

NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

Form N-30D

August 07, 2002

Annual Report May 31, 2002

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

MARYLAND
NMY
NFM
NZR

NORTH CAROLINA
NNC
NRB
NNO

VIRGINIA
NPV
NGB
NNB

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

THE NUVEEN
INVESTOR
SEE PAGE 13

Logo: NUVEEN Investments

RECEIVE YOUR
NUVEEN
FUND
UPDATES
FASTER
THAN EVER!

By registering for online access, you can view and save on your computer the Fund information you currently receive in the mail. This information then can be retrieved any time, and you can select only the specific pages you want to view or print.

Once you sign up, you'll receive an e-mail notice the moment Fund reports are ready. This notice will contain a link to the report - all you have to do is click on the internet address provided. You'll be saving time, as well as saving printing and distribution expenses for your Fund.

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

Your e-mail address is strictly confidential and will not be used for anything other than notifications of shareholder information.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

And if you decide you don't like receiving your reports electronically, it's a simple process to go back to regular mail delivery.

SIGN UP TODAY--Here's all you need to do...

IF YOUR NUVEEN FUND
DIVIDENDS AND STATEMENTS

COME FROM YOUR
FINANCIAL ADVISOR OR
BROKERAGE ACCOUNT,

FOLLOW THE STEPS
OUTLINED BELOW:

- 1 GO to WWW.INVESTORDELIVERY.COM
- 2 Look at the address sheet that accompanied this report. Enter the personal 13-CHARACTER ENROLLMENT NUMBER imprinted near your name on the address sheet.
- 3 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen. Once there, enter your e-mail address (e.g. yourID@providerID.com), and a personal, 4-digit PIN of your choice. (Pick a number that's easy to remember.)
- 4 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 5 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 6 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND
DIVIDENDS AND STATEMENTS

COME DIRECTLY TO
YOU FROM NUVEEN,

FOLLOW THE STEPS
OUTLINED BELOW:

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

Logo: NUVEEN Investments

Dear
SHAREHOLDER

Photo of:
Timothy R. Schwertfeger
Chairman of the Board

Sidebar text:

"I urge you to consider receiving future Fund reports and other information electronically ...see the inside front cover of this report for detailed instructions."

I am pleased to report that during the period covered by this report, your Fund continued to meet its primary objective of providing attractive monthly income, while at the same time offering opportunities to reduce overall portfolio volatility. Detailed information on your Fund's performance can be found in the Portfolio Managers' Comments and Performance Overview sections of this report. I urge you to take the time to read them.

I also urge you to consider receiving future Fund reports and other information electronically via the Internet and e-mail rather than in hard copy. Not only will you be able to receive the information faster, but this also may help lower Fund expenses. Sign up is quick and easy - see the inside front cover of this report for detailed instructions.

In addition to providing you with steady tax-free income, your Nuveen Fund also features several characteristics that can help make it an essential part of your overall investment strategy. These include careful research, constant surveillance and judicious trading by Nuveen's seasoned portfolio management team, with every action designed to supplement income, improve Fund structure, better adapt to current market conditions or increase diversification. In uncertain markets like these, prudent investors understand the importance of diversification, balance, and risk management, all attributes your Nuveen Fund can bring to your portfolio.

For more than 100 years, Nuveen has specialized in offering quality investments such as these Nuveen Funds to those seeking to accumulate and preserve wealth. Our mission continues to be to assist you and your financial advisor by offering the investment services and products that can help you meet your financial objectives. We thank you for continuing to choose Nuveen Investments as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

July 15, 2002

1

Nuveen Municipal Closed-End Exchange-Traded Funds
(NMY, NFM, NZR, NNC, NRB, NNO, NPV, NGB, NNB)

Portfolio Managers'
COMMENTS

Portfolio managers Paul Brennan and Tom O'Shaughnessy review economic and market conditions, key strategies, and recent Fund performance. Paul assumed portfolio management responsibility for NMY and NPV in 1999, and for NFM, NZR, NGB and NNB at their respective inceptions in 2001. Tom has managed NNC since 1998, and NRB and NNO since 2001.

WHAT FACTORS HAD THE GREATEST INFLUENCE ON THE U.S. ECONOMY AND THE MUNICIPAL MARKET DURING THIS REPORTING PERIOD?

The two major forces at work during the twelve months ended May 31, 2002, were the general slowdown in economic growth and the Federal Reserve's aggressive easing of short-term interest rates. In addition, the events of September 11, 2001, and the uncertain geopolitical climate that followed also impacted the economy and the markets.

In the municipal markets, the generally sluggish economic environment of the past twelve months helped many securities perform well. In addition, the trend toward increased issuance remained strong. Looking at the first five months of 2002, Maryland and Virginia saw significant increases in municipal issuance when compared with the same period in 2001. North Carolina's issuance this year was less than the unusually heavy calendar in the first five months of 2001, but still strong by historical standards. On the demand side, municipal bonds continued to be highly sought after by individual investors looking for diversification, tax-free income and an alternative to a volatile stock market. Institutional investors, especially traditional purchasers such as property/casualty insurance companies, also have been active buyers.

Maryland, North Carolina and Virginia all remain in a relatively strong economic condition. The business climate in all three states stayed positive over the course of the past year, with a diversified mix of private and public sector opportunities helping to create relatively low levels of unemployment.

HOW DID THESE NUVEEN FUNDS PERFORM OVER THE PAST TWELVE MONTHS?

For the fiscal year ended May 31, 2002, the Funds covered in this report produced total annual returns on net asset value (NAV) as shown in the accompanying table. The annual returns for the Lehman Brothers Municipal Bond Index1 and relevant Lipper Peer Group2 are also presented.

	MARKET YIELD	TOTAL RETURN ON NAV	LEHMAN TOTAL RETURN1	LIPPER AVERAGE2
	5/31/02	TAXABLE- EQUIVALENT3 5/31/02	1 YEAR ENDED 5/31/02	1 YEAR ENDED 5/31/02
NMY	5.45%	8.20%	7.71%	6.15%
NFM	5.44%	8.18%	8.21%	6.15%

NZR	5.34%	8.03%	-	-	-
NNC	5.14%	7.97%	7.62%	6.15%	8.17%
NRB	5.36%	8.31%	9.58%	6.15%	8.17%
NNO	5.52%	8.56%	-	-	-
NPV	5.38%	8.15%	6.71%	6.15%	8.17%
NGB	5.61%	8.50%	8.89%	6.15%	8.17%
NNB	5.56%	8.42%	-	-	-

Past performance is not predictive of future results.

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

Over the past twelve months, the Fed's policy to keep short-term interest rates relatively low, combined with generally favorable market conditions, created a positive total return environment for municipal bonds. The Funds' participation in the market's gains is reflected, in part, in the total returns on NAV listed in the above table. In a market characterized by rising bond values, funds with longer durations⁴ typically would be expected to outperform funds or indexes with shorter durations. As of May 31, 2002, the durations of the Nuveen Funds with at least one-year of history ranged from 9.36 to 16.92 compared with 7.82 for the unleveraged Lehman Brothers Municipal Bond Index.

Among the newer Funds, the durations of NZR, NNO and NNB, which were introduced within the past year, ranged from 14.91 to 16.74. Relatively high durations are typical of newer Nuveen funds, and over time, we expect these durations will tend to get shorter to come more closely into line with the older Nuveen Funds.

- 1 The Funds' performances are compared with that of the Lehman Brothers Municipal Bond Index, a national unleveraged index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Funds' total returns are compared with the average annualized return of the 26 funds in the Lipper Other States Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a federal income tax rate of 30% plus the applicable state income tax rate. The combined federal and state tax rates used in this report are as follows: Maryland 33.5%, North Carolina 35.5%, and Virginia 34%.
- 4 Duration is a measure of a Fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the lever-aging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund. Unless otherwise noted, references to duration in this commentary are intended to indicate Fund duration.

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

With the Fed keeping short-term interest rates relatively low, the dividend-payment capabilities of these Funds benefited from the use of leverage, a strategy that can potentially enhance the dividends paid to common shareholders. This benefit is tied in part to the short-term rates the leveraged Funds pay their MuniPreferred(R) shareholders. For example, low short-term rates can enable the Funds to reduce the amount of income they pay preferred shareholders, which can leave more earnings to support common share dividends.

During the year ended May 31, 2002, relatively low short-term interest rates enabled us to implement dividend increases in NMY, NNC, NRB and NPV. The other Funds maintained steady dividends during this period, with NZR declaring its first dividend in November 2001 and NNO and NNB paying their first dividends in January 2002.

Over the past year, the share prices of these Nuveen Funds tended to remain relatively stable (see the charts on the individual Performance Overview pages). This steady performance helped keep all of the Funds' share prices at premiums to their net asset values.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE NUVEEN FUNDS DURING THE FISCAL YEAR ENDED MAY 31, 2002?

Two areas of emphasis during this reporting period were enhancing the dividend-paying capabilities of the Funds and improving their diversification and call protection. New issuance in these states tends to be irregular, with periods of relatively strong issuance followed by periods of relatively light new issue supply. As a result, our approach has been to look for opportunities as they occur and to respond quickly as favorable situations develop. Over the past year, we often focused on essential services (such as water and sewer systems), some selected airport and utility issues, and certain general obligation bonds. When we were able to obtain attractive prices, we selectively sold some healthcare and multifamily housing bonds from the portfolios.

We also were trying to modestly shorten each of the Funds' duration, which would help to better position them in the event that interest rates start to creep higher in the coming months. By shortening durations, we believe we can help make the portfolios less sensitive to possible interest rate changes while still providing yields and returns that are competitive with longer duration funds.

In the current geopolitical climate, we believe that maintaining strong credit quality is a key requirement for all the Funds. As of May 31, 2002, each of these Nuveen Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 71% to 92%. All of the Funds also had a portion of their assets invested in BBB bonds, which serve to enhance the Funds' income streams.

All of these Funds also offer good levels of call protection through 2002 and 2003, with no scheduled calls in NFM, NZR, NRB and NNB, and 3% and 9% in NGB and NNO, respectively, over this two-year period. The three older Funds, which mark the 10-year anniversary of their inception in 2003, may begin to see the increased call exposure normally associated with this part of a Fund's life cycle. Over the next two years, calls could affect up to 17% of both NMY's and NNC's portfolios and 19% of NPV's portfolio. The number of actual calls experienced by these Funds will depend largely on market interest rates over this time. In general, we believe this call exposure is very manageable. Given the current level of rates, our general approach has been to hold higher-yielding bonds as long as possible to help support the Funds' dividends, while we look for attractive replacement opportunities.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THESE NUVEEN FUNDS IN PARTICULAR?

In general, our outlook for the fixed-income markets over the next twelve months remains positive. We believe the U.S. economy is headed for recovery, but one that may take longer and see a slower pace of growth than some are now predicting. We believe inflation and interest rates should remain relatively low over the near term, and that new municipal issuance should continue to be strong. We anticipate the demand for tax-exempt municipal bonds will remain firm as investors look for ways to rebalance their portfolios and reduce risk.

We plan to remain focused on strategies that add value for our shareholders, provide support for the Funds' dividends, and fully utilize Nuveen's experience and research expertise. As noted, shareholders may see these Funds' durations shorten.

Overall, we believe these Funds can continue to play an important role in investors' long-range financial programs, providing balance and diversification, dependable tax-free income, and a measure of security in uncertain times. We believe the Funds currently are well positioned for the market environment ahead, and we will continue to closely monitor and respond to events as appropriate.

3

Nuveen Maryland Premium Income Municipal Fund

Performance

OVERVIEW As of May 31, 2002

NMY

pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	58%
AA	17%
A	13%
BBB	7%
NR	2%
Other	3%

PORTFOLIO STATISTICS

Share Price	\$15.73
Common Share Net Asset Value	\$14.04
Market Yield	5.45%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.79%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.20%
Net Assets Applicable to Common Shares (\$000)	\$147,795

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Average Effective Maturity (Years)	17.88

Leverage-Adjusted Duration	9.36

ANNUALIZED TOTAL RETURN (Inception 3/93)

	ON SHARE PRICE	ON NAV
1-Year	4.77%	7.71%
5-Year	8.57%	6.22%
Since Inception	6.08%	5.64%

TOP FIVE SECTORS (as a % of total investments)

Utilities	18%
Housing/Multifamily	18%
Healthcare	11%
Education and Civic Organizations	11%
Tax Obligation/Limited	10%

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

Jun	0.0675
Jul	0.0675
Aug	0.0675
Sep	0.0685
Oct	0.0685
Nov	0.0685
Dec	0.0695
Jan	0.0695
Feb	0.0695
Mar	0.0715
Apr	0.0715
May	0.0715

Line chart:

SHARE PRICE PERFORMANCE

6/1/01	15.8
	15.65
	15.45
	15.3
	15.42
	15.4
	15.12
	15.32
	15.49
	15.65
	15.81
	16.02

15.81
15.86
15.87
16
15
15.2
15.5
15.2
15.32
15.66
15.85
15.89
15.51
15.4
15.55
15.38
15.66
15.77
15.6
15.7
15.78
15.9
15.67
15.71
15.89
15.77
15.7
15.92
15.4
15.69
14.63
14.6
15.01
14.73
14.8
14.88
15.59
15.57
15.34
15.47
5/31/02 15.73

Weekly Closing Price

Past performance is not predictive of future results.

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 33.5%.
- 2 The Fund also paid shareholders a net ordinary income distribution in December 2001 of \$0.0024 per share.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Nuveen Maryland Dividend Advantage Municipal Fund

Performance

OVERVIEW As of May 31, 2002

NFM

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	43%
AA	28%
A	14%
BBB	9%
NR	6%

PORTFOLIO STATISTICS

Share Price	\$15.44
Common Share Net Asset Value	\$14.18
Market Yield	5.44%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.77%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.18%
Net Assets Applicable to Common Shares (\$000)	\$58,925
Average Effective Maturity (Years)	23.41
Leverage-Adjusted Duration	14.30

ANNUALIZED TOTAL RETURN (Inception 1/01)

	ON SHARE PRICE	ON NAV
1-Year	1.98%	8.21%
Since Inception	7.46%	4.84%

TOP FIVE SECTORS (as a % of total investments)

Housing/Single Family	18%
Tax Obligation/General	15%
Healthcare	13%
Housing/Multifamily	11%
Tax Obligation/Limited	10%

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Jun	0.0700
Jul	0.0700
Aug	0.0700
Sep	0.0700
Oct	0.0700
Nov	0.0700
Dec	0.0700
Jan	0.0700
Feb	0.0700
Mar	0.0700
Apr	0.0700
May	0.0700

Line chart:
SHARE PRICE PERFORMANCE

6/1/01	16.25
	15.86
	15.7
	15.26
	15.3
	15.85
	15.7
	15.75
	15.9
	15.92
	16.18
	16.14
	16.1
	16
	15.77
	15.89
	15.1
	15.18
	15.79
	15.44
	15.4
	15.35
	16.15
	15.36
	15.2
	15.2
	15.24
	14.95
	15.16
	15.25
	15.2
	15.4
	15.52
	15.55
	16.05
	16.1
	16
	15.57
	15.57
	15.7
	15.85
	15.71
	15.3

15.4
 15.2
 14.79
 15.01
 15
 15.4
 15.43
 15.15
 15.4
 5/31/02 15.44

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 33.5%.

5

Nuveen Maryland Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of May 31, 2002

NZR

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	48%
AA	33%
A	12%
BBB	6%
NR	1%

PORTFOLIO STATISTICS

Share Price	\$14.61
Common Share Net Asset Value	\$14.01
Market Yield	5.34%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.63%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.03%
Net Assets Applicable to Common Shares (\$000)	\$58,370
Average Effective Maturity (Years)	23.74

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

 Leverage-Adjusted Duration 16.74

CUMULATIVE TOTAL RETURN (Inception 9/01)

	ON SHARE PRICE	ON NAV
Since Inception	0.52%	1.01%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/General	27%
Healthcare	16%
Education and Civic Organizations	12%
Housing/Multifamily	12%
Tax Obligation/Limited	11%

bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Nov	0.065
Dec	0.065
Jan	0.065
Feb	0.065
Mar	0.065
Apr	0.065
May	0.065

line chart:

SHARE PRICE PERFORMANCE

9/28/01	15
	15.05
	15.01
	15.18
	15.11
	15.7
	15.4
	15.5
	15.08
	15.06
	15
	14.29
	13.77
	13.8
	13.48
	13.95
	14.08
	14.42
	14.61
	14.74
	14.59
	14.68
	14.76
	15

14.79
 14.37
 14.15
 14.13
 13.99
 14.16
 14.46
 14.25
 14.56
 14.35
 14.44
 5/31/02 14.61

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 33.5%.

6

Nuveen North Carolina Premium Income Municipal Fund

Performance

OVERVIEW As of May 31, 2002

NNC

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	48%
AA	32%
A	10%
BBB	10%

PORTFOLIO STATISTICS

Share Price	\$16.21
Common Share Net Asset Value	\$14.18
Market Yield	5.14%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.34%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	7.97%
Net Assets Applicable to Common Shares (\$000)	\$89,286
Average Effective Maturity (Years)	20.09

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

 Leverage-Adjusted Duration 11.46

ANNUALIZED TOTAL RETURN (Inception 5/93)

	ON SHARE PRICE	ON NAV
1-Year	15.44%	7.62%
5-Year	7.61%	6.86%
Since Inception	6.38%	5.81%

TOP FIVE SECTORS (as a % of total investments)

Healthcare	21%
Tax Obligation/Limited	13%
Housing/Single Family	12%
Utilities	9%
U.S. Guaranteed	9%

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Jun	0.0645
Jul	0.0645
Aug	0.0645
Sep	0.066
Oct	0.066
Nov	0.066
Dec	0.0675
Jan	0.0675
Feb	0.0675
Mar	0.0695
Apr	0.0695
May	0.0695

Line chart:

SHARE PRICE PERFORMANCE

6/1/01	14.85
	14.95
	14.95
	15.08
	15.21
	15.44
	15.45
	15.51
	15.52
	15.44
	15.46
	15.5
	15.52
	15.76
	15.65
	15.7

14.85
14.73
15.35
15.36
15.36
15.42
15.67
15.53
14.95
14.88
15.09
15.13
15.03
14.76
14.27
14.69
14.76
15.04
14.99
15.22
15.49
15.45
15.55
15.7
15.76
15.8
15.72
15.62
15.6
15.54
15.6
15.56
15.45
15.75
16
16.07
5/31/02 16.21

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 35.5%.

