmarks derived from multiple recognized benchmarks).

The Board reviewed reports, including a comprehensive analysis of the Funds' performance and the applicable investment team. In this regard, the Board reviewed each Fund's total return information compared to its Performance Peer Group for the quarter, one-, three- and five-year periods ending December 31, 2011, as well as performance information reflecting the first quarter of 2012. In addition, the Board reviewed each Fund's total return information compared to recognized and/or customized benchmarks for the quarter, one- and three-year periods ending December 31, 2011, as well as performance information reflecting the first quarter of 2012. The Independent Board Members also reviewed historic premium and discount levels, including a summary of actions taken to address or discuss other developments affecting the secondary market

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Approval Process (Unaudited) (continued)

discounts of various funds. This information supplemented the fund performance information provided to the Board at each of its quarterly meetings.

In reviewing performance comparison information, the Independent Board Members recognized that the usefulness of the comparisons of the performance of certain funds with the performance of their respective Performance Peer Group may be limited because the Performance Peer Group may not adequately represent the objectives and strategies of the applicable funds or may be limited in size or number. In this regard, the Independent Board Members noted that the Performance Peer Groups of each of the Funds were classified as having significant differences from such Funds based on various considerations such as special fund objectives, potential investable universe and the composition of the peer set (e.g., the number and size of competing funds and number of competing managers). The Independent Board Members also noted that the investment experience of a particular shareholder in the Nuveen funds will vary depending on when such shareholder invests in the applicable fund, the class held (if multiple classes are offered in a fund) and the performance of the fund (or respective class) during that shareholder's investment period. In addition, although the performance below reflects the performance results for the time periods ending as of the most recent calendar year end (unless otherwise indicated), the Board also recognized that selecting a different ending time period may derive different results. Furthermore, while the Board is cognizant of the relevant performance of a fund's peer set and/or benchmark(s), the Board evaluated fund performance in light of the respective fund's investment objectives, investment parameters and guidelines and recognized that the objectives, investment parameters and guidelines of peers and/or benchmarks may differ to some extent, thereby resulting in differences in performance results. Nevertheless, with respect to any Nuveen funds that the Board considers to have underperformed their peers and/or benchmarks from time to time, the Board monitors such funds closely and considers any steps necessary or appropriate to address such issues.

As noted above, each of the Funds had significant differences with its Performance Peer Group. Therefore, the Independent Board Members considered the Funds' performance compared to their benchmarks. In this regard, the Independent Board Members noted that each Fund outperformed its respective benchmark in the one- and three-year periods.

Based on their review, the Independent Board Members determined that each Fund's investment performance had been satisfactory.

C. Fees, Expenses and Profitability

1. Fees and Expenses

The Board evaluated the management fees and expenses of each Fund reviewing, among other things, such Fund's gross management fees, net management fees and net expense ratios in absolute terms as well as compared to the fee and expenses of a comparable universe of funds provided by an independent fund data provider (the "Peer Universe") and any expense limitations.

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The Independent Board Members further reviewed the methodology regarding the construction of the applicable Peer Universe. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as: the limited size and particular composition of the Peer Universe (including the inclusion of other Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; the differences in the type and use of leverage; and differences in the states reflected in the Peer Universe may impact the comparative data, thereby limiting somewhat the ability to make a meaningful comparison with peers.

In reviewing the fee schedule for a Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain closed-end funds launched since 1999). In reviewing fees and expenses (excluding leverage costs and leveraged assets), the Board considered the expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were approximately 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. In reviewing the reports, the Board noted that the overwhelming majority of the Nuveen funds were at, close to or below their peer set average based on the net total expense ratio.

The Independent Board Members noted that the Nuveen Georgia Premium Income Municipal Fund had net management fees slightly higher than the peer average, but a net expense ratio in line with the peer average and that the other Funds each had net management fees and net expense ratios (including fee waivers and expense reimbursements) below or in line with their peer averages.

Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund's management fees were reasonable in light of the nature, extent and quality of services provided to the Fund.

## 2. Comparisons with the Fees of Other Clients

The Independent Board Members further reviewed information regarding the nature of services and range of fees offered by the Advisor to other clients, including municipal separately managed accounts and passively managed exchange traded funds (ETFs) sub-advised by the Advisor. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Funds and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Funds. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that

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the range of services provided to the Funds (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the various products, particularly the extensive services provided to the Funds, the Independent Board Members believe such facts justify the different levels of fees.

In considering the fees of the Sub-Advisor, the Independent Board Members also considered the pricing schedule or fees that the Sub-Advisor charges for similar investment management services for other Nuveen funds, funds of other sponsors (if any), and other clients (such as retail and/or institutional managed accounts).

3. Profitability of Fund Advisers

In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last two calendar years, the allocation methodology used in preparing the profitability data and an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2011. The Independent Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they have an Independent Board Member serve as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members also considered Nuveen's revenues for advisory activities, expenses, and profit margin compared to that of various unaffiliated management firms with comparable assets under management (based on asset size and asset composition).

In reviewing profitability, the Independent Board Members recognized the Advisor's continued investment in its business to enhance its services, including capital improvements to investment technology, updated compliance systems, and additional personnel in compliance, risk management, and product development as well as its ability to allocate resources to various areas of the Advisor as the need arises. In addition, in evaluating profitability, the Independent Board Members also recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations. Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members

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recognized Nuveen's investment in its fund business. Based on their review, the Independent Board Members concluded that the Advisor's level of profitability for its advisory activities was reasonable in light of the services provided.

With respect to sub-advisers affiliated with Nuveen, including the Sub-Advisor, the Independent Board Members reviewed the sub-adviser's revenues, expenses and profitability margins (pre- and post-tax) for its advisory activities and the methodology used for allocating expenses among the internal sub-advisers. Based on their review, the Independent Board Members were satisfied that the Sub-Advisor's level of profitability was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Funds as well as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Funds, if any. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Funds. Based on their review of the overall fee arrangements of each Fund, the Independent Board Members determined that the advisory fees and expenses of the respective Fund were reasonable.

#### D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

With respect to economies of scale, the Independent Board Members have recognized the potential benefits resulting from the costs of a fund being spread over a larger asset base, although economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. One method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Generally, management fees for funds in the Nuveen complex are comprised of a fund-level component and a complex-level component, subject to certain exceptions. Accordingly, the Independent Board Members reviewed and considered the applicable fund-level breakpoints in the advisory fee schedules that reduce advisory fees as asset levels increase. Further, the Independent Board Members noted that although closed-end funds may from time-to-time make additional share offerings, the growth of their assets will occur primarily through the appreciation of such funds' investment portfolio.

In addition to fund-level advisory fee breakpoints, the Board also considered the Funds' complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex are generally reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflects the notion that some of Nuveen's costs are attributable to services provided to all its funds in the complex and therefore all funds benefit if these costs are spread over a larger asset base. In addition, with the acquisition of the funds previously

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advised by FAF Advisors, Inc., the Board noted that a portion of such funds' assets at the time of acquisition were deemed eligible to be included in the complex-wide fee calculation in order to deliver fee savings to shareholders in the combined complex and such funds were subject to differing complex-level fee rates.

Based on their review, the Independent Board Members concluded that the breakpoint schedules and complex-wide fee arrangement were acceptable and reflect economies of scale to be shared with shareholders when assets under management increase.

E. Indirect Benefits

In evaluating fees, the Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits the respective Fund Adviser or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Independent Board Members considered any revenues received by affiliates of the Advisor for serving as co-manager in initial public offerings of new closed-end funds as well as revenues received in connection with secondary offerings.

In addition to the above, the Independent Board Members considered whether the Fund Advisers received any benefits from soft dollar arrangements whereby a portion of the commissions paid by a Fund for brokerage may be used to acquire research that may be useful to the Fund Adviser in managing the assets of the Funds and other clients. The Independent Board Members recognized that each Fund Adviser has the authority to pay a higher commission in return for brokerage and research services if it determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided and may benefit from such soft dollar arrangements. Similarly, the Board recognized that the research received pursuant to soft dollar arrangements by a Fund Adviser may also benefit a Fund and shareholders to the extent the research enhances the ability of the Fund Adviser to manage the Fund. The Independent Board Members noted that the Fund Advisers' profitability may be somewhat lower if they did not receive the research services pursuant to the soft dollar arrangements and had to acquire such services directly.

Based on their review, the Independent Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. Other Considerations

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of each Advisory Agreement are fair and reasonable, that the respective Fund Adviser's fees are reasonable in light of the services provided to each Fund and that the Advisory Agreements be renewed.