Nuveen North Carolina Dividend Advantage Municipal Fund

PERFORMANCE

OVERVIEW As of May 31, 2002

NRB

Pie chart:

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

CREDIT QUALITY

AAA/U.S. Guaranteed	48%
AA	38%
A	4%
BBB	8%
NR	4%

PORTFOLIO STATISTICS

Share Price	\$15.44
Common Share Net Asset Value	\$14.39
Market Yield	5.36%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.66%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.31%
Net Assets Applicable to Common Shares (\$000)	\$32,148
Average Effective Maturity (Years)	23.88
Leverage-Adjusted Duration	16.92

ANNUALIZED TOTAL RETURN (Inception 1/01)

	ON SHARE PRICE	ON NAV
1-Year	7.54%	9.58%
Since Inception	7.55%	5.85%

TOP FIVE SECTORS (as a % of total investments)

Water and Sewer	19%
Healthcare	18%
Education and Civic Organizations	15%
Utilities	11%
Housing/Multifamily	10%

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Jun	0.068
Jul	0.068
Aug	0.068
Sep	0.068
Oct	0.068
Nov	0.068

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Dec	0.068
Jan	0.068
Feb	0.068
Mar	0.069
Apr	0.069
May	0.069

Line chart:

SHARE PRICE PERFORMANCE

6/1/01	15.15
	15.5
	15.4
	15.3
	15.46
	15.7
	15.8
	15.54
	15.55
	15.48
	15.65
	15.74
	15.75
	16.16
	15.6
	15.59
	15.1
	15.01
	15.5
	15.35
	15.68
	15.24
	15.3
	15.27
	15.12
	15.13
	15.04
	15.21
	15.03
	15.09
	15.14
	14.99
	15.12
	15.23
	15.2
	15.25
	15.25
	15.19
	15.3
	15.2
	15.38
	15.19
	14.1
	14.5
	15.03
	15.04
	15.17
	15
	15
	15
	14.95
	15.14

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

5/31/02 15.44

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 35.5%.

8

Nuveen North Carolina Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of May 31, 2002

NNO

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	57%
AA	29%
A	5%
BBB	9%

PORTFOLIO STATISTICS

Share Price	\$14.90
Common Share Net Asset Value	\$14.30
Market Yield	5.52%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.89%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.56%
Net Assets Applicable to Common Shares (\$000)	\$53,383
Average Effective Maturity (Years)	18.99
Leverage-Adjusted Duration	14.91

CUMULATIVE TOTAL RETURN (Inception 11/01)

	ON SHARE PRICE	ON NAV
Since Inception	1.64%	2.22%

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

TOP FIVE SECTORS (as a % of total investments)

Water and Sewer	19%
Utilities	16%
Healthcare	15%
Education and Civic Organizations	13%
Tax Obligation/General	10%

Bar chart:
2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Jan	0.0685
Feb	0.0685
Mar	0.0685
Apr	0.0685
May	0.0685

line chart:
SHARE PRICE PERFORMANCE

11/16/01	15
	15
	15.05
	15.02
	15
	14.8
	14.51
	14.5
	14.73
	14.61
	14.84
	14.88
	14.99
	14.99
	14.75
	15
	15.13
	14.99
	14.85
	14.75
	14.36
	14.5
	14.4
	14.9
	15
	14.75
	14.84
	14.88
5/31/02	14.9

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It

is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 35.5%.

9

Nuveen Virginia Premium Income Municipal Fund

Performance

OVERVIEW As of May 31, 2002

NPV

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	52%
AA	22%
A	17%
BBB	2%
NR	5%
Other	2%

PORTFOLIO STATISTICS

Share Price	\$16.17
Common Share Net Asset Value	\$14.69
Market Yield	5.38%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.69%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.15%
Net Assets Applicable to Common Shares (\$000)	\$128,655
Average Effective Maturity (Years)	17.99
Leverage-Adjusted Duration	9.45

ANNUALIZED TOTAL RETURN (Inception 3/93)

	ON SHARE PRICE	ON NAV
1-Year	6.64%	6.71%
5-Year	7.85%	6.84%
Since Inception	6.47%	6.35%

TOP FIVE SECTORS (as a % of total investments)

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Tax Obligation/Limited	14%
-----	-----
U.S. Guaranteed	13%
-----	-----
Water and Sewer	13%
-----	-----
Healthcare	11%
-----	-----
Education and Civic Organizations	10%
-----	-----

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Jun	0.0695
Jul	0.0695
Aug	0.0695
Sep	0.0715
Oct	0.0715
Nov	0.0715
Dec	0.0725
Jan	0.0725
Feb	0.0725
Mar	0.0725
Apr	0.0725
May	0.0725

Line chart:

SHARE PRICE PERFORMANCE

6/1/01	16.04
	16.15
	16.07
	16.16
	16.11
	16.16
	16.41
	16.46
	16.79
	17.1
	17.1
	16.89
	16.96
	16.95
	16.82
	16.85
	16.18
	15.84
	16.15
	16.2
	16.36
	16.17
	16.19
	16.3
	15.65
	15.78
	15.89
	16.05
	15.75
	15.65
	15.7
	15.83
	16.07

16.19
 16.31
 16.06
 16.56
 16.65
 16.57
 16.74
 16.58
 16.31
 15.92
 15.69
 15.4
 15.68
 15.19
 15.33
 15.89
 15.85
 15.97
 16.14
 5/31/02 16.17

Weekly Closing Price

Past performance is not predictive of future results.

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.
- 2 The Fund also paid shareholders a net ordinary income distribution in December 2001 of \$0.0028 per share.

10

Nuveen Virginia Dividend Advantage Municipal Fund

Performance

OVERVIEW As of May 31, 2002

NGB

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	47%
AA	30%
A	14%
BBB	4%
NR	5%

PORTFOLIO STATISTICS

Share Price	\$15.09
Common Share Net Asset Value	\$14.23

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Market Yield	5.61%

Taxable-Equivalent Yield (Federal Income Tax Rate)1	8.01%

Taxable-Equivalent Yield (Federal and State Income Tax Rate)1	8.50%

Net Assets Applicable to Common Shares (\$000)	\$44,308

Average Effective Maturity (Years)	20.92

Leverage-Adjusted Duration	12.84

ANNUALIZED TOTAL RETURN (Inception 1/01)

	ON SHARE PRICE	ON NAV
1-Year	5.10%	8.89%
Since Inception	5.78%	5.17%

TOP FIVE SECTORS (as a % of total investments)

Transportation	19%
Tax Obligation/General	19%
Healthcare	12%
Water and Sewer	9%
Education and Civic Organizations	8%

Bar chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Jun	0.0705
Jul	0.0705
Aug	0.0705
Sep	0.0705
Oct	0.0705
Nov	0.0705
Dec	0.0705
Jan	0.0705
Feb	0.0705
Mar	0.0705
Apr	0.0705
May	0.0705

line chart:

SHARE PRICE PERFORMANCE

6/1/01	15.25
	15
	14.98
	15.05
	15.05
	15.21

15.28
15.14
15.45
15.55
16
15.94
16.16
16
15.97
15.8
15.28
15.3
15.74
15.8
15.78
15.7
15.41
15.4
15.35
15.5
15.41
15.5
15.33
15
14.65
15.11
15.31
15.35
15.5
15.9
15.85
15.57
15.6
15.7
15.47
15.3
14.9
14.8
14.25
14.36
14.05
14.18
14.6
14.75
14.69
14.86
5/31/02 15.09

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Nuveen Virginia Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of May 31, 2002

NNB

Pie chart:

CREDIT QUALITY

AAA/U.S. Guaranteed	59%
AA	33%
A	3%
BBB	5%

PORTFOLIO STATISTICS

Share Price	\$14.90
Common Share Net Asset Value	\$14.31
Market Yield	5.56%
Taxable-Equivalent Yield (Federal Income Tax Rate) ¹	7.94%
Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹	8.42%
Net Assets Applicable to Common Shares (\$000)	\$81,325
Average Effective Maturity (Years)	23.01
Leverage-Adjusted Duration	15.63

CUMULATIVE TOTAL RETURN (Inception 11/01)

	ON SHARE PRICE	ON NAV
Since Inception	1.71%	2.30%

TOP FIVE SECTORS (as a % of total investments)

Tax Obligation/Limited	27%
Tax Obligation/General	20%
Water and Sewer	19%
Healthcare	8%
Housing/Single Family	7%

Bar chart:

2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Jan	0.069
Feb	0.069
Mar	0.069
Apr	0.069
May	0.069

Line chart:
SHARE PRICE PERFORMANCE

11/16/01 15
15
15.02
15.07
15.05
14.6
15
14.8
14.85
14.85
14.85
14.9
14.95
14.88
14.9
14.99
14.9
14.75
14.6
14
14.5
13.7
14.3
14.25
14.55
14.6
14.4
14.72
5/31/02 14.9

Weekly Closing Price

Past performance is not predictive of future results.

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

V1

THE NUVEEN
INVESTOR

PHOTO OF: 2 boys

BOND SURVEILLANCE -
A HIGH PRIORITY AT NUVEEN

The Enron scandal has raised numerous questions about the real value of American securities. Investors want to know what safeguards are in place to inspire their trust and ensure their holdings are dependable. The Nuveen Investor recently spoke with David Blair, Assistant Vice President and Senior Analyst at Nuveen, about the research and surveillance processes used for Nuveen funds.

HOW DO NUVEEN'S RESEARCH ANALYSTS EVALUATE BONDS PRIOR TO PURCHASE?

We evaluate factors impacting market sectors, issuers and specific bonds and assign credit ratings to bonds we consider for purchase. We seek to purchase bonds with stable and improving credit characteristics, which have attractive prices and yields relative to other bonds in their sectors.

HOW DO YOU CONDUCT YOUR RESEARCH?

We conduct detailed analyses that often involve site visits and discussions with managers of the projects being financed. Since Nuveen is a major investor with large buying power, issuers and project managers are willing to listen to us and respond to our concerns.

IS THE RESEARCH AND ANALYSIS PROCESS ANY DIFFERENT WHEN CONSIDERING HIGH-YIELD BONDS?

Up to 20 percent of some funds can be invested in below investment grade bonds to help the fund attain a higher yield. This underscores the need for research. If one of our 16 analysts believes a high-yield bond should be purchased, a second analyst reviews the issue as well.

HOW DO YOU MONITOR THE VARIOUS BONDS ONCE THEY'VE BEEN PURCHASED?

We have a proprietary database with information and analysis on the bonds Nuveen holds in its funds. Among other things, we are able to evaluate risk exposure to sectors, issuers and specific bonds on an on-going basis.

HOW DOES THE RESEARCH DEPARTMENT COMMUNICATE THE INFORMATION GATHERED?

We conduct biweekly meetings within the research department and weekly meetings with portfolio managers. We also write-up our findings and distribute them with "buy," "hold" or "sell" recommendations to portfolio managers.

(continued on page 15)

	Volume one 2002
	INSIDE
13	Bond Surveillance - A High Priority at Nuveen
14	Is it Time to Rethink Your Bond Strategy?
15	Many Investors Continue to Find Solutions with Professional Advice
16	Fund Reports Available Online
16	ETFConnect: The Source for All Exchange-Traded Funds

(C)2002 Nuveen Investments.
All rights reserved.

LOGO: NUVEEN Investments

13

V1

IS IT TIME TO RETHINK YOUR BOND STRATEGY?

Significant stock market losses in recent history have sent many investors toward bonds as a way to potentially cut their losses and balance equity-dominated portfolios. While many consider bonds a set-and-forget investment, there are several circumstances that might prompt you to reassess -- and perhaps revamp -- your bond holdings.

Tax bracket changes

The Economic Growth and Tax Relief Reconciliation Act of 2001 has dropped tax brackets a percentage point this year, but a higher salary, large bonus, sale of assets or retirement may push you into a higher tax bracket for 2002.

If you are in a higher tax bracket and want to generate an income stream without raising your tax burden, tax-free municipal bonds may be a prudent option. Even if you are in a lower tax bracket, municipal bonds could make sense. The question is whether municipal or taxable bonds will deliver a better taxable yield.

Retirement plans change

Whether you are near retirement or are currently enjoying it, you may want to consider rebalancing your retirement accounts with less stock and more bonds, to potentially reduce risk and try to preserve the assets that you have accumulated. If you are just entering retirement you may want to make tax-free municipal bonds a part of your portfolio to emphasize income generation and protection from taxation.

Risk tolerance changes

The recent market volatility and market downturn may have caused many investors to reevaluate their tolerance for risk. On the other hand, your portfolio might have performed well over the last few years and you may not need to take on extra risk to meet your long-term goals. In either situation you could take a look at your bond portfolio and determine whether you need to make changes to correspond with your tolerance for risk.

Portfolio changes

If you make significant changes to one or more of your investments, you'll want to look at your portfolio as a whole, particularly with regard to overall asset allocation. You may need to do some rebalancing to stay on track with your investment strategy.

Your financial advisor can help. Regardless of how your circumstances change, he or she can provide up-to-date information on the bond market and various funds to help you decide how to maximize your returns consistent with your short- and long-term financial goals.

No investment is risk free and some investments carry more risk than others. It is important to know what the risks are, to evaluate them against any potential rewards, and to determine your tolerance for risk when selecting an investment.

Photo of: lighthouse
Photo of: 2 children

THE NUVEEN INVESTOR VOL 02.1

LOGO: NUVEEN Investments

14

MANY INVESTORS CONTINUE TO FIND SOLUTIONS WITH PROFESSIONAL ADVICE

Photo of: clouds

Photo of: woman and girl

For many investors, current financial markets are confusing and frustrating. According to research conducted for the Forum for Investor Advice*, that's the number one reason many turn to a financial advisor. They want someone to suggest ideas and provide consultation, dialogue and professional advice.

Investors say their advisors are helpful in other key ways, including...

- o Saving time. After consultation, investors note that the second most important reason for using an advisor is to have someone else monitor their portfolio, reducing the amount of time they spend on investing.
- o Help in sorting through information. Investors in the 21st century have more products from which to choose than in the past. For example, there are approximately 8,000 mutual funds today, up from 3,000 in 1990.
- o Assistance in setting financial goals. According to investors who use a financial advisor, they are more likely to have a plan for a specific financial goal than do-it-yourself investors.
- o Staying focused. Advisor-assisted investors are more likely than do-it-yourself investors to have developed a comprehensive investment program.
- o Peace of mind. Investors say their comfort level in all types of markets is higher when using an advisor for a "second opinion" on an investment decision.

*The survey of 324 investors was conducted in December of 2000 by Market Facts and analyzed by New York based Neuwirth Research. Of the 324, 166 said they had an ongoing relationship with a financial advisor, while 157 described themselves as do-it-yourselfers.

(continued from page 13)

HOW ARE PROBLEM BONDS IDENTIFIED AND HANDLED?

We conduct surveillance on our bonds on a regular basis to ensure, among other things, that deteriorating bonds are identified early. We then discuss any emerging problems and potential courses of action with the portfolio manager.

HOW MANY ISSUES DOES THE RESEARCH DEPARTMENT FOLLOW?

We follow 12 sectors and 1,500 uninsured bonds, worth about \$18 billion of Nuveen's \$45 billion in total municipal assets. The remaining \$27 billion in municipal assets are insured or escrowed (backed by Treasury bonds). For the insured bonds, we monitor closely on a regular basis the insurers guaranteeing the bonds.

WILL RESEARCH AND SURVEILLANCE CHANGE IN LIGHT OF PROBLEMS WITH ENRON SECURITIES?

Overall, our investment process and surveillance have worked well and been effective. However, we meet as a group on a regular basis and are constantly evaluating ways to improve the process to respond to issues and the market environment.

The Nuveen Investor VOL 02.1

LOGO: NUVEEN Investments

15

LOOK AHEAD...

FUND REPORTS AVAILABLE ONLINE

photo of 2 web pages

Nuveen Fund information is now available online. Once you register, you'll receive an e-mail notice with a link to your Fund's reports and other information just as soon as it is ready. Registering takes only a few minutes.

If you receive statements from a brokerage firm or financial advisor, go to WWW.INVESTORDELIVERY.COM. Enter your personal 13-character enrollment number imprinted on the address sheet of this report near your name. From the options on the follow-up page, select the New Enrollment-Create screen. Once there, enter your e-mail address and a personal, four-digit PIN. Hit the Submit button. Confirm the information you entered is correct, then hit Submit again.

If you receive statements directly from Nuveen, go to WWW.NUVEEN.COM. Select the Access Your Account tab, then select E-Report Enrollment. Finally, click on the Enrollment Page. Once there, you'll need to provide your social security number and e-mail address. Click on Enroll.

After registering, you should receive a confirming e-mail within 24 hours. If not, repeat these steps to ensure all information is accurate. You can use this same process if you need to change your registration information or want to cancel Internet viewing. The e-mail address you provide is strictly confidential and will only be used to notify you of shareholder information.

The information in this newsletter should not be construed as specific tax or investment advice. Contact your advisor for information about your particular situation.

ETFCONNECT: THE SOURCE FOR ALL EXCHANGE-TRADED FUNDS

Last fall, Nuveen launched ETFConnect, the industry's first website

featuring all-encompassing information on exchanged-traded funds. Whatever you're looking for in the world of Index ETFs or Closed-End Exchange-Traded Funds - prices, NAVs, dividend information, performance histories, new developments - this is the place. Highlights include Quick Facts sheets for more than 500 funds, a multi-fund search capability, website links, a list of fund sponsors, tools for portfolio tracking, and a continually updated education center. Check out WWW.ETFCONNECT.COM.

Photo of: ETF Connect web page.