## Board Members &amp; Officers (Unaudited)

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

Name, Birthdate & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term(1)	Principal Occupation(s) including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
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## Independent Board Members:

ROBERT P. BREMNER 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board Member	1996 Class III	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute.	222
JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	1999 Class III	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; member of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College and the Iowa College Foundation; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.	222

<p>WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Board Member</p>	<p>2004 Class I</p>	<p>Dean Emeritus (since June 30, 2012), formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and President (since July 2012) Beta Gamma Sigma International Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.</p>	<p>222</p>
<p>DAVID J. KUNDERT 10/28/42 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Board Member</p>	<p>2005 Class II</p>	<p>Director, Northwestern Mutual Wealth Management Company; retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Member, Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation.</p>	<p>222</p>
<p>WILLIAM J. SCHNEIDER 9/24/44 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Board Member</p>	<p>1996 Class III</p>	<p>Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; member, University of Dayton Business School Advisory Council; member, Mid-America Health System Board; formerly, member and chair, Dayton Philharmonic Orchestra</p>	<p>222</p>

Association; formerly, member, Business  
Advisory Council, Cleveland Federal  
Reserve Bank.

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## Board Members &amp; Officers (Unaudited) (continued)

Name, Birthdate & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term(1)	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board Members:				
JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	1997 Class I	Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	222
CAROLE E. STONE 6/28/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	2007 Class I	Director, Chicago Board Options Exchange (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007).	222
VIRGINIA L. STRINGER 8/16/44 333 W. Wacker Drive Chicago, IL 60606	Board Member	2011	Board Member, Mutual Fund Directors Forum; former governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc. a management consulting firm; former Member, Governing Board, Investment Company Institute's Independent Directors Council; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010).	222
TERENCE J. TOTH				



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<p>9/29/59 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Board Member</p>	<p>2008 Class II</p>	<p>Director, Legal &amp; General Investment Management America, Inc. (since 2008); Managing Partner, Promus Capital (since 2008); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management &amp; Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); member: Goodman Theatre Board (since 2004), Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012), and a member of its investment committee; formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).</p>	<p>222</p>
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Interested Board  
Member:

JOHN P.  
AMBOIAN(2)

6/14/61  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Board  
Member

2008  
Class II

Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc., formerly, President (1999-2007); Chief Executive Officer (since 2007) of Nuveen Investments Advisers, Inc.; Director (since 1998) formerly, Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, Inc.

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Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
<p>Officers of the Funds:</p> <p>GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606</p>	Chief Administrative Officer	1988	Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director, Associate General Counsel and Assistant Secretary, of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), Santa Barbara Asset Management, LLC (since 2006), and of Winslow Capital Management Inc. (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2006) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	222
<p>WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive Chicago, IL 60606</p>	Vice President	2007	Senior Executive Vice President, Global Structured Products (since 2010), formerly, Executive Vice President (1999-2010) of Nuveen Securities, LLC; Co-President of Nuveen Fund Advisors, Inc. (since 2011); President (since 2011), formerly, Managing Director (2010-2011) of Nuveen Commodities	122

Asset Management, LLC.

CEDRIC H.  
ANTOSIEWICZ  
1/11/62  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Vice President 2007

Managing Director of Nuveen Securities,  
LLC.

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MARGO L.  
COOK  
4/11/64  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Vice President 2009

Executive Vice President (since 2008) of  
Nuveen Investments, Inc. and of Nuveen  
Fund Advisors, Inc. (since 2011);  
Managing Director-Investment Services  
of Nuveen Commodities Asset  
Management, LLC (since August 2011),  
previously, Head of Institutional Asset  
Management (2007-2008) of Bear  
Stearns Asset Management; Head of  
Institutional Asset Management  
(1986-2007) of Bank of NY Mellon;  
Chartered Financial Analyst.

222

LORNA C.  
FERGUSON  
10/24/45  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Vice President 1998

Managing Director (since 2005) of  
Nuveen Fund Advisors, Inc. and Nuveen  
Securities, LLC (since 2004).

222

STEPHEN D.  
FOY  
5/31/54  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Vice President 1998  
and Controller

Senior Vice President (since 2010),  
formerly, Vice President (2005-2010)  
and Funds Controller of Nuveen  
Securities, LLC; Vice President of  
Nuveen Fund Advisors, Inc.; Chief  
Financial Officer of Nuveen  
Commodities Asset Management, LLC  
(since 2010); Certified Public  
Accountant.

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## Board Members &amp; Officers (Unaudited) (continued)

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds:				
SCOTT S. GRACE 8/20/70 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	2009	Managing Director, Corporate Finance & Development, Treasurer (since 2009) of Nuveen Securities, LLC; Managing Director and Treasurer (since 2009) of Nuveen Fund Advisors, Inc., Nuveen Investments Advisers, Inc., Nuveen Investments Holdings Inc. and (since 2011) Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, Inc.; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation.	222
WALTER M. KELLY 2/24/70 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	Senior Vice President (since 2008) and Assistant Secretary (since 2003) of Nuveen Fund Advisors, Inc.; Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.; formerly, Senior Vice President (2008-2011) of Nuveen Securities, LLC.	222
TINA M. LAZAR 8/27/61 333 W. Wacker Drive	Vice President	2002	Senior Vice President (since 2010), formerly, Vice President (2005-2010) of Nuveen Fund Advisors, Inc.	222

Chicago, IL  
60606

KEVIN J.  
MCCARTHY

3/26/66  
333 W. Wacker  
Drive  
Chicago, IL  
60606

Vice                    2007  
President  
and Secretary

Managing Director and Assistant Secretary (since 2008), formerly, Vice President (2007-2008), Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary (since 2007) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director (since 2008), and Assistant Secretary, Nuveen Investment Holdings, Inc.; Vice President (since 2007) and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, and of Winslow Capital Management, Inc. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC; prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007). 222

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Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds: KATHLEEN L. PRUDHOMME 3/30/53 901 Marquette Avenue Minneapolis, MN 55402	Vice President and Assistant Secretary	2011	Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).	222

- (1) Board Members serve three year terms, except for two board members who are elected by the holders of Preferred Shares. The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (3) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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 Funds Automatic Reinvestment Plan

Your Nuveen Closed-End Fund allows you to conveniently reinvest 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 compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on 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 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 greater of the net asset value or 95% of 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. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on 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 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.

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 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.

Nuveen Investments

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Glossary of Terms  
Used in this Report

**Auction Rate Bond:** An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have “failed,” with current holders receiving a formula-based interest rate until the next scheduled auction.

**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 market-value-weighted average of the effective maturity dates of the individual securities including cash. In the case of a bond that has been advance-refunded to a call date, the effective maturity is the date on which the bond is scheduled to be redeemed using the proceeds of an escrow account. In most other cases the effective maturity is the stated maturity date of the security.

**Effective Leverage:** Effective leverage is a Fund’s effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative investments in the Fund’s portfolio. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage.

**Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

**Inverse Floating Rate Securities:** Inverse floating rate securities, also known as inverse floaters or tender option bonds (TOBs), are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond’s par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an “inverse floater”) to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short term rate paid to the floating rate certificates’ holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond’s downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond’s value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.



**Leverage:** Using borrowed money to invest in securities or other assets, seeking to increase the return of an investment or portfolio.

**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.

**Lipper Other States Municipal Debt Funds Classification Average:** Calculated using the returns of all closed-end funds in this category. Lipper returns account for the effects of management fees and assume reinvestment of distributions, but do not reflect any applicable sales charges.

**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):** The net market value of all securities held in a portfolio.

**Net Asset Value (NAV) Per Share:** The market value of one share of a mutual fund or closed-end fund. For a Fund, the NAV is calculated daily by taking the Fund's total assets (securities, cash, and accrued earnings), subtracting the Fund's liabilities, and dividing by the number of shares outstanding.

**Pre-Refunding:** Pre-Refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.

**Regulatory Leverage:** Regulatory Leverage consists of preferred shares or debt issued by the Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set in the Investment Company Act of 1940.

**Standard & Poor's (S&P) Georgia Municipal Bond Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Georgia municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

**Standard & Poor's (S&P) National Municipal Bond Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

Glossary of Terms  
Used in this Report (continued)

Standard & Poor's (S&P) North Carolina Municipal Bond Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade North Carolina municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

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.

Zero Coupon Bond: A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pays interest periodically.

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#### Additional Fund Information

##### Board of Trustees

John P. Amboian  
Robert P. Bremner  
Jack B. Evans  
William C. Hunter  
David J. Kundert  
William J. Schneider  
Judith M. Stockdale  
Carole E. Stone  
Virginia L. Stringer  
Terence J. Toth

##### Fund Manager

Nuveen Fund Advisors, Inc.  
333 West Wacker Drive  
Chicago, IL 60606

##### Custodian

State Street Bank  
& Trust Company  
Boston, MA

##### Transfer Agent and Shareholder Services State Street Bank & Trust Company

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

#### Quarterly Portfolio of Investments and Proxy Voting Information

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, and (iii) a description of the policies and procedures that each Fund used to determine how to vote proxies relating to portfolio securities 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 (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 100 F Street NE, Washington, D.C. 20549.