The Nuveen Investor Vol 02.1

Logo: NUVEEN Investments

16

Report of
INDEPENDENT AUDITORS

THE BOARD OF TRUSTEES AND SHAREHOLDERS
NUVEEN MARYLAND PREMIUM INCOME MUNICIPAL FUND
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN MARYLAND 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 VIRGINIA PREMIUM INCOME MUNICIPAL FUND
NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND
NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland 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 Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund and Nuveen Virginia Dividend Advantage Municipal Fund 2 as of May 31, 2002, and the related statements of operations, changes in net assets and the financial highlights for the periods indicated therein. 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 auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 2002, by correspondence with the custodian and brokers or by other appropriate alternative auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 position of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland 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 Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund and Nuveen Virginia Dividend Advantage Municipal Fund 2 at May 31, 2002, and the results of their operations, changes in their net assets and their financial highlights for the periods indicated therein in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

CHICAGO, ILLINOIS
JULY 12, 2002

17

Nuveen Maryland Premium Income Municipal Fund (NMY)

Portfolio of
INVESTMENTS May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	CONSUMER STAPLES - 0.8%	
\$ 1,130	The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20	7/10 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 16.6%	
1,000	Maryland Economic Development Corporation, Student Housing Revenue Bonds (Collegiate Housing Foundation, Salisbury Project), Series 1999A, 6.000%, 6/01/19	6/09 at 1
2,250	Maryland Economic Development Corporation, Student Housing Revenue Bonds (Collegiate Housing Foundation, University Courtyard Project), Series 1999A, 5.750%, 6/01/24	6/09 at 1
910	Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds (University of Maryland, College Park Project), Series 2001, 5.375%, 7/01/16	7/11 at 1
750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School Issue, Series 2000: 5.250%, 7/01/25	1/11 at 1
500	5.250%, 7/01/30	1/11 at 1
	Maryland Health and Higher Educational Facilities Authority, Refunding Revenue Bonds, Johns Hopkins University Issue, Series 1997:	

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,000	5.625%, 7/01/17	7/07 at 1
1,500	5.625%, 7/01/27	7/07 at 1
1,400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.625%, 6/01/36	6/11 at 1
9,445	Morgan State University, Maryland, Academic Fees and Auxiliary Facilities Fees, Revenue Refunding Bonds, Series 1993, 6.100%, 7/01/20	No Opt.
4,000	University of Puerto Rico, University System Revenue Bonds, Series O, 5.375%, 6/01/30	6/05 at 1

HEALTHCARE - 17.1%

	City of Gaithersburg, Maryland, Hospital Facilities Refunding and Improvement Revenue Bonds (Shady Grove Adventist Hospital), Series 1995:	
2,550	6.500%, 9/01/12	No Opt.
3,015	5.500%, 9/01/15	9/05 at 1
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente, Series 1998A, 5.375%, 7/01/15	6/09 at 1
750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2000, 6.750%, 7/01/30	7/10 at 1
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Medicine, Howard County General Hospital Acquisition Issue, Series 1998:	
1,000	5.000%, 7/01/19	7/08 at 1
1,250	5.000%, 7/01/29	7/08 at 1
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Upper Chesapeake Hospitals Issue, Series 1998A, 5.125%, 1/01/38	1/08 at 1
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 1
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2002, 6.000%, 7/01/22	7/12 at 1

18

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

HEALTHCARE (continued)

	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002:	
\$ 1,500	5.800%, 7/01/32 (WI, settling 6/13/02)	7/12 at 1
3,000	6.000%, 7/01/37 (WI, settling 6/13/02)	7/12 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Prince George's County, Maryland, Project and Refunding Revenue Bonds (Dimensions Health Corporation Issue), Series 1994:		
825	5.000%, 7/01/05		7/04 at 1
3,080	5.375%, 7/01/14		7/04 at 1
6,000	5.300%, 7/01/24		7/04 at 1

HOUSING/MULTIFAMILY - 26.8%

4,000	Anne Arundel County, Maryland, Multifamily Housing Revenue Bonds (Woodside Apartments Project), Series 1994, 7.450%, 12/01/24 (Alternative Minimum Tax) (Mandatory put 12/01/03)		No Opt.
1,795	County Commissioners of Charles County, Maryland, Mortgage Revenue Refunding Bonds (Holly Station IV Townhouses Project - FHA-Insured Mortgage Loan), Series 1995A, 6.450%, 5/01/26		5/05 at 1
	Howard County, Maryland, Mortgage Revenue Refunding Bonds (Normandy Woods III Apartments Project - FHA-Insured Mortgage Loan), Series 1996A:		
700	6.000%, 7/01/17		7/06 at 1
2,000	6.100%, 7/01/25		7/06 at 1
1,130	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds (Insured Mortgage Loans), 1993 Series B, 6.625%, 5/15/23		5/03 at 1
2,500	Community Development Administration, Department of Housing and Community Development, Maryland, Housing Revenue Bonds, 1999 Series A, 5.350%, 7/01/41 (Alternative Minimum Tax)		1/09 at 1
880	Community Development Administration, Department of Housing and Community Development, Maryland, Housing Revenue Bonds, 1999 Series B, 6.250%, 7/01/32 (Alternative Minimum Tax)		1/10 at 1
1,450	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Development Revenue Bonds, Edgewater Village Apartments Project, 2000 Series B, 5.800%, 8/01/20 (Alternative Minimum Tax)		2/11 at 1
3,075	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds (Insured Mortgage Loans), 1993 Series D, 6.050%, 5/15/24		5/03 at 1
2,000	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Revenue Bonds, 1995 Series A, 5.900%, 7/01/15		7/05 at 1
1,500	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Revenue Bonds, 1996 Series B, 5.900%, 7/01/26		7/06 at 1
3,830	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Development Bonds, 1998 Series A, 5.200%, 7/01/30		7/08 at 1
2,000	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Development Bonds, 2000 Series A, 6.100%, 7/01/30		7/10 at 1
1,000	Housing Authority of Prince George's County, Maryland, Mortgage Revenue Refunding Bonds (Stevenson Apartments Project - GNMA Collateralized), Series 1993A, 6.350%, 7/20/20		1/03 at 1
	Housing Authority of Prince George's County, Maryland, Mortgage		

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Revenue Refunding Bonds (Cherry Hill Apartments Project), Series 1993A:	
1,090	5.900%, 9/20/10	9/03 at 1
1,930	6.000%, 9/20/15	9/03 at 1
1,500	Housing Authority of Prince George's County, Maryland, Mortgage Revenue Refunding Bonds (Riverview Terrace Apartments Project - GNMA Collateralized), Series 1995A, 6.700%, 6/20/20	12/04 at 1
	Housing Authority of Prince George's County, Maryland, Mortgage Revenue Refunding Bonds (Overlook Apartments Project at Langley Apartments Project - GNMA Collateralized), Series 1995A:	
2,000	5.700%, 12/20/15	12/05 at 1
1,670	5.750%, 12/20/19	12/05 at 1
1,000	Housing Authority of Prince George's County, Maryland, Mortgage Revenue Refunding Bonds (Foxglenn Apartments Project - GNMA Collateralized), Series 1998A, 5.450%, 11/20/14 (Alternative Minimum Tax)	11/02 at 1

19

Nuveen Maryland Premium Income Municipal Fund (NMY) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVISION

	HOUSING/MULTIFAMILY (continued)	
\$ 540	Housing Authority of Prince George's County, Maryland, Mortgage Revenue Bonds (University Landing at Langley Apartments Project - GNMA Collateralized), Series 1999, 6.100%, 3/20/41 (Alternative Minimum Tax)	9/09 at 1
1,000	City of Salisbury, Maryland, Mortgage Revenue Refunding Bonds (College Lane Apartments Project - FHA-Insured Mortgage Loan), Series 1995A, 6.600%, 12/01/26	12/04 at 1

	HOUSING/SINGLE FAMILY - 9.9%	
370	Community Development Administration, Department of Housing and Community Development, Maryland, Single Family Program Bonds, 1994 First Series, 5.900%, 4/01/11	4/04 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Single Family Program Bonds, 1994 Fourth Series, 6.450%, 4/01/14	4/04 at 1
2,230	Community Development Administration, Department of Housing and Community Development, Maryland, Single Family Program Bonds, 1994 Fifth Series, 6.750%, 4/01/26 (Alternative Minimum Tax)	4/04 at 1
1,190	Community Development Administration, Department of Housing and	9/09 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Community Development, Maryland, Residential Revenue Bonds, 1999 Series H, 6.250%, 3/01/31 (Alternative Minimum Tax)	
1,925	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, 2000 Series B, 6.150%, 9/01/32 (Alternative Minimum Tax)	9/09 at 1
1,865	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, 2000 Series D, 6.250%, 9/01/32 (Alternative Minimum Tax)	3/10 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Single Family Program Bonds, 1996 Sixth Series, 6.200%, 4/01/22 (Alternative Minimum Tax)	4/06 at 1
1,675	Housing Opportunities Commission of Montgomery County, Maryland, Single Family Mortgage Revenue Bonds, 1994 Series A, 6.600%, 7/01/14	7/04 at 1
700	Housing Authority of Prince George's County, Maryland, GNMA/FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 6.350%, 6/01/11 (Alternative Minimum Tax)	6/04 at 1
1,665	Housing Authority of Prince George's County, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997, 5.625%, 8/01/17 (Alternative Minimum Tax)	8/07 at 1
515	Housing Authority of Prince George's County, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2000A, 6.150%, 8/01/19	8/10 at 1

	LONG-TERM CARE - 1.9%	
1,000	Carroll County, Maryland, Refunding Revenue Bonds, EMA Obligated Group Issue (Fairhaven and Copper Ridge), Series 1999A, 5.625%, 1/01/25	1/09 at 1
1,830	Maryland Economic Development Corporation Revenue Bonds (Health and Mental Hygiene Providers Facilities Acquisition Program), Series 1996A, 7.625%, 4/01/21	4/11 at 1

	TAX OBLIGATION/GENERAL - 13.7%	
	Baltimore County Metropolitan District, Maryland, General Obligation Bonds, 67th Issue:	
2,500	5.000%, 6/01/25	6/11 at 1
2,000	5.000%, 6/01/26	6/11 at 1
1,000	Mayor and City Council of Baltimore, Maryland, General Obligation Serial Consolidated Public Improvement Bonds, 1989 Series B, 7.150%, 10/15/08	No Opt.
	Mayor and City Council of Baltimore, Maryland, General Obligation Consolidated Public Improvement Refunding Bonds, 1995 Series A:	
1,200	7.375%, 10/15/03	No Opt.
3,000	7.250%, 10/15/04	No Opt.
1,000	Mayor and City Council of Baltimore, Maryland, General Obligation Serial Consolidated Public Improvement Bonds, 1991 Series C, 6.375%, 10/15/07	No Opt.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

3,000	Frederick County, Maryland, General Obligation Public Facilities Bonds, 7/09 at 1 Series 1999, 5.250%, 7/01/18
500	Frederick County, Maryland, Special Obligation Bonds, Villages of Lake 7/10 at 1 Linganore Community Development Authority, Series 2001A, 5.700%, 7/01/29

20

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVISION
TAX OBLIGATION/GENERAL (continued)		
\$ 575	Howard County, Maryland, General Obligation Public Improvement and Refunding Bonds, 2002 Series A, 5.250%, 8/15/18	2/12 at 1
2,000	Montgomery County, Maryland, General Obligation Consolidated Public Improvement Refunding Bonds, Series 2001, 5.250%, 10/01/18	10/11 at 1
925	Northern Mariana Islands Commonwealth, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20	6/10 at 1
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20	12/11 at 1
460	Wicomico County, Maryland, General Obligation Public Improvement Bonds, Series 1999, 5.750%, 12/01/19	12/09 at 1
TAX OBLIGATION/LIMITED - 16.0%		
1,870	Howard County, Maryland, Metropolitan District General Obligation and Refunding Bonds, 2002 Series A, 5.250%, 8/15/18	2/12 at 1
1,465	Community Development Administration, Department of Housing and Community Development, Maryland, Infrastructure Financing Bonds (MBIA Insured), 1998 Series B, 5.200%, 6/01/28	6/08 at 1
4,000	Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.
	Maryland Department of Transportation, Certificates of Participation, Series 2000:	
950	5.500%, 10/15/19 (Alternative Minimum Tax)	10/10 at 1
1,005	5.500%, 10/15/20 (Alternative Minimum Tax)	10/10 at 1
4,455	Maryland Stadium Authority, Sports Facilities Lease Revenue Bonds, Series 1996, 5.750%, 3/01/18	3/06 at 1
675	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27	7/12 at 1
635	New Baltimore City Board of School Commissioners, Maryland, School System Revenue Bonds, Series 2000, 5.125%, 11/01/15	11/10 at 1
1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 1996Y, 5.500%, 7/01/36	7/16 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2,200	Puerto Rico Public Building Authority, Public Education and Health Facilities Refunding Bonds, Guaranteed by the Commonwealth of Puerto Rico, Series M, 5.750%, 7/01/15	7/03 at 1
2,000	Virgin Islands Public Finance Authority, Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 1999A, 6.500%, 10/01/24	10/10 at 1
	Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties), General Construction Bonds, Series 2000:	
1,085	5.250%, 6/01/20	6/10 at 1
1,205	5.250%, 6/01/21	6/10 at 1

 TRANSPORTATION - 7.4%

1,060	Mayor and City Council of Baltimore, Maryland, Refunding Revenue Bonds (Baltimore City Parking System Facilities), Series 1998A, 5.250%, 7/01/17	No Opt.
5,500	Maryland Transportation Authority, Qualified Airport Special Obligation Revenue Bonds, Baltimore/Washington International Airport Projects, Series 1994A, 6.250%, 7/01/14 (Alternative Minimum Tax)	7/04 at 1
2,075	Puerto Rico Port Authority, Special Facilities Revenue Bonds (American Airlines, Inc. Project), 1996 Series A, 6.250%, 6/01/26 (Alternative Minimum Tax)	6/06 at 1
2,000	Washington Metropolitan Area Transit Authority, District of Columbia, Gross Revenue Transit Refunding Bonds, Series 1993, 6.000%, 7/01/07	No Opt.

 U.S. GUARANTEED - 12.1%

1,000	Mayor and City Council of Baltimore, Maryland, Project and Refunding Revenue Bonds (Water Projects), Series 1996A, 5.500%, 7/01/26 (Pre-refunded to 7/01/12)	7/12 at 1
	Mayor and City Council of Baltimore, Maryland, Project and Refunding Revenue Bonds (Water Projects), Series 2000A:	
590	6.000%, 7/01/15 (Pre-refunded to 7/01/10)	7/10 at 1
500	6.000%, 7/01/17 (Pre-refunded to 7/01/10)	7/10 at 1

21

Nuveen Maryland Premium Income Municipal Fund (NMY) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

U.S. GUARANTEED (continued)

\$	1,500	City of Baltimore, Maryland, Project and Refunding Revenue Bonds (Wastewater Projects), Series 2000A, 5.625%, 7/01/30 (Pre-refunded to 7/01/10)	7/10 at 1
	1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, The Johns Hopkins University Issue, Series 1999, 6.000%, 7/01/39 (Pre-refunded to 7/01/09)	7/09 at 1
	1,875	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Good Samaritan Hospital Issue, Series 1993, 5.750%, 7/01/19	7/03 at 1
	3,125	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Howard County General Hospital Issue, Series 1993, 5.500%, 7/01/25	7/03 at 1
	2,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health Issue, Series 1997, 5.000%, 7/01/27	No Opt.
	3,000	Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement Bonds, Series 2000A, 5.750%, 1/01/19 (Pre-refunded to 1/01/10)	1/10 at 1
	500	Commonwealth of Puerto Rico, General Obligation Public Improvement Bonds, Series 2000, 5.750%, 7/01/26 (Pre-refunded to 7/01/10)	7/10 at 1
	1,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, 2000 Series A, 5.500%, 10/01/20	10/10 at 1

UTILITIES - 26.8%

	6,000	Anne Arundel County, Maryland, Pollution Control Revenue Refunding Bonds (Baltimore Gas and Electric Company Project), Series 1994, 6.000%, 4/01/24	4/04 at 1
	6,500	Calvert County, Maryland, Pollution Control Revenue Refunding Bonds (Baltimore Gas and Electric Company Project), Series 1993, 5.550%, 7/15/14	7/04 at 1
	3,000	Maryland Energy Financing Administration, Limited Obligation Cogeneration Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/05 at 1
	9,600	Montgomery County, Maryland, Solid Waste System Revenue Bonds, 1993 Series A, 5.875%, 6/01/13 (Alternative Minimum Tax)	6/03 at 1
	1,675	Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Refunding Bonds (Southwest Resource Recovery Facility), Series 1993, 7.200%, 1/01/05	1/04 at 1
	5,000	Prince George's County, Maryland, Pollution Control Revenue Refunding Bonds (Potomac Electric Project), Series 1993, 6.375%, 1/15/23	1/03 at 1
	5,750	Prince George's County, Maryland, Solid Waste Management System Revenue Bonds, Series 1993, 5.250%, 6/15/13	6/03 at 1
	1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series T, 5.500%, 7/01/20	7/04 at 1

	WATER AND SEWER - 3.4%	
3,000	City of Baltimore, Maryland, Water Projects and Refunding Revenue Bonds, No Opt. Series 1994A, 5.000%, 7/01/24	
2,000	City of Baltimore, Maryland, Water Projects and Refunding Revenue Bonds, Series 1998A, 5.000%, 7/01/28	

\$ 221,365	Total Investments (cost \$220,269,832) - 152.5%	
=====		
	Other Assets Less Liabilities - 1.0%	
	Preferred Shares, at Liquidation Value - (53.5)%	

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

Nuveen Maryland Dividend Advantage Municipal Fund (NFM)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	CAPITAL GOODS - 1.6%	
\$ 1,000	Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Bonds, Baltimore RESCO Retrofit Project, Series 1998, 4.750%,	1/09 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1/01/12 (Alternative Minimum Tax)

CONSUMER STAPLES - 4.9%		
2,825	The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20	7/10 at 1

EDUCATION AND CIVIC ORGANIZATIONS - 12.8%		
Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2001A:		
465	5.700%, 9/01/20	3/10 at 1
1,000	5.750%, 9/01/25	3/10 at 1
500	5.800%, 9/01/30	3/10 at 1
1,800	Maryland Economic Development Corporation, Student Housing Revenue Bonds, University Village at Sheppard Pratt, Series 2001, 6.000%, 7/01/33	7/11 at 1
1,000	Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland College Park Project, Series 2001, 5.000%, 7/01/19	7/11 at 1
1,500	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School Issue, 6.000%, 7/01/31	7/08 at 1
625	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32	6/11 at 1
Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds (Ana G. Mendez University System Project), Series 1999:		
215	5.375%, 2/01/19	2/09 at 1
410	5.375%, 2/01/29	2/09 at 1

HEALTHCARE - 19.3%		
2,725	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente, Series 1998A, 5.375%, 7/01/15	6/09 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital Issue, Series 1998, 5.000%, 7/01/28	7/08 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center Issue, Series 1998, 5.125%, 7/01/28	7/08 at 1
570	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Union Hospital of Cecil County, Series 1998, 5.100%, 7/01/22	7/08 at 1
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, The Johns Hopkins Hospital Issue, Series 2001, 5.000%, 5/15/21	5/11 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 1
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28	7/11 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 6.000%, 7/01/26 (WI, settling 6/13/02)	7/12 at 1
20	Prince George's County, Maryland, Project and Refunding Revenue Bonds (Dimensions Health Corporation Issue), Series 1994, 5.300%, 7/01/24	7/04 at 1

23

Nuveen Maryland Dividend Advantage Municipal Fund (NFM) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	HOUSING/MULTIFAMILY - 16.2%	
\$ 750	Baltimore County, Maryland, Mortgage Revenue Refunding Bonds (Cross Creek Apartments Project - GNMA Collateralized), Series 1998A, 5.250%, 10/20/33	10/08 at 1
2,000	Community Development Administration, Department of Housing and Community Development, Maryland, Housing Revenue Bonds, Series 1998A, 5.625%, 1/01/40 (Alternative Minimum Tax)	7/08 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Insured Mortgage Loan, Series 2001B, 5.350%, 5/15/32 (Alternative Minimum Tax)	5/11 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Princess Anne Apartments Project, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 1
750	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Development Bonds, Series 1998A, 5.250%, 7/01/29 (Alternative Minimum Tax)	7/08 at 1
2,000	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.200%, 7/01/30 (Alternative Minimum Tax)	7/10 at 1
2,000	Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Development Bonds, Series 2001A, 5.600%, 7/01/42 (Alternative Minimum Tax)	7/11 at 1

HOUSING/SINGLE FAMILY - 26.8%		
210	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Housing Revenue Bonds, Series 1997E, 5.700%, 9/01/17	9/09 at 1
3,000	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series 2000G, 5.950%, 9/01/29 (Alternative Minimum Tax)	9/09 at 1
1,880	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series H, 5.800%, 9/01/32 (Alternative Minimum Tax)	9/10 at 1
3,770	Community Development Administration, Department of Housing and Community Development, Maryland, Single Family Program Bonds, First Series 2001, 5.000%, 4/01/17	10/10 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series 2001B, 5.450%, 9/01/32 (Alternative Minimum Tax)	9/10 at 1
1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series 2001F, 5.600%, 9/01/28 (Alternative Minimum Tax)	3/11 at 1
3,045	Housing Opportunities Commission of Montgomery County, Maryland, Single Family Mortgage Revenue Bonds, Series 1997A, 5.750%, 7/01/13	7/07 at 1
1,500	Housing Authority of Prince George's County, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997, 5.750%, 8/01/30 (Alternative Minimum Tax)	8/07 at 1

LONG-TERM CARE - 1.7%		
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life, Series 2001A, 6.750%, 4/01/23	4/11 at 1

TAX OBLIGATION/GENERAL - 23.5%		
Anne Arundel County, Maryland, General Obligation Bonds, Various Purpose, Series 2001:		
580	4.800%, 2/15/18	2/11 at 1
900	5.000%, 2/15/28	2/11 at 1
Baltimore County Metropolitan District, Maryland, General Obligation Bonds, 67th Issue:		
1,500	5.000%, 6/01/26	6/11 at 1
3,500	5.000%, 6/01/27	6/11 at 1
Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2001A:		
1,210	4.750%, 2/15/19	2/09 at 1
1,220	4.750%, 2/15/20	2/09 at 1
1,360	4.750%, 2/15/21	2/09 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

430	Northern Mariana Islands Commonwealth, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20	6/10 at 1
740	Mayor and City Council of Ocean City, Maryland, General Obligation Municipal Purpose Bonds, Series 2001, 4.875%, 3/01/19	3/11 at 1

24

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

TAX OBLIGATION/GENERAL (continued)		
\$ 1,500	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20	12/11 at 1
1,000	Commonwealth of Puerto Rico, Public Improvement Refunding General Obligation Bonds, Series 2001, 5.125%, 7/01/30	7/11 at 1

TAX OBLIGATION/LIMITED - 15.6%		
500	Mayor and City Council of Baltimore, Maryland, Convention Center Refunding Revenue Bonds, Series 1998, 5.000%, 9/01/19	9/08 at 1
2,000	Department of Transportation, Maryland, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.
1,290	Virgin Islands Public Finance Authority, Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 1999A, 6.375%, 10/01/19	10/10 at 1
	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, General Construction Bonds, Series 2001:	
895	5.000%, 6/01/22	6/11 at 1
935	5.000%, 6/01/23	6/11 at 1
985	5.000%, 6/01/24	6/11 at 1
1,035	5.000%, 6/01/25	6/11 at 1
1,290	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 2001, 4.750%, 6/01/20	6/11 at 1

TRANSPORTATION - 6.2%		
	Maryland Health and Higher Educational Facilities Authority, Parking Revenue Bonds, The Johns Hopkins Medical Institutions Issue, Series 2001:	
650	5.000%, 7/01/27	7/11 at 1
1,500	5.000%, 7/01/34	7/11 at 1
1,750	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines, Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax)	4/11 at 1

	U.S. GUARANTEED - 9.6%		
1,000	Maryland Transportation Authority, Transportation Facilities Project Revenue Refunding Bonds, First Series, 6.800%, 7/01/16		No Opt.
	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, 2000 Series A:		
2,300	5.500%, 10/01/32		10/10 at 1
2,000	5.500%, 10/01/40		10/10 at 1

	UTILITIES - 10.6%		
	Guam Power Authority, Revenue Bonds, 1999 Series A:		
890	5.125%, 10/01/29		10/09 at 1
1,000	5.125%, 10/01/29		10/09 at 1
2,500	Maryland Energy Financing Administration, Limited Obligation Cogeneration Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)		9/05 at 1
1,800	Puerto Rico Electric Power Authority, Power Revenue Refunding Bonds, Series Z, 5.250%, 7/01/21		7/05 at 1

25

Nuveen Maryland Dividend Advantage Municipal Fund (NFM) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
	WATER AND SEWER - 3.4%	
\$ 1,000	City of Baltimore, Maryland, Water Projects and Refunding Revenue Bonds, Series 1994A, 5.000%, 7/01/24	No Opt.
1,015	City of Baltimore, Maryland, Water Projects and Refunding Revenue Bonds, Series 1998A, 5.000%, 7/01/28	7/08 at 1
\$ 89,085	Total Investments (cost \$89,669,928) - 152.2%	
	Other Assets Less Liabilities - 2.1%	
	Preferred Shares, at Liquidation Value - (54.3)%	
	Net Assets Applicable to Common Shares - 100%	

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

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

See accompanying notes to financial statements.

26

Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	CAPITAL GOODS - 3.6%	
\$ 2,250	Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Bonds, Baltimore RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	1/09 at 1

	CONSUMER STAPLES - 3.1%	
1,000	The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.000%, 7/01/26	7/10 at 1
800	Tobacco Settlement Financing Corporation of the Virgin Islands, Asset-Backed Bonds, Series 2001, 5.000%, 5/15/31	5/11 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 18.5%	
1,100	Anne Arundel County, Maryland, Economic Development Revenue Bonds, Community College Project, Series 2002, 5.125%, 9/01/22	9/12 at 1
250	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School Issue, 6.000%, 7/01/31	7/08 at 1
415	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School Issue, Series 2000, 5.250%, 7/01/30	1/11 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Refunding Revenue Bonds, The Johns Hopkins University Issue, Series 1998,	7/08 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

5.125%, 7/01/12

1,400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, College of Notre Dame of Maryland Issue, Series 1998, 4.650%, 10/01/23	10/08 at 1
2,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2001B, 5.000%, 7/01/41	7/11 at 1
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32	6/11 at 1
500	Morgan State University, Maryland, Academic and Auxiliary Fees Revenue Bonds, Series 2001, 4.900%, 7/01/21	7/12 at 1
	University of Maryland, System Auxiliary Facility and Tuition Revenue Bonds, 2001 Series B:	
1,580	4.375%, 4/01/17	4/11 at 1
1,140	4.500%, 4/01/19	4/11 at 1

HEALTHCARE - 25.3%

3,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center Issue, Series 1998, 5.125%, 7/01/33	7/08 at 1
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Upper Chesapeake Hospitals Issue, Series 1998A, 5.125%, 1/01/38	1/08 at 1
1,470	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, The Johns Hopkins Hospital Issue, Series 2001, 5.000%, 5/15/34	5/11 at 1
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 1
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 1
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28	7/11 at 1
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 6.000%, 7/01/26 (WI, settling 6/13/02)	7/12 at 1
2,160	Montgomery County, Maryland, Economic Development Revenue Bonds, Trinity Health Care Group, Series 2001, 5.125%, 12/01/22	12/11 at 1

Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

HOUSING/MULTIFAMILY - 17.9%

\$	280	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Insured Mortgage Loans, Series 2001A, 5.100%, 5/15/28	5/11 at 1
	5,000	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Insured Mortgage Loan, Series 2001B, 5.350%, 5/15/32 (Alternative Minimum Tax)	5/11 at 1
	1,110	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Revenue Bonds, Princess Anne Apartments Project, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 1
	3,145	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Development Revenue Bonds, Waters Tower Senior Apartments, Series 2001F, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 1
	1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Multifamily Housing Insured Mortgage Revenue Bonds, Series 2002A, 5.300%, 5/15/22	5/12 at 1

HOUSING/SINGLE FAMILY - 2.6%

	500	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series 1997B, 5.875%, 9/01/25 (Alternative Minimum Tax)	3/07 at 1
	1,000	Community Development Administration, Department of Housing and Community Development, Maryland, Residential Revenue Bonds, Series 2001H, 5.350%, 9/01/32 (Alternative Minimum Tax)	9/10 at 1

TAX OBLIGATION/GENERAL - 41.4%

	755	Anne Arundel County, Maryland, General Obligation Bonds, Series 2002, 5.000%, 3/01/31	3/12 at 1
	500	Carroll County, Maryland, General Obligation Consolidated Public Improvement Bonds, County Commissioners of Carroll County, Series 1998, 4.400%, 10/01/12	10/08 at 1
		Cecil County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001B:	
	975	4.600%, 8/01/18	8/11 at 1
	1,020	4.600%, 8/01/19	8/11 at 1
	300	4.625%, 8/01/20	8/11 at 1
	335	4.750%, 8/01/21	8/11 at 1
	3,000	Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2000, 5.200%, 12/01/19	12/10 at 1
	510	City of Frederick, Maryland, General Obligation Improvements Refunding Bonds, Series 2001, 4.750%, 12/01/19	12/11 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	State of Maryland, General Obligation Bonds, State and Local Facilities Loan, 2001 First Series:		
2,445	5.500%, 3/01/11		No Opt.
1,500	5.500%, 3/01/12		No Opt.
4,730	Montgomery County, Maryland, General Obligation Consolidated Public Improvement Refunding Bonds, Series 2001, 5.250%, 10/01/18	10/11 at 1	
	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001:		
1,000	5.250%, 12/01/20	12/11 at 1	
2,820	5.250%, 12/01/21	12/11 at 1	
2,000	Commonwealth of Puerto Rico, General Obligation Public Improvement Refunding Bonds, Series 2001, 5.000%, 7/01/24	7/11 at 1	
1,500	Commonwealth of Puerto Rico, Public Improvement General Obligation Bonds of 2002, Series A, 5.500%, 7/01/29		No Opt.

TAX OBLIGATION/LIMITED - 17.0%

750	Anne Arundel County, Maryland, General Obligation Consolidated Water and Sewer Bonds, Series 1999, 4.500%, 8/01/19	8/09 at 1	
	County of Baltimore, Maryland, Certificates of Participation, Health and Social Services Building Project, Series 2001:		
1,580	5.000%, 8/01/20	8/11 at 1	
1,660	5.000%, 8/01/21	8/11 at 1	

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
	TAX OBLIGATION/LIMITED (continued)	
\$ 1,000	Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt.
1,000	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27	7/12 at 1
1,250	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.000%, 7/01/32	7/12 at 1
1,100	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 1997A, 5.000%, 7/01/21	1/08 at 1
800	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2001A, 5.000%, 8/01/21	8/11 at 1
700	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29	2/12 at 1

TRANSPORTATION - 6.1%		
Maryland Health and Higher Educational Facilities Authority, Parking Revenue Bonds, The Johns Hopkins Medical Institutions Issue, Series 2001:		
650	5.000%, 7/01/27	7/11 at 1
3,025	5.000%, 7/01/34	7/11 at 1
U.S. GUARANTEED - 12.1%		
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health Issue, Series 1997, 5.000%, 7/01/17	No Opt.
1,365	Maryland Transportation Authority, Transportation Facilities Project Revenue Refunding Bonds, First Series, 6.800%, 7/01/16	No Opt.
4,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, 2000 Series A, 5.500%, 10/01/40	10/10 at 1
UTILITIES - 6.5%		
Guam Power Authority, Revenue Bonds, 1999 Series A:		
740	5.125%, 10/01/29	10/09 at 1
1,000	5.250%, 10/01/34	10/09 at 1
1,000	Maryland Energy Financing Administration, Limited Obligation Cogeneration Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/05 at 1
1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series HH, 5.250%, 7/01/29	7/10 at 1
\$ 89,610	Total Investments (cost \$90,618,407) - 154.1%	
Other Assets Less Liabilities - 0.7%		
Preferred Shares, at Liquidation Value - (54.8)%		
Net Assets Applicable to Common Shares - 100%		

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

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

See accompanying notes to financial statements.

Nuveen North Carolina Premium Income Municipal Fund (NNC)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	BASIC MATERIALS - 6.0%	
\$ 3,500	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax)	12/05 at 1
2,000	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Pollution Control Revenue Refunding Bonds, Champion International Corporation Project, Series 1995, 6.000%, 3/01/20	3/06 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 10.9%	
	State of North Carolina, State Education Assistance Authority, Guaranteed Student Loan Revenue Bonds, 1995 Series A (Subordinate Lien):	
1,000	6.050%, 7/01/10 (Alternative Minimum Tax)	7/05 at 1
2,400	6.300%, 7/01/15 (Alternative Minimum Tax)	7/05 at 1
5,875	State of North Carolina, State Education Assistance Authority (A Political Subdivision of the State of North Carolina), Guaranteed Student Loan Revenue Bonds, 1996 Series C (Subordinate Lien), 6.350%, 7/01/16 (Alternative Minimum Tax)	7/06 at 1

	HEALTHCARE - 31.6%	
5,630	The Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/11 at 1
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanly Memorial Hospital Project, Series 1999, 6.375%, 10/01/29	10/09 at 1
4,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32	10/11 at 1
3,000	North Carolina Medical Care Commission, Hospital Revenue Refunding Bonds, Carolina Medicorp Project, Series 1992, 5.500%, 5/01/15	11/02 at 1
5,615	North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26	10/08 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

5,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31	10/11 at 1
3,340	Board of Governors of the University of North Carolina Revenue Bonds, University of North Carolina Hospitals at Chapel Hill, Series 1996, 5.250%, 2/15/26	2/06 at 1

HOUSING/MULTIFAMILY - 7.5%

1,000	Housing Authority of the City of Asheville, North Carolina, Multifamily Housing Revenue Bonds (GNMA Collateralized - Woodridge Apartments), Series 1997, 5.800%, 11/20/39 (Alternative Minimum Tax)	11/07 at 1
1,000	City of Charlotte, North Carolina, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan - Tryon Hills Apartments Project), Series 1993A, 5.875%, 1/01/25	1/03 at 1
3,000	County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax)	1/12 at 1
	North Carolina Housing Finance Agency, Multifamily Revenue Bonds (FHA-Insured Mortgage Loan Resolution), Series 1993:	
650	5.800%, 7/01/14	1/03 at 1
1,000	5.900%, 7/01/26	1/03 at 1

30

PRINCIPAL	DESCRIPTION	OPTIONAL
AMOUNT (000)		PROVIS

HOUSING/SINGLE FAMILY - 18.6%

\$ 3,595	North Carolina Housing Finance Agency, Single Family Revenue Bonds (1985 Resolution), Series X, 6.700%, 9/01/26 (Alternative Minimum Tax)	3/04 at 1
775	North Carolina Housing Finance Agency, Single Family Revenue Bonds (1985 Resolution), Series V, 6.800%, 9/01/25 (Alternative Minimum Tax)	9/02 at 1
6,460	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 6A, 6.200%, 1/01/29	7/09 at 1
3,675	North Carolina Housing Finance Agency, Single Family Revenue Bonds (1985 Resolution), Series HH, 6.300%, 3/01/26 (Alternative Minimum Tax)	3/06 at 1
1,640	North Carolina Housing Finance Agency, Home Ownership Program Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax)	7/10 at 1

TAX OBLIGATION/GENERAL - 12.3%

1,890	County of Craven, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 5/01/2	15/12 at 1
-------	---	------------

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

4,285	County of Durham, North Carolina, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 4/01/16	4/12 at 1
4,500	State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16	9/10 at 1

TAX OBLIGATION/LIMITED - 19.2%		
6,000	City of Charlotte, North Carolina, Refunding Certificates of Participation (Convention Facility Project), Series 1993C, 5.250%, 12/01/20	12/03 at 1
City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002:		
1,050	5.250%, 6/01/20	6/12 at 1
1,750	5.000%, 6/01/25	6/12 at 1
2,180	City of Concord, North Carolina, Certificates of Participation, Series 1996A, 6.125%, 6/01/21	6/06 at 1
750	Johnston County Finance Corporation, North Carolina, Installment Payment Revenue Bonds, School and Museum Projects, Series 1999, 5.250%, 8/01/21	8/09 at 1
5,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 1996Y, 5.500%, 7/01/26	7/06 at 1

TRANSPORTATION - 4.8%		
4,450	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.000%, 11/01/31	5/11 at 1

U.S. GUARANTEED - 13.1%		
2,000	City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2000, 6.000%, 6/01/25 (Pre-refunded to 6/01/10)	6/10 at 1
3,970	Durham, North Carolina, Certificates of Participation, Water Utility Improvement Bonds, 6.375%, 7/15/12 (Pre-refunded to 7/15/02)	7/02 at 1
2,475	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1980, 10.500%, 1/01/10	No Opt.
2,000	Orange County, North Carolina, General Obligation School Bonds, Series 1994, 5.500%, 2/01/11 (Pre-refunded to 2/01/04)	2/04 at 1

UTILITIES - 13.7%		
2,900	City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24	3/07 at 1
2,600	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993-D, 5.600%, 1/01/16	1/03 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1985-G, 5.750%, 12/01/16	9/03 at 1
4,000	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20	1/10 at 1
1,000	The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17	2/12 at 1

31

Nuveen North Carolina Premium Income Municipal Fund (NNC) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
<p style="margin-left: 40px;">WATER AND SEWER - 11.9%</p>		
\$ 4,000	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2000, 5.250%, 6/01/25	6/10 at 1
2,350	Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue and Revenue Refunding Bonds, Series 1993, 5.200%, 7/01/16	7/03 at 1
	Thomasville, North Carolina, Combined Enterprise System Revenue Bonds, Series 2002:	
370	5.000%, 5/01/20	5/12 at 1
390	5.000%, 5/01/21	5/12 at 1
1,250	5.125%, 5/01/27	5/12 at 1
2,180	County of Union, North Carolina, Enterprise Systems Revenue Bonds, Series 1996, 5.500%, 6/01/21	6/06 at 1
<p>\$ 131,495 Total Investments (cost \$128,891,576) - 149.6%</p>		
<p style="margin-left: 40px;">SHORT-TERM INVESTMENTS - 1.1%</p>		
\$ 1,000	North Carolina Capital Facilities Financing Agency, Exempt Facilities Revenue Bonds, Republic Services Inc. Project, Series 2001, Variable Rate Demand Obligations, 1.750%, 12/01/21+	
<p style="margin-left: 40px;">Other Assets Less Liabilities - 1.7%</p>		
<p style="margin-left: 40px;">Preferred Shares, at Liquidation Value - (52.4)%</p>		
<p style="margin-left: 40px;">Net Assets Applicable to Common Shares - 100%</p>		

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption.