CEO Certification Disclosure

Each Fund's Chief Executive Officer (CEO) has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common and Preferred Share Information

Each Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased shares of their common stock as shown in the accompanying table.

Fund	Common Shares Repurchased
NPG	—
NZX	—
NKG	—
NNC	—
NRB	—
NNO	—
NII	—

Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments:  
Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates - Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed approximately \$227 billion as of March 31, 2012.

Find out how we can help you.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain 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.

Learn more about Nuveen Funds at: [www.nuveen.com/cef](http://www.nuveen.com/cef)

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Nuveen Securities, LLC  
333 West Wacker Drive  
Chicago, IL 60606  
[www.nuveen.com](http://www.nuveen.com)

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## ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/CEF/Shareholder](http://www.nuveen.com/CEF/Shareholder). (To view the code, click on Fund Governance and then click on Code of Conduct.)

## ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees ("Board") determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Carole E. Stone, who is "independent" for purposes of Item 3 of Form N-CSR.

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State's operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State's bond-related disclosure documents and certifying that they fairly presented the State's financial position; reviewing audits of various State and local agencies and programs; and coordinating the State's system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone's position on the boards of these entities and as a member of both CBOE Holdings' Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

## ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

### Nuveen Georgia Dividend Advantage Municipal Fund 2

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

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

### SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND



Fiscal Year Ended	Audit Fees	Audit-Related		Tax Fees	All Other	
	Billed to Fund 1	Fees Billed to Fund 2	Fees Billed to Fund 3	Billed to Fund 4	Fees Billed to Fund 4	Fees Billed to Fund 4
May 31, 2012	\$21,200	\$ 0	\$0	\$0	\$0	
Percentage approved pursuant to pre-approval exception	0	% 0	% 0	% 0	% 0	%
May 31, 2011	\$18,200	\$ 0	\$0	\$0	\$0	
Percentage approved pursuant to pre-approval exception	0	% 0	% 0	% 0	% 0	%

1 "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

2 "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees".

3 "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.

4 "All Other Fees" are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.

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

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

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

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Fiscal Year Ended	Audit-Related Fees Billed to Adviser and Affiliated Fund Service Providers	Tax Fees Billed to Adviser and Affiliated Fund Service Providers	All Other Fees Billed to Adviser and Affiliated Fund Service Providers	
May 31, 2012	\$	0 \$	0 \$	0
Percentage approved pursuant to pre-approval exception		0%	0%	0%
May 31, 2011	\$	0 \$	0 \$	0
Percentage approved pursuant to pre-approval exception		0%	0%	0%

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. The Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the pre-approval exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

Fiscal Year Ended	Total Non-Audit Fees Billed to Fund	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the operations and financial reporting of the Fund)	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements)	Total	
May 31, 2012	\$	0 \$	0 \$	0 \$	0
May 31, 2011	\$	0 \$	0 \$	0 \$	0

"Non-Audit Fees billed to Fund" for both fiscal year ends represent "Tax Fees" and "All Other Fees" billed to Fund in their respective amounts from the previous table.

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

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Terence J. Toth, William J. Schneider, Carole E. Stone and David J. Kundert.

ITEM 6. SCHEDULE OF INVESTMENTS.

- a) See Portfolio of Investments in Item 1.
- b) Not applicable.

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

Nuveen Fund Advisors, Inc. (“Adviser”) is the registrant’s investment adviser. The Adviser is responsible for the on-going monitoring of the Fund’s investment portfolio, managing the Fund’s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC (“Sub-Adviser”) as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to the Sub-Adviser the full responsibility for proxy voting on securities held in the registrant’s portfolio and related duties in accordance with the Sub-Adviser's policy and procedures. The Adviser periodically monitors the Sub-Adviser's voting to ensure that it is carrying out its duties. The Sub-Adviser’s proxy voting policies and procedures are attached to this filing as an exhibit and incorporated herein by reference.