There may be other call provisions at varying prices at later dates.

- ** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Securities are normally considered to be equivalent to AAA rated securities.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund (NRB)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	BASIC MATERIALS - 4.7%	
\$ 750	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Series 1997A, International Paper Company Project, 6.150%, 4/01/21 (Alternative Minimum Tax)	4/07 at 1
750	Columbus County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Refunding Bonds, International Paper Company Project, Series 1996A, 5.800%, 12/01/16 (Alternative Minimum Tax)	12/07 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 22.3%	
500	North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue Bonds, High Point University Project, Series 2001, 5.125%, 9/01/18	9/11 at 1
3,000	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26	10/11 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,750	The University of North Carolina at Chapel Hill, General Revenue Bonds, 6/11 at 1 Series 2001A, 5.000%, 12/01/25	
1,845	The University of North Carolina at Chapel Hill, General Revenue Bonds, No Opt. Series 2002B, 5.000%, 12/01/11	

HEALTHCARE - 27.8%

2,500	The Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	1/11 at 1
2,500	North Carolina Medical Care Commission, Healthcare Revenue Bonds, Carolina Medicorp Project, Series 1996, 5.250%, 5/01/26	5/07 at 1
1,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32	10/11 at 1
1,250	North Carolina Medical Care Commission Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26	10/08 at 1
2,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31	10/11 at 1

HOUSING/MULTIFAMILY - 14.7%

2,250	Housing Authority of the City of Durham, North Carolina, Multifamily Housing Revenue Bonds, Naples Terrace Apartments Project, FNMA Guaranteed, Series 2001, 5.700%, 6/01/33 (Alternative Minimum Tax)	6/11 at 1
2,500	County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax)	1/12 at 1

HOUSING/SINGLE FAMILY - 12.9%

2,980	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 5A, 5.625%, 7/01/30 (Alternative Minimum Tax)	7/09 at 1
1,155	North Carolina Housing Finance Agency, Home Ownership Program Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax)	7/10 at 1

LONG-TERM CARE - 6.3%

2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, First Mortgage, Salemtowne Project, Series 2001, 6.625%, 4/01/31	4/11 at 1
-------	--	-----------

TAX OBLIGATION/GENERAL - 1.3%

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

400 Raleigh, North Carolina, General Obligation Bonds, Series 2002,
5.000%, 6/01/21 (WI, settling 6/11/02)

6/12 at 1

33

Nuveen North Carolina Dividend Advantage Municipal Fund (NRB) (contin

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
	TAX OBLIGATION/LIMITED - 4.7%	
\$ 1,500	Centennial Authority, North Carolina, Hotel Tax Revenue Bonds (Arena Project), Series 1997, 5.125%, 9/01/19	9/07 at 1
	TRANSPORTATION - 10.8%	
	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A:	
1,530	5.250%, 11/01/18	5/11 at 1
2,000	5.000%, 11/01/31	5/11 at 1
	UTILITIES - 17.2%	
	City of Greenville, North Carolina, Greenville Utilities Commission, Combined Enterprise System Revenue Bonds, Series 2001:	
1,000	5.250%, 9/01/20	9/11 at 1
500	5.250%, 9/01/21	9/11 at 1
	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B:	
1,000	5.650%, 1/01/16	1/09 at 1
1,500	5.750%, 1/01/24	1/09 at 1
1,500	The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17	2/12 at 1
	WATER AND SEWER - 29.7%	
3,040	Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26	6/10 at 1
3,000	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.125%, 6/01/26	6/11 at 1

		City of Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001A:	
	500	5.125%, 6/01/20	6/11 at 1
	500	5.125%, 6/01/21	6/11 at 1
	2,500	City of Kannapolis, North Carolina, Water and Sewer Revenue Bonds, Series 2001B, 5.250%, 2/01/26 (Alternative Minimum Tax)	2/12 at 1

\$	49,200	Total Investments (cost \$48,642,730) - 152.4%	
=====			
		Other Assets Less Liabilities - 0.5%	

		Preferred Shares, at Liquidation Value - (52.9)%	

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

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

See accompanying notes to financial statements.

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS	
	BASIC MATERIALS - 6.4%		
\$	2,400	Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Champion International Corporation Project, Series 1993, 5.500%, 10/01/18 (Alternative Minimum Tax)	10/03 at 1
	1,100	The Industrial Facilities and Pollution Control Financing Authority of the County of Northampton, North Carolina, Environmental Improvement	2/11 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Revenue Bonds, International Paper Company Project,
Series 2001A, 6.200%, 2/01/25 (Alternative Minimum Tax)

EDUCATION AND CIVIC ORGANIZATIONS - 20.7%

	Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2001:		
600	5.125%, 7/15/24		1/11 at 1
200	5.125%, 7/15/27		1/11 at 1
	Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2002:		
1,000	5.000%, 7/15/13		7/12 at 1
1,040	5.000%, 7/15/14		7/12 at 1
1,000	5.000%, 7/15/15		7/12 at 1
4,750	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26		10/11 at 1
1,840	The University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11		No Opt.
400	Board of Governors of the University of North Carolina, University of North Carolina at Greensboro, General Revenue and Revenue Refunding Bonds, Series 2002B, 5.375%, 4/01/17		4/11 at 1

HEALTHCARE - 23.3%

4,250	The Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31		1/11 at 1
2,725	County of New Hanover, North Carolina, Hospital Revenue Bonds (New Hanover Regional Medical Center Project), Series 1993, 4.750%, 10/01/23		10/03 at 1
2,675	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Duke University Health System, Series 1998A, 4.750%, 6/01/28		6/08 at 1
2,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32		10/11 at 1
1,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31		10/11 at 1

HOUSING/MULTIFAMILY - 6.5%

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

HOUSING/SINGLE FAMILY - 4.8%

555	North Carolina Housing Finance Agency, Home Ownership Program Bonds,		7/10 at 1
-----	--	--	-----------

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 (Alternative Minimum Tax)

North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 13A:

1,000	4.700%, 7/01/12 (Alternative Minimum Tax)	7/11 at 1
1,000	4.850%, 7/01/13 (Alternative Minimum Tax)	7/11 at 1

TAX OBLIGATION/GENERAL - 14.9%

250	County of Durham, North Carolina, General Obligation Bonds, Series 2000, 5.600%, 5/01/15	5/10 at 1
4,000	State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16	9/10 at 1
3,200	County of Wake, North Carolina, General Obligation School Bonds, Series 2000, 5.400%, 2/01/13	2/10 at 1

35

Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) (cont)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

TAX OBLIGATION/LIMITED - 11.2%

\$ 1,850	City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002, 5.250%, 6/01/18	6/12 at 1
	County of Hartnett, North Carolina, Certificates of Participation, Series 2002:	
1,000	5.250%, 12/01/15	12/12 at 1
2,025	5.375%, 12/01/16	12/12 at 1
825	5.000%, 12/01/18	12/12 at 1

TRANSPORTATION - 12.9%

	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A:	
1,000	5.250%, 11/01/15	5/11 at 1
2,320	5.250%, 11/01/16	5/11 at 1
2,230	5.250%, 11/01/17	5/11 at 1
	The University of North Carolina at Charlotte, Parking System Revenue Bonds, Series 2002:	
360	5.000%, 1/01/17	1/12 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

270	5.000%, 1/01/20	1/12 at 1
500	5.125%, 1/01/27	1/12 at 1

 UTILITIES - 24.3%

3,000	City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24	3/07 at 1
2,400	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993D, 5.600%, 1/01/16	1/03 at 1
1,500	North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20	1/10 at 1
1,775	Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.375%, 7/01/19	7/12 at 1
4,000	The Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002, 5.375%, 2/01/17	2/12 at 1

 WATER AND SEWER - 29.5%

600	Metropolitan Sewerage District of Buncombe County, North Carolina, Sewerage System Revenue Bonds, Series 2001, 5.000%, 7/01/31	7/11 at 1
2,710	Town of Cary, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001, 5.000%, 12/01/26	12/11 at 1
1,780	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.125%, 6/01/26	6/11 at 1
4,520	City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2002, 5.250%, 7/01/13	No Opt.
	Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue Bonds, Series 2001:	
1,465	5.000%, 7/01/20	7/11 at 1
2,000	5.000%, 7/01/26	7/11 at 1
2,500	City of Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 1999, 4.750%, 3/01/24	3/09 at 1

 \$ 81,615 Total Investments (cost \$81,953,878) - 154.5%
 =====

Other Assets Less Liabilities - (2.0)%

Preferred Shares, at Liquidation Value - (52.5)%

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

See accompanying notes to financial statements.

36

Nuveen Virginia Premium Income Municipal Fund (NPV)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	BASIC MATERIALS - 3.7%	
\$ 500	Industrial Development Authority of the County of Bedford, Virginia, Industrial Development Refunding Revenue Bonds (Nekoosa Packaging Corporation), Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax)	2/08 at 1
1,900	Industrial Development Authority of the County of Bedford, Virginia, Industrial Development Refunding Revenue Bonds (Nekoosa Packaging Corporation), Series 1999A, 6.550%, 12/01/25 (Alternative Minimum Tax)	12/09 at 1
1,000	Industrial Development Authority of Goochland County, Virginia, Industrial Development Refunding Revenue Bonds (Nekoosa Packaging Corporation Project), Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax)	12/08 at 1
2,000	Virginia Small Business Financing Authority, Industrial Development Revenue Bonds (Albion Enterprises, L.L.C. Project), Series 1998A, 6.400%, 1/01/14 (Alternative Minimum Tax)#	1/03 at 1

	CAPITAL GOODS - 1.5%	
2,000	Industrial Development Authority of the County of Charles City, Virginia, Solid Waste Disposal Facility Revenue Refunding Bonds (USA Waste of Virginia, Inc. Project), Series 1999, 4.875%, 2/01/09 (Alternative Minimum Tax)	No Opt.

	CONSUMER STAPLES - 1.5%	
1,840	The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20	7/10 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 15.1%	

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

3,500	Industrial Development Authority of the City of Alexandria, Virginia, 10/10 at 1 Fixed Rate Revenue Bonds (Institute for Defense Analyses), Series 2000A, 5.900%, 10/01/30	
	Industrial Development Authority of Danville, Virginia, Student Housing Revenue Bonds (Collegiate Housing Foundation - Averett College Project), Series 1999A:	
500	6.875%, 6/01/20	6/09 at 1
1,500	7.000%, 6/01/30	6/09 at 1
	Industrial Development Authority of the City of Lynchburg, Virginia, Educational Facilities Revenue Bonds (Randolph-Macon Women's College), Series 1993:	
2,940	5.875%, 9/01/13	9/03 at 1
2,500	5.875%, 9/01/23	9/03 at 1
500	Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28	10/09 at 1
500	Industrial Development Authority of Rockbridge County, Virginia, Virginia Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21	7/11 at 1
2,000	Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2001A, 5.000%, 9/01/26	9/11 at 1
3,000	Virginia College Building Authority, Educational Facilities Revenue Bonds, University of Richmond Project, Series 1994, 5.550%, 11/01/19 (Optional put 11/01/04)	11/04 at 1
1,000	Virginia College Building Authority, Educational Facilities Revenue Bonds, Washington and Lee University Project, Series 1998, 5.250%, 1/01/31	No Opt.
1,000	Virginia College Building Authority, Educational Facilities Revenue Bonds, Hampton University Project, Series 2000, 6.000%, 4/01/20	4/10 at 1

37

Nuveen Virginia Premium Income Municipal Fund (NPV) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	HEALTHCARE - 16.9%	
\$ 4,850	Industrial Development Authority of Fairfax County, Virginia, Hospital Revenue Refunding Bonds (Inova Health System Hospitals Project), Series 1993A, 5.000%, 8/15/23	No Opt.
4,650	Bon Secours Health System Obligated Group Revenue Bonds, Industrial Development Authority of the County of Hanover, Virginia, Hospital	8/05 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Revenue Bonds (Bon Secours Health System Projects), Series 1995,
5.500%, 8/15/25

1,500	Industrial Development Authority of the County of Henrico, Virginia, Healthcare Revenue Bonds (Bon Secours Health), Series 1996, 6.250%, 8/15/20	No Opt.
4,750	Medical College of Virginia Hospitals Authority, General Revenue Bonds, 7/08 at 1 Series 1998, 5.125%, 7/01/23	
2,500	Industrial Development Authority of the City of Norfolk, Virginia, Hospital Revenue Refunding Bonds (Sentara Hospitals), Series 1994A, 6.500%, 11/01/13	11/04 at 1
3,000	Industrial Development Authority of the County of Roanoke, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/19	7/12 at 1

HOUSING/MULTIFAMILY - 9.2%

680	Industrial Development Authority of Arlington County, Virginia, Multifamily Housing Mortgage Revenue Bonds (Arlington Housing Corporation), Series 1995, 5.700%, 7/01/07	7/05 at 1
1,515	Industrial Development Authority of Arlington County, Virginia, Multifamily Housing Revenue Bonds (Patrick Henry Apartments Project), Series 2000, 6.050%, 11/01/32 (Alternative Minimum Tax) (Mandatory put 11/01/20)	5/10 at 1
4,445	Hampton Redevelopment and Housing Authority, Virginia, Multifamily Housing Revenue Refunding Bonds (Chase Hampton II Apartments), Series 1994, 7.000%, 7/01/24 (Mandatory put 7/01/04)	7/02 at 1
1,495	Economic Development Authority of Henrico County, Virginia, Beth Sholom Assisted Living Revenue Bonds, GNMA Mortgage-Backed Securities Financing, Series 1999A, 5.900%, 7/20/29	7/09 at 1
1,000	Lynchburg Redevelopment and Housing Authority, Virginia, Vistas Revenue Bonds, GNMA Mortgage-Backed Securities Financing, Series 2000A, 6.200%, 1/20/40 (Alternative Minimum Tax)	4/10 at 1
2,355	Suffolk Redevelopment and Housing Authority, Virginia, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan - Wilson Pines Apartments Section 8 Assisted Project), Series 1993, 6.125%, 1/01/23	7/02 at 1

HOUSING/SINGLE FAMILY - 2.3%

2,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 1996G, Subseries G-1, 5.300%, 1/01/22 (Alternative Minimum Tax)	1/08 at 1
1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H, Subseries H-1, 5.350%, 7/01/31	7/11 at 1

LONG-TERM CARE - 1.7%

Industrial Development Authority of the City of Winchester,

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Virginia, Residential Care Facility First Mortgage Revenue Bonds (Westminster- Canterbury of Winchester Inc.), Series 1998:	
1,350	5.750%, 1/01/18	1/03 at 1
1,000	5.750%, 1/01/27	1/03 at 1

TAX OBLIGATION/GENERAL - 11.7%

	The City of Hampton, Virginia, General Obligation Public Improvement Bonds, Series 2000:	
890	5.750%, 2/01/17	2/10 at 1
2,000	6.000%, 2/01/20	2/10 at 1
1,400	Northern Mariana Islands Commonwealth, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20	6/10 at 1
4,200	Commonwealth of Puerto Rico, General Obligation Public Improvement Bonds, Series 1996, 5.400%, 7/01/25	7/06 at 1
1,205	City of Richmond, Virginia, General Obligation Public Improvement Bonds, Series 1993B, 5.500%, 7/15/23	7/03 at 1
1,430	City of Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.000%, 10/01/17	10/12 at 1

38

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

TAX OBLIGATION/GENERAL (continued)

\$ 1,425	City of Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/20	6/11 at 1
2,000	City of Winchester, Virginia, General Obligation Public Improvement and Refunding Bonds, Series 1994, 5.500%, 1/15/14	1/04 at 1

TAX OBLIGATION/LIMITED - 20.6%

	County of Cumberland, Virginia, Certificates of Participation, Series 1997:	
1,075	6.200%, 7/15/12	No Opt.
1,350	6.375%, 7/15/17	No Opt.
500	Industrial Development Authority of Dinwiddie County, Virginia, Lease Revenue Bonds (Dinwiddie County School Facilities Project), Series 1997A, 6.000%, 2/01/18	2/07 at 1
1,000	Fairfax County Economic Development Authority, Virginia, Parking Revenue Bonds (Vienna II Metrorail Station Project), 1999 First Series, 6.000%, 9/01/18	9/09 at 1
	Greater Richmond Convention Center Authority, Virginia, Hotel Tax Revenue Bonds (Convention Center Expansion Project), Series	

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	2000:		
600	6.125%, 6/15/25		6/10 at 1
2,000	6.125%, 6/15/29		6/10 at 1
3,000	Hampton Roads Regional Jail Authority, Virginia, Regional Jail Facility Revenue Bonds, Series 1996A, 5.500%, 7/01/24	7/06	at 1
1,230	Middlesex County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities Project, Series 1999, 6.000%, 8/01/24	8/09	at 1
2,000	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.000%, 7/01/32	7/12	at 1
	Puerto Rico Public Buildings Authority, Government Facilities Revenue Refunding Bonds, Guaranteed by the Commonwealth of Puerto Rico, Series D:		
1,000	5.250%, 7/01/27	7/12	at 1
1,200	5.250%, 7/01/36	7/12	at 1
2,000	Virgin Islands Public Finance Authority, Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 1999A, 6.500%, 10/01/24	10/10	at 1
2,250	Virginia College Building Authority, Educational Facilities Revenue Bonds (21st Century College Program), Series 2000, 6.000%, 2/01/20	2/09	at 1
2,000	Virginia College Building Authority, Educational Facilities Revenue Bonds (21st Century College and Equipment Program), Series 2002A, 5.000%, 2/01/22	2/12	at 1
	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2000B:		
1,120	5.500%, 5/01/20	5/10	at 1
3,060	5.500%, 5/01/30	5/10	at 1

TRANSPORTATION - 12.0%

1,900	Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1992A, 6.625%, 10/01/19 (Alternative Minimum Tax)	10/02	at 1
1,400	Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1997A, 5.375%, 10/01/23	10/07	at 1
4,000	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31	7/11	at 1
6,065	Virginia Port Authority, Port Facilities Revenue Bonds, Series 1997, 5.600%, 7/01/27 (Alternative Minimum Tax)	7/07	at 1
2,000	Virginia Resources Authority, Airport Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11	at 1

U.S. GUARANTEED - 19.3%

3,000	Prince William County Park Authority, Virginia, Revenue Bonds, Series 1994, 6.875%, 10/15/16 (Pre-refunded to 10/15/04)	10/04	at 1
2,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10	at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

5,800 Valley Resource Authority of the City of Roanoke, Virginia, Solid Waste 9/02 at 1
System Revenue Bonds, Series 1992, 5.750%, 9/01/12 (Pre-refunded
to 9/01/02)

39

Nuveen Virginia Premium Income Municipal Fund (NPV) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	U.S. GUARANTEED (continued)	
\$ 1,250	Virginia College Building Authority, Educational Facilities Revenue Bonds, Washington and Lee University Project, Series 1994, 5.800%, 1/01/24 (Pre-refunded to 1/01/04)	1/04 at 1
3,955	Virginia Resources Authority, Water and Sewer System Revenue Bonds (Sussex County Project), Series 1995A, 5.600%, 10/01/25 (Pre-refunded to 10/01/07)	10/07 at 1
7,035	Commonwealth Transportation Board, Commonwealth of Virginia, Transportation Revenue Bonds (Northern Virginia Transportation District Program), Series 1995A, 6.250%, 5/15/17 (Pre-refunded to 5/15/04)	5/04 at 1

	UTILITIES - 13.3%	
5,060	Halifax County Industrial Development Authority, Virginia, Revenue Bonds (Old Dominion Electric Cooperative), 6.350%, 12/01/07 (Alternative Minimum Tax)	12/02 at 1
2,250	Industrial Development Authority of the Town of Louisa, Virginia, Pollution Control Revenue Bonds (Virginia Electric and Power Company Project), Series 1994, 5.450%, 1/01/24	1/04 at 1
3,500	City of Richmond, Virginia, Utility Revenue Refunding Bonds, Series 1998A, 5.125%, 1/15/28	1/08 at 1
6,150	Southeastern Public Service Authority of Virginia, Senior Revenue Bonds (Regional Solid Waste System), Series 1993, 6.000%, 7/01/17 (Alternative Minimum Tax)	7/03 at 1

	WATER AND SEWER - 18.8%	
2,000	Fairfax County, Virginia, Sewer Revenue Bonds, Series 1996, 5.875%, 7/15/28	7/06 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2,000	Fairfax County Water Authority, Virginia, Water Revenue Bonds, Series 2000, 5.625%, 4/01/25	4/10 at 1
	Fairfax County Water Authority, Virginia, Water Refunding Revenue Bonds, Series 2002:	
2,030	5.375%, 4/01/19	4/12 at 1
1,000	5.000%, 4/01/27	4/12 at 1
1,650	Henrico County, Virginia, Water and Sewer System Revenue Refunding Bonds, Series 1999, 5.000%, 5/01/28	5/09 at 1
6,200	City of Norfolk, Virginia, Water Revenue Bonds, Series 1995, 5.875%, 11/01/20	11/05 at 1
	City of Norfolk, Virginia, Water Revenue and Refunding Bonds, Series 2001:	
1,310	5.000%, 11/01/21	11/11 at 1
1,380	5.000%, 11/01/22	11/11 at 1
1,955	Rivanna Water and Sewer Authority, Virginia, Regional Water and Sewer System Revenue Bonds, Series 1999, 5.625%, 10/01/29	10/09 at 1
1,000	Upper Occoquan Sewage Authority, Virginia, Regional Sewerage System Revenue Refunding Bonds, Series 1993, 5.000%, 7/01/21	1/04 at 1
2,250	City of Virginia Beach, Virginia, Storm Water Utility Revenue Bonds, Series 2000, 6.000%, 9/01/24	9/10 at 1
500	Virginia Resources Authority, Clean Water State Revolving Fund Revenue Bonds, Series 1999, 5.625%, 10/01/22	10/10 at 1

\$ 184,845	Total Investments (cost \$182,461,047) - 147.6%	
=====		
	Other Assets Less Liabilities - 2.0%	

	Preferred Shares, at Liquidation Value - (49.6)%	

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

Non-income producing security, in the case of a bond, generally denotes that issuer has defaulted on the payment of principal or interest or has filed for bankruptcy.

See accompanying notes to financial statements.

40

Nuveen Virginia Dividend Advantage Municipal Fund (NGB)

Portfolio of
Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVISION

	CONSUMER STAPLES - 7.3%	
\$ 730	The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed 7/10 at 1 Bonds, Series 2000, 5.750%, 7/01/20	
250	Guam Economic Development Authority, Asset-Backed Bonds, Series 2001A: 5.000%, 5/15/22	5/11 at 1
850	5.400%, 5/15/31	5/11 at 1
1,400	Guam Economic Development Authority, Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/41	5/11 at 1

	EDUCATION AND CIVIC ORGANIZATIONS - 11.7%	
500	The Industrial Development Authority of the City of Danville, Virginia, 3/11 at 1 Educational Facilities Revenue Bonds, Averett University Project, Series 2001, 6.000%, 3/15/22	
850	Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28	10/09 at 1
160	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds (Ana G. Mendez University System Project), Series 1999: 5.375%, 2/01/19	2/09 at 1
320	5.375%, 2/01/29	2/09 at 1
500	Industrial Development Authority of Rockbridge County, Virginia, Virginia No Opt. Horse Center Revenue Refunding Bonds, Series 2001B, 6.125%, 7/15/11	
1,000	Industrial Development Authority of Rockbridge County, Virginia, Virginia Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21	7/11 at 1
1,325	Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2000A, 5.000%, 9/01/17	9/10 at 1
500	Virginia College Building Authority, Educational Facilities Revenue	7/08 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Refunding Bonds (Marymount University Project), Series 1998,
5.100%, 7/01/18

HEALTHCARE - 17.8%

	Industrial Development Authority of Albemarle County, Virginia, Hospital Revenue Refunding Bonds (Martha Jefferson Hospital), Series 1993:		
1,000	5.500%, 10/01/15		10/03 at 1
1,000	5.500%, 10/01/20		10/03 at 1
1,000	Industrial Development Authority of Fauquier County, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25		10/12 at 1
2,000	Industrial Development Authority of the City of Fredericksburg, Virginia, Hospital Facilities Revenue Refunding Bonds (MediCorp Health System Obligated Group), Series 1996, 5.250%, 6/15/16		6/07 at 1
1,000	Industrial Development Authority of the City of Lynchburg, Virginia, Healthcare Facilities Revenue Refunding Bonds (Centra Health), Series 1998, 5.200%, 1/01/23		1/08 at 1
1,000	Industrial Development Authority of the City of Norfolk, Virginia, Healthcare Revenue Bonds (Bon Secours Health System), Series 1997, 5.250%, 8/15/26		8/07 at 1
800	Industrial Development Authority of the City of Norton, Virginia, Hospital Revenue Refunding and Improvement Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22		12/11 at 1

HOUSING/MULTIFAMILY - 4.5%

1,000	Industrial Development Authority of Arlington County, Virginia, Multifamily Housing Mortgage Revenue Bonds, Arlington View Terrace Apartments, Series 2001, 5.150%, 11/01/31 (Alternative Minimum Tax) (Mandatory put 11/01/19)		11/11 at 1
1,000	Virginia Housing Development Authority, Rental Housing Bonds, Series 2000G, 5.625%, 10/01/20 (Alternative Minimum Tax)		10/10 at 1

41

Nuveen Virginia Dividend Advantage Municipal Fund (NGB) (continued)

Portfolio of Investments May 31, 2002

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
---------------------------	-------------	--------------------

HOUSING/SINGLE FAMILY - 9.4%

\$ 1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds,	7/11 at 1
----------	--	-----------

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Series 2001H, Subseries H-1, 5.350%, 7/01/31

3,000 Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 7/10 at 1
Series 2000B, Subseries B-2, 5.875%, 7/01/18

LONG-TERM CARE - 4.5%

2,000 Industrial Development Authority of Albemarle County, Virginia, 1/12 at 1
Residential Care Facility Revenue Bonds, Westminster Canterbury
of the Blue Ridge First Mortgage, Series 2001, 6.200%, 1/01/31

TAX OBLIGATION/GENERAL - 27.3%

2,000 County of Chesterfield, Virginia, General Obligation Public Improvement 1/11 at 1
Bonds, Series 2001, 5.000%, 1/15/21

3,310 Town of Leesburg, Virginia, General Obligation Public Improvement 1/11 at 1
Bonds, Series 2000, 5.125%, 1/15/21

1,540 Loudoun County, Virginia, General Obligation Public Improvement Bonds, 1/11 at 1
Series 2001B, 5.250%, 1/01/20

1,000 City of Newport News, Virginia, General Obligation Public Improvement 5/10 at 1
Bonds, Series 2000A, 5.625%, 5/01/16

320 Northern Mariana Islands Commonwealth, General Obligation Bonds, 6/10 at 1
Series 2000A, 6.000%, 6/01/20

1,300 City of Richmond, Virginia, General Obligation Public Improvement and 1/10 at 1
Refunding Bonds, Series 1999A, 5.125%, 1/15/24

2,425 City of Virginia Beach, Virginia, General Obligation Public Improvement 6/11 at 1
Bonds, Series 2001, 5.000%, 6/01/21

TAX OBLIGATION/LIMITED - 9.0%

960 Virgin Islands Public Finance Authority, Revenue Bonds (Virgin Islands 10/10 at 1
Gross Receipts Taxes Loan Note), Series 1999A, 6.375%, 10/01/19

500 Virginia College Building Authority, Educational Facilities Revenue 2/12 at 1
Bonds, 21st Century College and Equipments Program, Series 2002A,
5.000%, 2/01/22

430 Commonwealth Transportation Board, Commonwealth of Virginia 5/07 at 1
Transportation Revenue Refunding Bonds (Northern Virginia
Transportation District Program), Series 1997B, 5.125%, 5/15/19

2,000 Virginia Public School Authority, School Financing Bonds, 1997 8/11 at 1
Resolution, Series 2001A, 5.000%, 8/01/19

TRANSPORTATION - 28.7%

1,750 Capital Region Airport Commission, Richmond, Virginia, International 7/05 at 1
Airport Projects, Airport Revenue Bonds, Series 1995A, 5.625%, 7/01/20

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,000	Chesapeake Bay and Bridge Tunnel Commission, Virginia, District Revenue Bonds, General Resolution Refunding, Series 1998, 5.500%, 7/01/25	No Opt.
3,000	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/27 (Alternative Minimum Tax)	10/11 at 1
250	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001B, 5.000%, 10/01/21	10/11 at 1
1,250	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines, Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax)	4/11 at 1
3,000	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31	7/11 at 1
1,225	Virginia Resources Authority, Airport Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11 at 1
1,250	Virginia Resources Authority, Airport Revolving Fund Revenue Bonds, Series 2001B, 5.125%, 8/01/27 (Alternative Minimum Tax)	2/11 at 1

42

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS
	U.S. GUARANTEED - 9.6%	
\$ 1,000	Industrial Development Authority of Henry County, Virginia, Hospital Revenue Bonds (Memorial Hospital of Martinsville and Henry Counties), Series 1997, 6.000%, 1/01/27 (Pre-refunded to 1/01/07)	1/07 at 1
	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A:	
1,500	5.500%, 10/01/32	10/10 at 1
1,500	5.500%, 10/01/40	10/10 at 1
	UTILITIES - 6.2%	
1,000	City of Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 7/15/21	7/11 at 1
1,725	Puerto Rico Electric Power Authority, Power Revenue Refunding Bonds, Series Z, 5.250%, 7/01/21	7/05 at 1
	WATER AND SEWER - 14.2%	
2,000	Fairfax County Water Authority, Virginia, Water Refunding Revenue Bonds, Series 1997, 5.000%, 4/01/21	No Opt.
2,000	Henrico County, Virginia, Water and Sewer System Revenue Refunding Revenue Bonds, Series 1999, 5.000%, 5/01/22	5/09 at 1

	520	Prince William County Service Authority, Virginia, Water and Sewer System Revenue Bonds, Series 1999, 5.500%, 7/01/19	7/09 at 1
	1,680	Virginia Resources Authority, Clean Water State Revolving Fund Revenue Bonds, Series 2000, 5.400%, 10/01/20	10/10 at 1

\$	65,620	Total Investments (cost \$66,122,008) - 150.2%	
=====			
		SHORT-TERM INVESTMENTS - 1.1%	
\$	500	Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Series 1985, Variable Rate Demand Bonds, 1.000%, 12/01/15+	
=====			
		Other Assets Less Liabilities - 2.9%	

		Preferred Shares, at Liquidation Value - (54.2)%	

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

N/R Investment is not rated.

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

See accompanying notes to financial statements.

Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB)

Portfolio of
Investments May 31, 2002

PRINCIPAL
AMOUNT (000) DESCRIPTION

OPTIONAL
PROVIS

 EDUCATION AND CIVIC ORGANIZATIONS - 7.3%

\$	1,000	Fairfax County Economic Development Authority, Virginia, Revenue Bonds (National Wildlife Federation Project), Series 1999, 5.375%, 9/01/29	9/09 at 1
	3,000	Puerto Rico Industrial, Tourist, Educational, Medical, and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System Project, Series 2002, 5.375%, 12/01/21	12/12 at 1
	2,000	Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2001A, 5.000%, 9/01/26	9/11 at 1

 HEALTHCARE - 11.4%

	3,000	Industrial Development Authority of Fauquier County, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25	10/12 at 1
	1,200	Industrial Development Authority of the City of Norton, Virginia, Hospital Refunding and Improvement Revenue Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22	12/11 at 1
	1,000	Industrial Development Authority of the County of Prince William, Virginia, Hospital Facility Refunding Revenue Bonds (Potomac Hospital Corporation of Prince William), Series 1998, 5.000%, 10/01/18	10/08 at 1
	3,915	Industrial Development Authority of the County of Roanoke, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/20	7/12 at 1

 HOUSING/SINGLE FAMILY - 9.9%

	500	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 1996 Series H, Subseries H-2, 5.200%, 7/01/17	1/08 at 1
	7,485	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series H, Subseries H-1, 5.350%, 7/01/31	7/11 at 1

 TAX OBLIGATION/GENERAL - 29.6%

	1,750	City of Chesapeake, Virginia, General Obligation Public Improvement Refunding Bonds, Series 2001, 5.500%, 12/01/16	12/11 at 1
	1,730	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2001C, 4.500%, 11/01/17	11/11 at 1
	525	City of Portsmouth, Virginia, General Obligation Public Utility Refunding Bonds, Series 2001B, 5.000%, 6/01/21	6/08 at 1
	660	Powhatan County, Virginia, General Obligation Bonds, Series 2001: 5.000%, 1/15/23	1/11 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

2,000	5.000%, 1/15/27	1/11 at 1
3,250	Commonwealth of Puerto Rico, General Obligation Public Improvement Refunding Bonds, Series 2001, 5.125%, 7/01/30	7/11 at 1
	City of Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A:	
2,400	5.000%, 10/01/18	10/12 at 1
2,435	5.000%, 10/01/19	10/12 at 1
1,280	City of Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 10/01/15 (Alternative Minimum Tax)	10/12 at 1
	City of Salem, Virginia, General Obligation Public Improvement Bonds, Series 2002:	
1,145	5.375%, 1/01/21	1/12 at 1
1,200	5.375%, 1/01/22	1/12 at 1
1,260	5.375%, 1/01/23	1/12 at 1
1,325	5.375%, 1/01/24	1/12 at 1

44

PRINCIPAL AMOUNT (000)	DESCRIPTION	OPTIONAL PROVIS

	TAX OBLIGATION/GENERAL (continued)	
\$ 1,500	City of Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/19	6/11 at 1
1,420	City of Virginia Beach, Virginia, General Obligation Public Improvement Refunding Bonds, Series 2002, 5.000%, 3/01/21	3/12 at 1

	TAX OBLIGATION/LIMITED - 40.1%	
1,000	City of Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24	11/12 at 1
5,350	Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series D, 5.000%, 7/01/32	7/12 at 1
3,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 1997A, 5.000%, 7/01/28	1/08 at 1
1,150	Puerto Rico Public Building Authority, Government Facilities Revenue Bonds, Series B, Guaranteed by the Commonwealth of Puerto Rico, 5.000%, 7/01/27	7/07 at 1
	Puerto Rico Public Buildings Authority, Government Facilities Revenue Refunding Bonds, Guaranteed by the Commonwealth of Puerto Rico, Series D:	
1,500	5.250%, 7/01/27	7/12 at 1
500	5.250%, 7/01/36	7/12 at 1
2,800	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29	2/12 at 1

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

1,790	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College and Equipment Program, Series 2002A, 5.000%, 2/01/22	2/12 at 1
2,710	Commonwealth Transportation Board, Commonwealth of Virginia, Transportation Revenue Bonds Northern Virginia Transportation District, Series 2001A, 5.000%, 5/15/26	5/11 at 1
	Commonwealth Transportation Board, Commonwealth of Virginia, Transportation Revenue Bonds, U.S. Route 58 Corridor Development Program, Series 2001B:	
1,705	5.000%, 5/15/22	5/11 at 1
1,665	5.000%, 5/15/23	5/11 at 1
1,710	Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 1999A, 5.000%, 8/01/19	8/08 at 1
2,540	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2001A, 5.000%, 8/01/19	8/11 at 1
	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2001D:	
1,265	5.000%, 5/01/26	5/10 at 1
4,330	5.000%, 5/01/31	5/10 at 1

 TRANSPORTATION - 8.4%

2,500	Chesapeake Bay Bridge and Tunnel Commission, Virginia, District Revenue Refunding Bonds, General Resolution Junior Lien, Series 2001B, 5.000%, 7/01/09	No Opt.
1,000	Metropolitan Washington D.C. Airport Authority, Airport System Revenue Bonds, Series 2002A, 5.125%, 10/01/26 (Alternative Minimum Tax) (WI, settling 6/04/02)	10/12 at 1
	Richmond Metropolitan Authority, Virginia, Expressway Revenue and Refunding Bonds, Series 1998:	
1,000	5.250%, 7/15/12	No Opt.
1,980	5.250%, 7/15/22	No Opt.