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

Nuveen Fund Advisors, Inc. is the registrant’s investment adviser (also referred to as the “Adviser”). The Adviser is responsible for the selection and on-going monitoring of the Fund’s investment portfolio, managing the Fund’s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC (“Nuveen Asset Management” or “Sub-Adviser”) as Sub-Adviser to provide discretionary investment advisory services. The following section provides information on the portfolio manager at the Sub-Adviser:

The Portfolio Manager

The following individual has primary responsibility for the day-to-day implementation of the registrant’s investment strategies:

Name	Fund
Daniel J. Close	Nuveen Georgia Dividend Advantage Municipal Fund 2

Other Accounts Managed. In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

Portfolio Manager	Type of Account Managed	Number of Accounts	Assets*
Daniel J. Close	Registered Investment Company	25	\$4.61 billion
	Other Pooled Investment Vehicles	0	\$0

Other Accounts	10	\$75.5 million
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\* Assets are as of May 31, 2012. None of the assets in these accounts are subject to an advisory fee based on performance.

#### POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented a number of potential conflicts, including, among others, those discussed below.

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Nuveen Asset Management seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, Nuveen Asset Management has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, Nuveen Asset Management determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, Nuveen Asset Management may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, Nuveen Asset Management may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.

Some clients are subject to different regulations. As a consequence of this difference in regulatory requirements, some clients may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where Nuveen Asset Management has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

Nuveen Asset Management has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Item 8(a)(3).

#### FUND MANAGER COMPENSATION

Portfolio manager compensation consists primarily of base pay, an annual cash bonus and long term incentive payments.

**Base pay.** Base pay is determined based upon an analysis of the portfolio manager's general performance, experience, and market levels of base pay for such position.

**Annual cash bonus.** The Fund's portfolio managers are eligible for an annual cash bonus based on investment performance, qualitative evaluation and financial performance of Nuveen Asset Management.

A portion of each portfolio manager's annual cash bonus is based on the Fund's investment performance, generally measured over the past one- and three or five-year periods unless the portfolio manager's tenure is shorter. Investment performance for the Fund generally is determined by evaluating the Fund's performance relative to its benchmark(s) and/or Lipper industry peer group.

A portion of the cash bonus is based on a qualitative evaluation made by each portfolio manager's supervisor taking into consideration a number of factors, including the portfolio manager's team collaboration, expense management, support of personnel responsible for asset growth, and his or her compliance with Nuveen Asset Management's policies and procedures.

The final factor influencing a portfolio manager's cash bonus is the financial performance of Nuveen Asset Management based on its operating earnings.

Long-term incentive compensation. Certain key employees of Nuveen Investments and its affiliates, including certain portfolio managers, have received equity interests in the parent company of Nuveen Investments. In addition, certain key employees of Nuveen Asset Management, including certain portfolio managers, have received profits interests in Nuveen Asset Management which entitle their holders to participate in the firm's growth over time.

There are generally no differences between the methods used to determine compensation with respect to the Fund and the Other Accounts shown in the table above.

Beneficial Ownership of Securities. As of May 31, 2012, the portfolio manager beneficially owned the following dollar range of equity securities issued by the Fund and other Nuveen Funds managed by Nuveen Asset Management's municipal investment team.

Name of Portfolio Manager	Fund	Dollar range of equity securities beneficially owned in Fund	Dollar range of equity securities beneficially owned in the remainder of Nuveen funds managed by Nuveen Asset Management's municipal investment team
Daniel J. Close	Nuveen Georgia Dividend Advantage Municipal Fund 2	\$0	\$0

**PORTFOLIO MANAGER BIO:**

Daniel J. Close, CFA, is a Senior Vice President of Nuveen Investments. He joined Nuveen Investments in 2000 as a member of Nuveen's product management and development team. He then served as a research analyst for Nuveen's municipal investing team, covering corporate-backed, energy, transportation and utility credits. He received his BS in Business from Miami University and his MBA from Northwestern University's Kellogg School of Management. Mr. Close has earned the Chartered Financial Analyst designation. Mr. Close also serves as a portfolio manager for various Nuveen Build America Bond strategies.

**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. Letter or number the exhibits in the sequence indicated.

- (a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at [www.nuveen.com/CEF/Shareholder](http://www.nuveen.com/CEF/Shareholder) and there were no amendments during the period covered by this report. (To view the code, click on Fund Governance and then Code of Conduct.)
- (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 Georgia Dividend Advantage Municipal Fund 2

By (Signature and Title) /s/ Kevin J. McCarthy

Kevin J. McCarthy

Vice President and Secretary

Date: August 8, 2012

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: August 8, 2012

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

Stephen D. Foy

Vice President and Controller

(principal financial officer)

Date: August 8, 2012