 U.S. GUARANTEED - 8.0%

6,250	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40	10/10 at 1
-------	--	------------

		UTILITIES - 6.5%	
\$	3,125	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series HH, 5.250%, 7/01/29	7/10 at 1
	1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.125%, 7/01/26	7/12 at 1
	1,110	Industrial Development Authority of Russell County, Virginia, Pollution Control Revenue Bonds (Appalachian Power Company Project), Series H, 5.000%, 11/01/21	11/08 at 1

		WATER AND SEWER - 28.9%	
	3,800	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 1997, 5.000%, 4/01/21	No Opt.
	1,500	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.000%, 4/01/27	4/12 at 1
		Henry County Public Service Authority, Virginia, Water and Sewer Revenue Refunding Bonds, Series 2001:	
	1,000	5.500%, 11/15/17	No Opt.
	3,000	5.500%, 11/15/19	No Opt.
		City of Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001:	
	1,130	5.000%, 11/01/18	11/11 at 1
	1,190	5.000%, 11/01/19	11/11 at 1
	1,450	5.000%, 11/01/23	11/11 at 1
	1,525	5.000%, 11/01/24	11/11 at 1
	1,750	5.000%, 11/01/31	11/11 at 1
	2,610	County of Spotsylvania, Virginia, Water and Sewer System Revenue Bonds, Series 2001, 5.000%, 6/01/30	6/11 at 1
	2,000	Upper Occoquan Sewage Authority, Virginia, Regional Sewerage System Revenue Bonds, Series 1995A, 5.150%, 7/01/20	No Opt.
	2,250	Virginia Resources Authority, Water and Sewer System Revenue Bonds, Caroline County Public Improvements Project, Series 2001, 5.000%, 5/01/32	5/11 at 1

\$	121,165	Total Investments (cost \$121,483,882) - 150.1%	
=====			
		Other Assets Less Liabilities - 1.5%	

		Preferred Shares, at Liquidation Value - (51.6)%	

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

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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

See accompanying notes to financial statements.

46

Statement of
Assets and Liabilities May 31, 2002

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

ASSETS			
Investments in municipal securities, at market value	\$225,393,163	\$89,692,725	\$89,940,086
Temporary investments in short-term securities, at amortized cost, which approximates market value	--	--	--
Cash	731,890	867,891	222,296
Receivables:			
Interest	4,601,128	1,676,809	1,605,752
Investments sold	1,590,966	91,071	--
Other assets	25,269	11,445	6,505

Total assets	232,342,416	92,339,941	91,774,639

LIABILITIES			
Cash overdraft	--	--	--
Payable for investments purchased	4,499,917	1,014,387	1,014,387
Accrued expenses:			
Management fees	123,748	26,891	26,687
Other	68,007	78,510	89,566
Preferred share dividends payable	2,826	4,381	3,507
Common share dividends payable	752,652	290,895	270,746

Total liabilities	5,447,150	1,415,064	1,404,893

Preferred shares, at liquidation value	79,100,000	32,000,000	32,000,000
=====			
Net assets applicable to Common shares	\$147,795,266	\$58,924,877	\$58,369,746
=====			
Common shares outstanding	10,526,612	4,155,642	4,165,320
=====			
Net asset value per Common share outstanding (net assets applicable to Common			

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

shares, divided by Common shares outstanding)	\$ 14.04	\$ 14.18	\$ 14.01
=====			
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:			

Common shares, \$.01 par value per share	\$ 105,266	\$ 41,556	% 41,653
Paid-in surplus	146,004,694	58,898,674	59,011,780
Balance of undistributed net investment income	1,467,113	78,110	199,001
Accumulated net realized gain (loss) from investment transactions	(4,905,138)	(116,260)	(204,367)
Net unrealized appreciation (depreciation) of investments	5,123,331	22,797	(678,321)

Net assets applicable to Common shares	\$147,795,266	\$58,924,877	\$58,369,746
=====			
Authorized shares:			
Common	Unlimited	Unlimited	Unlimited
Preferred	Unlimited	Unlimited	Unlimited
=====			

See accompanying notes to financial statements.

47

Statement of
Assets and Liabilities May 31, 2002 (continued)

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)

ASSETS		
Investments in municipal securities, at market value	\$82,455,586	\$189,917,560
Temporary investments in short-term securities, at amortized cost, which approximates market value	--	--
Cash	--	114,453
Receivables:		
Interest	1,209,636	3,215,323
Investments sold	--	--
Other assets	8,093	13,644

Total assets	83,673,315	193,260,980

LIABILITIES		
Cash overdraft	1,947,166	--
Payable for investments purchased	--	--
Accrued expenses:		

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Management fees	24,022	105,242
Other	58,497	62,928
Preferred share		
dividends payable	4,667	3,175
Common share		
dividends payable	255,642	635,055

Total liabilities	2,289,994	806,400

Preferred shares,		
at liquidation value	28,000,000	63,800,000
=====		
Net assets applicable		
to Common shares	\$53,383,321	\$128,654,580
=====		
Common shares outstanding	3,732,000	8,759,405
=====		
Net asset value per Common share outstanding		
(net assets applicable to Common		
shares, divided by Common		
shares outstanding)	\$ 14.30	\$ 14.69
=====		
NET ASSETS APPLICABLE TO		
COMMON SHARES CONSIST OF:		

Common shares, \$.01		
par value per share	\$ 37,320	\$ 87,594
Paid-in surplus	52,890,438	123,504,539
Balance of undistributed		
net investment income	723	1,119,659
Accumulated net realized		
gain (loss) from		
investment transactions	(46,868)	(3,513,725)
Net unrealized appreciation		
(depreciation) of investments	501,708	7,456,513

Net assets applicable		
to Common shares	\$53,383,321	\$128,654,580
=====		
Authorized shares:		
Common	Unlimited	Unlimited
Preferred	Unlimited	Unlimited
=====		

See accompanying notes to financial statements.

Statement of
Operations Year Ended May 31, 2002

MARYLAND	MARYLAND	MARYLAND
PREMIUM	DIVIDEND	DIVIDEND
INCOME	ADVANTAGE	ADVANTAGE 2
(NMY)	(NFM)	(NZR) *

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

INVESTMENT INCOME	\$12,738,645	\$4,807,087	\$2,659,757

EXPENSES			
Management fees	1,459,174	591,029	366,376
Preferred shares - auction fees	197,750	80,000	43,178
Preferred shares - dividend disbursing agent fees	20,000	10,000	5,397
Shareholders' servicing agent fees and expenses	46,013	3,409	1,436
Custodian's fees and expenses	68,775	61,171	31,048
Trustees' fees and expenses	2,091	1,245	723
Professional fees	12,071	10,675	11,592
Shareholders' reports - printing and mailing expenses	48,550	18,064	14,105
Stock exchange listing fees	28,253	133	463
Investor relations expense	39,254	10,266	862
Other expenses	19,335	8,672	4,928

Total expenses before custodian fee credit and expense reimbursement	1,941,266	794,664	480,108
Custodian fee credit	(9,809)	(36,634)	(3,766)
Expense reimbursement	--	(272,782)	(168,140)

Net expenses	1,931,457	485,248	308,202

Net investment income	10,807,188	4,321,839	2,351,555

REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS			
Net realized gain (loss) from investment transactions	1,246,503	(51,148)	(204,367)
Change in net unrealized appreciation (depreciation) of investments	145,991	941,869	(678,321)

Net gain (loss) from investments	1,392,494	890,721	(882,688)

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS			
From net investment income	(1,325,949)	(577,614)	(257,677)

Net increase in net assets applicable to Common shares from operations	\$10,873,733	\$4,634,946	\$1,211,190
=====			

* For the period September 25, 2001 (commencement of operations) through May 31, 2002.

See accompanying notes to financial statements.

49

Statement of
Operations Year Ended May 31, 2002 (continued)

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) **	VIRGINIA PREMIUM INCOME (NPV)
INVESTMENT INCOME	\$1,640,085	\$10,689,731

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

EXPENSES		
Management fees	251,070	1,244,041
Preferred shares - auction fees	27,041	159,500
Preferred shares - dividend disbursing agent fees	3,863	20,000
Shareholders' servicing agent fees and expenses	837	41,681
Custodian's fees and expenses	24,066	59,059
Trustees' fees and expenses	731	2,226
Professional fees	8,829	10,922
Shareholders' reports - printing and mailing expenses	10,327	37,626
Stock exchange listing fees	268	21,026
Investor relations expense	1,021	32,892
Other expenses	2,911	24,391

Total expenses before custodian fee credit and expense reimbursement	330,964	1,653,364
Custodian fee credit	(10,315)	(14,739)
Expense reimbursement	(115,878)	--

Net expenses	204,771	1,638,625

Net investment income	1,435,314	9,051,106

REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS		
Net realized gain (loss) from investment transactions	(46,868)	727,999
Change in net unrealized appreciation (depreciation) of investments	501,708	(499,466)

Net gain (loss) from investments	454,840	228,533

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(156,382)	(952,624)

Net increase in net assets applicable to Common shares from operations	\$1,733,772	\$ 8,327,015
=====		

** For the period November 16, 2001 (commencement of operations) through May 31, 2002.

*** For the period November 15, 2001 (commencement of operations) through May 31, 2002.

See accompanying notes to financial statements.

Statement of
Changes in Net Assets

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	YEAR ENDED 5/31/02	YEAR ENDED 5/31/01	YEAR ENDED 5/31/02
OPERATIONS			
Net investment income	\$ 10,807,188	\$ 10,812,322	\$ 4,321,839
Net realized gain (loss) from investment transactions	1,246,503	(245,348)	(51,148)
Change in net unrealized appreciation (depreciation) of investments	145,991	10,719,939	941,869
Distributions to Preferred Shareholders from and in excess of net investment income	(1,325,949)	(2,591,214)	(577,614)
Net increase (decrease) in net assets applicable to Common shares from operations	10,873,733	18,695,699	4,634,946
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From and in excess of net investment income	(8,760,619)	(8,247,709)	(3,489,426)
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from sale of shares	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	481,491	453,426	39,474
Preferred shares offering costs	--	--	--
Net increase in net assets applicable to Common shares from capital share transactions	481,491	453,426	39,474
Net increase in net assets applicable to Common shares	2,594,605	10,901,416	1,184,994
Net assets applicable to Common shares at the beginning of period	145,200,661	134,299,245	57,739,883
Net assets applicable to Common shares at the end of period	\$147,795,266	\$145,200,661	\$58,924,877
Undistributed (Over-distribution of) net investment income at the end of period	\$ 1,467,113	\$ 401,975	\$ 78,110

See accompanying notes to financial statements.

	NORTH CAROLINA PREMIUM INCOME (NNC)		NO DIVIDEN
	YEAR ENDED 5/31/02	YEAR ENDED 5/31/01	YEAR ENDED 5/31/02
OPERATIONS			
Net investment income	\$ 6,403,807	\$ 6,447,182	\$ 2,364,655
Net realized gain (loss) from investment transactions	1,171,228	512,400	94,213
Change in net unrealized appreciation (depreciation) of investments	(237,275)	7,770,352	744,160
Distributions to Preferred Shareholders from and in excess of net investment income	(795,822)	(1,708,813)	(292,515)
Net increase (decrease) in net assets applicable to Common shares from operations	6,541,938	13,021,121	2,910,513
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From and in excess of net investment income	(5,047,923)	(4,709,937)	(1,828,376)
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from sale of shares	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	177,785	135,663	50,844
Preferred shares offering costs	--	--	--
Net increase in net assets applicable to Common shares from capital share transactions	177,785	135,663	50,844
Net increase in net assets applicable to Common shares	1,671,800	8,446,847	1,132,981
Net assets applicable to Common shares at the beginning of period	87,613,948	79,167,101	31,015,042
Net assets applicable to Common shares at the end of period	\$89,285,748	\$87,613,948	\$32,148,023
Undistributed (Over-distribution of) net investment income at the end of period	\$ 685,795	\$ 71,911	\$ 229,468

See accompanying notes to financial statements.

52

	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVI	
	YEAR ENDED 5/31/02	YEAR ENDED 5/31/01	YEAR ENDED 5/31/02
<hr/>			
OPERATIONS			
Net investment income	\$ 9,051,106	\$ 9,351,167	\$ 3,172,126
Net realized gain (loss) from investment transactions	727,999	222,253	(124,637)
Change in net unrealized appreciation (depreciation) of investments	(499,466)	10,269,356	1,095,723
Distributions to Preferred Shareholders from and in excess of net investment income	(952,624)	(2,161,028)	(394,239)
<hr/>			
Net increase (decrease) in net assets applicable to Common shares from operations	8,327,015	17,681,748	3,748,973
<hr/>			
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From and in excess of net investment income	(7,522,358)	(7,028,943)	(2,633,474)
<hr/>			
CAPITAL SHARE TRANSACTIONS			
Common shares:			
Net proceeds from sale of shares	--	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	704,912	732,154	37,832
Preferred shares offering costs	--	--	--
<hr/>			
Net increase in net assets applicable to Common shares from capital share transactions	704,912	732,154	37,832
<hr/>			
Net increase in net assets applicable to Common shares	1,509,569	11,384,959	1,153,33
Net assets applicable to Common shares at the beginning of period	127,145,011	115,760,052	43,154,826
<hr/>			
Net assets applicable to Common shares at the end of period	\$128,654,580	\$127,145,011	\$44,308,157
<hr/>			

Undistributed (Over-distribution of)				
net investment income at the end of period	\$ 1,119,659	\$ 451,017	\$ 83,355	

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The state Funds (the "Funds") covered in this report and their corresponding stock exchange symbols are Nuveen Maryland Premium Income Municipal Fund (NMY), Nuveen Maryland Dividend Advantage Municipal Fund (NFM), Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR), Nuveen North Carolina Premium Income Municipal Fund (NNC), Nuveen North Carolina Dividend Advantage Municipal Fund (NRB), Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO), Nuveen Virginia Premium Income Municipal Fund (NPV), Nuveen Virginia Dividend Advantage Municipal Fund (NGB) and Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB). Maryland Premium Income (NMY), North Carolina Premium Income (NNC) and Virginia Premium Income (NPV) are traded on the New York Stock Exchange while Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB) are traded on the American Stock Exchange. Prior to the commencement of operations of Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company, and the recording of the organizational expenses (\$15,000, \$11,500, \$15,000, \$11,500, \$15,000 and \$11,500, respectively) and their reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within a single state. The Funds are registered under the Investment Company Act of 1940 as closed-end management investment companies.

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

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Trustees of the Funds may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At May 31, 2002, Maryland Premium Income (NMY), Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), North Carolina Dividend Advantage (NRB) and Virginia Dividend Advantage 2 (NNB) had outstanding when-issued purchase commitments of \$4,499,917, \$1,014,387, \$1,014,387, \$400,556 and \$966,870, respectively.

Investment Income

Interest income is determined on the basis of interest accrued, adjusted for amortization of premiums and accretion of discounts on long-term debt securities for financial reporting purposes.

Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the period ended May 31, 2002, have been designated Exempt Interest Dividends.

Dividends and Distributions to Shareholders

Tax-exempt net investment income is declared monthly as a dividend. Generally, payment is made or reinvestment is credited to shareholder accounts on the first business day after month-end. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in one or more Series. The dividend rate on each Series may change every seven days, as set by the auction agent. The number of shares outstanding, by Series and in total, for each of the Funds is as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)	

Number of shares:					
Series M	--	1,280	--	--	
Series T	--	--	--	--	
Series W	1,404	--	--	--	
Series TH	1,760	--	--	1,872	
Series F	--	--	1,280	--	

Total	3,164	1,280	1,280	1,872	
=====					

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	

Number of shares:				
Series M	--	--	--	
Series T	--	832	--	
Series W	--	--	960	
Series TH	--	1,720	--	
Series F	1,120	--	--	

Total	1,120	2,552	960	
=====				

Effective November 16, 2001, Maryland Dividend Advantage 2 (NZR) issued 1,280 Series F \$25,000 stated value Preferred shares.

Effective January 11, 2002, North Carolina Dividend Advantage 2 (NNO) and Virginia Dividend Advantage 2 (NGB) issued 1,120 Series F and 1,680 Series M, respectively, \$25,000 stated value Preferred shares.

Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the period ended May 31, 2002.

Custodian Fee Credit

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

Notes to
FINANCIAL STATEMENTS (continued)

Offering Costs

Nuveen Investments has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB). Maryland Dividend Advantage's (NFM), Maryland Dividend Advantage 2's (NZR), North Carolina Dividend Advantage's (NRB), North Carolina Dividend Advantage 2's (NNO), Virginia Dividend Advantage's (NGB) and Virginia Dividend Advantage 2's (NNB) share of offering costs (\$124,380, \$124,710, \$66,732, \$111,750, \$93,150 and \$170,250, respectively) were recorded as a reduction of the proceeds from the sale of common shares.

Costs incurred by Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB) in connection with their offering of Preferred shares (\$467,500, \$490,000, \$313,750, \$421,392, \$385,500 and \$570,338, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

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

Change in Accounting Policy

As required, effective June 1, 2001, the following Funds have adopted the provisions of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. Prior to June 1, 2001, the Funds did not accrete taxable market discount on debt securities until they were sold. The cumulative effect of this accounting change had no impact on the total net assets applicable to Common shares or the Common share net asset values of the Funds, but resulted in an increase in the cost of securities and a corresponding decrease in net unrealized appreciation or increase in net unrealized depreciation based on securities held by the following Funds on June 1, 2001, as follows:

MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	VIRGINIA PREMIUM INCOME (NPV)
\$344,518	\$85	\$53,822	\$--	\$92,518

The Statement of Changes in Net Assets and Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

The effect of this change for the fiscal year ended May 31, 2002, was to increase investment income with a corresponding decrease in net unrealized appreciation as follows:

MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	VIRGINIA PREMIUM INCOME (NPV)
\$75,529	\$2,678	\$17,222	\$--	\$47,712

Classification and Measurement of Redeemable Securities

The Funds have adopted the classification requirement of EITF D-98, Classification and Measurement of Redeemable Securities. EITFD-98 requires that Preferred shares, at liquidation value, be presented separately in the Statement of Assets and Liabilities. Accordingly, certain reclassifications have been made to the financial statements and financial highlights for all prior periods presented. The adoption of EITF D-98 had no impact on the Funds' Common share net asset values.

56

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

	MARYLAND PREMIUM INCOME (NMY)		MARYLAND DIVIDEND ADVANTAGE (NFM)		MARYL ADVAN
	YEAR ENDED 5/31/02	YEAR ENDED 5/31/01	YEAR ENDED 5/31/02	FOR THE PERIOD 1/25/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/01	FOR THE (COMMEN
Common shares:					
Shares sold	--	--	--	4,146,000	
Shares issued to shareholders due to reinvestment of distributions	31,382	31,564	2,584	58	
	31,382	31,564	2,584	4,146,058	
Preferred shares sold	--	--	--	1,280	

	NORTH CAROLINA PREMIUM INCOME (NNC)		NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)		NORTH CA ADVA
	YEAR ENDED	YEAR ENDED	YEAR ENDED	FOR THE PERIOD 1/31/01 (COMMENCEMENT OF	FOR THE (COMMEN

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	5/31/02	5/31/01	5/31/02	OPERATIONS) THROUGH 5/31/01	OPERATIONS

Common shares:					
Shares sold	--	--	--		2,224,400
Shares issued to shareholders due to reinvestment of distributions	11,774	9,643	3,402		3
	11,774	9,643	3,402		2,224,403
=====					
Preferred shares sold	--	--	--		680
=====					

	VIRGINIA PREMIUM INCOME (NPV)		VIRGINIA DIVIDEND ADVANTAGE (NGB)		VIRGINIA ADVANTAGE
	YEAR ENDED 5/31/02	YEAR ENDED 5/31/01	YEAR ENDED 5/31/02	FOR THE PERIOD 1/26/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/01	FOR THE PERIOD (COMMENCEMENT OF OPERATIONS)

Common shares:					
Shares sold	--	--	--		3,105,000
Shares issued to shareholders due to reinvestment of distributions	44,124	49,121	2,529		10
	44,124	49,121	2,529		3,105,010
=====					
Preferred shares sold	--	--	--		960
=====					

3. DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on July 1, 2002, to shareholders of record on June 15, 2002, as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)

Dividend per share		\$.0725	\$.0700	\$.0650
=====				

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)

5. INCOME TAX INFORMATION

The following information is presented on an income tax basis as of May 31, 2002. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)
Cost of Investments	\$220,013,574	\$89,681,154	\$90,820,450	\$129,855,522

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)
Cost of Investments	\$82,000,746	\$182,330,316	\$66,642,448

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)
Gross unrealized: appreciation	\$ 9,429,686	\$ 505,242	\$ 326,737	\$4,940,320
depreciation	(4,050,097)	(493,671)	(1,207,101)	(263,759)
Net unrealized appreciation (depreciation)	\$ 5,379,589	\$ 11,571	\$ (880,364)	\$4,676,561

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)
Gross unrealized: appreciation	\$ 650,897	\$ 8,602,067	\$ 664,080
depreciation	(196,057)	(1,014,823)	(287,661)

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Net unrealized appreciation (depreciation)	\$ 454,840	\$ 7,587,244	\$ 376,419
--	------------	--------------	------------

The tax components of undistributed net investment income and realized gains at May 31, 2002, are as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)
Undistributed tax-exempt income	\$1,840,297	\$370,622	\$470,930	\$1,057,462
Undistributed ordinary income *	3,157	--	--	22,036
Undistributed long-term capital gains	--	--	--	--

	NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)
Undistributed tax-exempt income	\$261,031	\$1,612,447	\$304,968
Undistributed ordinary income *	--	3,675	--
Undistributed long-term capital gains	--	--	--

* Ordinary income consists of taxable market discount income and short-term capital gains, if any.

Notes to
FINANCIAL STATEMENTS (continued)

The tax character of distributions paid during the period ended May 31, 2002, are as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	NORTH CAROLINA PREMIUM INCOME (NNC)	A
Distributions from tax-exempt income	\$10,022,067	\$4,070,762	\$1,878,301	\$5,824,960	\$2
Distributions from ordinary income *	33,073	--	--	--	--

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Distributions from long-term capital gains	--	--	--	--
=====				
		NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)

Distributions from tax-exempt income		\$1,174,283	\$8,429,395	\$3,027,568
Distributions from ordinary income *		--	32,064	--
Distributions from long-term capital gains		--	--	--
=====				

* Ordinary income consists of taxable market discount income and short-term capital gains, if any.

At May 31, 2002, 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:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)	VIRGINIA PREMIUM INCOME (NPV)

Expiration year:					
2003	\$1,019,930	\$ --	\$1,172,338	\$ --	\$1,542,314
2004	2,660,424	--	1,137,399	--	1,579,895
2005	454,351	--	131,993	--	140,749
2006	--	--	--	--	--
2007	--	--	--	--	--
2008	332,069	--	108,131	--	250,767
2009	317,048	65,111	731,398	59,767	--
2010	--	37,159	--	--	--

Total	\$4,783,822	\$102,270	\$3,281,259	\$59,767	\$3,513,725
=====					

60

6. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

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

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)

For the first \$125 million

For the next \$125 million
 For the next \$250 million
 For the next \$500 million
 For the next \$1 billion
 For the next \$3 billion
 For net assets over \$5 billion
 =====

Under Maryland Dividend Advantage's (NFM), Maryland Dividend Advantage 2's (NZR), North Carolina Dividend Advantage's (NRB), North Carolina Dividend Advantage 2's (NNO), Virginia Dividend Advantage's (NGB) and Virginia Dividend Advantage 2's (NNB) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) MAN

 For the first \$125 million
 For the next \$125 million
 For the next \$250 million
 For the next \$500 million
 For the next \$1 billion
 For net assets over \$2 billion
 =====

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

YEAR ENDING JANUARY 31,		YEAR ENDING JANUARY 31,	
2001*	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10
2005	.30	2011	.05
2006	.30		

 * From the commencement of operations.

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

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

YEAR ENDING YEAR ENDING

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

* From the commencement of operations.

The Adviser has not agreed to reimburse Maryland Dividend Advantage 2 (NZR) for any portion of its fees and expenses beyond September 30, 2011.

Notes to
FINANCIAL STATEMENTS (continued)

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

YEAR ENDING 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) and Virginia Dividend Advantage 2 (NNB) for any portion of its fees and expenses beyond November 30, 2011.

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

Financial
Highlights

Financial
Highlights

Selected data for a Common share outstanding throughout each period:

	Investment Operations							From in of Inv Inc Com Sha hol
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Investment Gain (Loss)	Distributions from and in Excess of Net Investment Preferred Share- holders+	Distributions Capital Gains to Preferred Share- holders+	Total		
=====								
MARYLAND PREMIUM INCOME (NMY)								
Year Ended 5/31:								
2002 (d)	\$13.83	\$1.03	\$.14	\$ (.13)	\$--	\$1.04	(\$	
2001	12.83	1.03	1.01	(.25)	--	1.79	(
2000	14.41	1.02	(1.58)	(.24)	--	(.80)	(
1999	14.54	1.00	(.14)	(.22)	--	.64	(
1998	13.76	.99	.80	(.24)	--	1.55	(
=====								
MARYLAND DIVIDEND ADVANTAGE (NFM)								
Year Ended 5/31:								
2002 (d)	13.90	1.04	.22	(.14)	--	1.12	(
2001 (a)	14.33	.22	(.25)	(.05)	--	(.08)	(
=====								
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)								
Year Ended 5/31:								
2002 (c)	14.33	.57	(.22)	(.06)	--	.29	(
=====								
NORTH CAROLINA PREMIUM INCOME (NNC)								
Year Ended 5/31:								
2002 (d)	13.94	1.02	.15	(.13)	--	1.04	(
2001	12.62	1.03	1.31	(.27)	--	2.07	(
2000	14.28	1.02	(1.61)	(.26)	--	(.85)	(
1999	14.48	1.02	(.22)	(.21)	--	.59	(
1998	13.50	1.02	1.00	(.25)	--	1.77	(
=====								
NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)								
Year Ended 5/31:								
2002 (d)	13.90	1.06	.38	(.13)	--	1.31	(
2001 (b)	14.33	.25	(.26)	(.05)	--	(.06)	(
=====								

Total Returns

Offering

Based
on

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Costs and Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Common Share Net Asset Value**
=====					
MARYLAND PREMIUM INCOME (NMY)					

Year Ended 5/31:					
2002 (d)	\$--	\$14.04	\$15.7300	4.77%	7.71%
2001	--	13.83	15.8500	26.24	14.18
2000	--	12.83	13.2500	(7.22)	(5.57)
1999	--	14.41	15.1250	5.47	4.44
1998	--	14.54	15.0625	16.54	11.47
MARYLAND DIVIDEND ADVANTAGE (NFM)					

Year Ended 5/31:					
2002 (d)	--	14.18	15.4400	1.98	8.21
2001 (a)	(.14)	13.90	15.9900	8.02	(1.53)
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)					

Year Ended 5/31:					
2002 (c)	(.15)	14.01	14.6100	.52	1.01
NORTH CAROLINA PREMIUM INCOME (NNC)					

Year Ended 5/31:					
2002 (d)	--	14.18	16.2100	15.44	7.62
2001	--	13.94	14.8000	14.03	16.65
2000	--	12.62	13.6875	(7.76)	(5.98)
1999	--	14.28	15.6875	9.87	4.11
1998	--	14.48	15.0000	8.17	13.38
NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)					

Year Ended 5/31:					
2002 (d)	--	14.39	15.4400	7.54	9.58
2001 (b)	(.17)	13.90	15.1500	2.42	(1.57)
=====					

Ratios/Supplemental Data

	Before Credit/Reimbursement		After Credit/Reimbursement***		Municipal Preference
	Ratio of Expenses to Net Assets Applicable to Common Shares (000)	Ratio of Investment Income to Net Assets Applicable to Common Shares++	Ratio of Expenses to Net Assets Applicable to Common Shares++	Ratio of Investment Income to Net Assets Applicable to Common Shares++	
Ending Net Assets	Ratio of Expenses to Net Assets Applicable to Common Shares (000)	Ratio of Investment Income to Net Assets Applicable to Common Shares++	Ratio of Expenses to Net Assets Applicable to Common Shares++	Ratio of Investment Income to Net Assets Applicable to Common Shares++	Aggregated Amount
Applicable to Common Shares (000)	to Common Shares++	to Common Shares++	to Common Shares++	to Common Shares++	Portfolio Turnover Rate
					Outstanding (000)
=====					
MARYLAND PREMIUM INCOME (NMY)					

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Year Ended 5/31:

2002 (d)	\$147,795	1.32%	7.33%	1.31%	7.34%	13%	\$79,10
2001	145,201	1.31	7.58	1.31	7.58	8	79,10
2000	134,299	1.29	7.69	1.28	7.70	13	79,10
1999	150,420	1.29	6.78	1.28	6.79	16	79,10
1998	151,088	1.29	6.93	1.29	6.93	6	79,10

MARYLAND DIVIDEND ADVANTAGE (NFM)

Year Ended 5/31:

2002 (d)	58,925	1.35	6.81	.82	7.34	36	32,00
2001 (a)	57,740	1.17*	4.33*	.75*	4.75*	10	32,00

MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

Year Ended 5/31:

2002 (c)	58,370	1.22*	5.55*	.79*	5.99*	21	32,00
----------	--------	-------	-------	------	-------	----	-------

NORTH CAROLINA PREMIUM INCOME (NNC)

Year Ended 5/31:

2002 (d)	89,286	1.33	7.17	1.32	7.18	22	46,80
2001	87,614	1.34	7.47	1.30	7.51	19	46,80
2000	79,167	1.37	7.81	1.35	7.83	25	46,80
1999	89,377	1.30	6.97	1.30	6.97	8	46,80
1998	90,470	1.30	7.17	1.30	7.17	9	46,80

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

Year Ended 5/31:

2002 (d)	32,148	1.44	6.86	.90	7.40	37	17,00
2001 (b)	31,015	1.31*	5.02*	.85*	5.48*	29	17,00

* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

(a) For the period January 25, 2001 (commencement of operations) through May 31, 2001.

(b) For the period January 31, 2001 (commencement of operations) through May 31, 2001.

(c) For the period September 25, 2001 (commencement of operations) through May 31, 2002.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

(d) As required, effective June 1, 2001, the Funds have adopted the provisions of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. The effect of this change for the fiscal year ended May 31, 2002, was to increase net investment income per share with a corresponding decrease in net realized/unrealized investment gain (loss) per share and increase each ratio of net investment income to average net assets as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	NORTH CAROLINA PREMIUM INCOME (NNC)	NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)
2002 per share impact (\$)	.01	--	--	--
2002 income ratio impact (%)	.05	--	.02	--

The Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

See accompanying notes to financial statements.

end spread 64-65

FINANCIAL HIGHLIGHTS (CONTINUED)
SELECTED DATA FOR A COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD:

	Investment Operations						Fro in of Inv Inc Com Sha hol
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Investment Gain (Loss)	Distributions from and in Excess of Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+	Total	
=====							
NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)							

YEAR ENDED 5/31:							
2002 (b)	\$14.33	\$.38	\$.11	\$ (.04)	\$--	\$.45	\$ (
VIRGINIA PREMIUM INCOME (NPV)							

YEAR ENDED 5/31:							
2002 (d)	14.59	1.04	.03	(.11)	--	.96	(
2001	13.36	1.08	1.21	(.25)	--	2.04	(
2000	14.89	1.07	(1.52)	(.24)	--	(.69)	(
1999	14.96	1.05	(.08)	(.22)	--	.75	(
1998	14.04	1.06	.92	(.24)	--	1.74	(

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

VIRGINIA DIVIDEND ADVANTAGE (NGB)

YEAR ENDED 5/31:

2002 (d)	13.87	1.02	.32	(.13)	--	1.21
2001 (a)	14.33	.24	(.28)	(.05)	--	(.09)

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

YEAR ENDED 5/31:

2002 (c)	14.33	.41	.09	(.04)	--	.46
----------	-------	-----	-----	-------	----	-----

Total Returns

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

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

Year Ended 5/31:

2002 (b)	\$ (.14)	\$14.30	\$14.9000	1.64%	2.22%
----------	----------	---------	-----------	-------	-------

VIRGINIA PREMIUM INCOME (NPV)

Year Ended 5/31:

2002 (d)	--	14.69	16.1700	6.64	6.71
2001	--	14.59	16.0000	18.45	15.53
2000	--	13.36	14.2500	(6.02)	(4.64)
1999	--	14.89	16.0625	4.77	5.09
1998	--	14.96	16.1250	17.30	12.66

VIRGINIA DIVIDEND ADVANTAGE (NGB)

Year Ended 5/31:

2002 (d)	--	14.23	15.0900	5.10	8.89
2001 (a)	(.16)	13.87	15.1800	2.61	(1.73)

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

Year Ended 5/31:

2002 (c)	(.13)	14.31	14.9000	1.71	2.30
----------	-------	-------	---------	------	------

Ratios/Supplemental Data

	Before Credit/Reimbursement	Ratio of Net Investment Income to	After Credit/Reimbursement***	Ratio of Net Investment Income to
Ending	Ratio of Expenses	Ratio of Net Investment Income to	Ratio of Expenses	Ratio of Net Investment Income to

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

	Net Assets Applicable to Common Shares (000)	to Average Net Assets Applicable to Common Shares++	Average Net Assets Applicable to Common Shares++	to Average Net Assets Applicable to Common Shares++	Average Net Assets Applicable to Common Shares++	Portfolio Turnover Rate	Aggre Amount Outst (000)
=====							
NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)							

Year Ended 5/31:							
2002 (b)	\$ 53,383	1.19%*	4.70%*	.74%*	5.15%*	43%	\$28,0
VIRGINIA PREMIUM INCOME (NPV)							

Year Ended 5/31:							
2002 (d)	128,655	1.28	7.01	1.27	7.02	14	63,8
2001	127,145	1.23	7.51	1.21	7.53	7	63,8
2000	115,760	1.29	7.72	1.28	7.73	20	63,8
1999	128,368	1.26	6.94	1.26	6.95	8	63,8
1998	128,122	1.27	7.20	1.27	7.20	19	63,8
VIRGINIA DIVIDEND ADVANTAGE (NGB)							

Year Ended 5/31:							
2002 (d)	44,308	1.37	6.68	.84	7.21	21	24,0
2001 (a)	43,155	1.27*	4.76*	.80*	5.23*	20	24,0
VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)							

Year Ended 5/31:							
2002 (c)	81,325	1.14*	5.00*	.70*	5.44*	12	42,0
=====							

* Annualized.

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

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

+ The amounts shown are based on Common share equivalents.

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

(a) For the period January 26, 2001 (commencement of operations) through May 31, 2001.

(b) For the period November 16, 2001 (commencement of operations) through May 31, 2002.

(c) For the period November 15, 2001 (commencement of operations) through May 31, 2002.

(d) As required, effective June 1, 2001, the Funds have adopted the provisions

of the new AICPA Audit and Accounting Guide for Investment Companies and began accreting taxable market discount on debt securities. The effect of this change for the fiscal year ended May 31, 2002, was to increase net investment income per share with a corresponding decrease in net realized/unrealized investment gain (loss) per share and increase each ratio of net investment income to average net assets as follows:

	Virginia Premium Income (NPV)	Virginia Dividend Advantage (NGB)
2002 per share impact (\$)	.01	--
2002 income ratio impact (%)	.04	--

The Financial Highlights for the prior periods have not been restated to reflect this change in presentation.

See accompanying notes to financial statements.

end spread 66-67

Trustees
AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds under the Management Agreement, is the responsibility of the Board of Trustees of the Funds. The number of trustees of the Funds is currently set at seven, one of whom is an "interested person" (as the term is defined in the Investment Company Act of 1940) and six of whom are not interested persons. None of the trustees who are not interested persons of the Funds have ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the trustees 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.

The Funds' Statement of Additional Information ("SAI") includes more information about the Trustees. To request a free copy, call Nuveen Investments at (800) 257-8787.

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED AND TERM OF OFFICE	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
--------------------------------	-----------------------------------	--	---

TRUSTEE WHO IS AN INTERESTED PERSON OF THE FUNDS:

Timothy R. Schwertfeger (1) 3/28/1949 333 West Wacker Drive Chicago, IL 60606	Chairman of the Board, President and Trustee	1994 Term Indefinite (2)	Chairman and Director (since Ju of The John Nuveen Company, Nuve Investments, Nuveen Advisory Co Nuveen Institutional Advisory C prior thereto, Executive Vice P and Director of The John Nuveen
---	--	--------------------------------	---

and Nuveen Investments; Director (1992) and Chairman (since 1996) of Nuveen Institutional Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (January 1997) of Nuveen Asset Management Corporation; Chairman and Director of Rittenhouse Financial Services; Executive Officer (since September 1996) of Nuveen Senior Loan Asset Management

TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

ROBERT P. BREMNER 8/22/1940 333 W. Wacker Drive Chicago, IL 60606	Trustee	1997 Term Indefinite (2)	Private Investor and Management
LAWRENCE H. BROWN 7/29/1934 333 W. Wacker Drive Chicago, IL 60606	Trustee	1993 Term Indefinite (2)	Retired (August 1989) as Senior Vice President of The Northern Trust Company.
ANNE E. IMPELLIZZERI 1/26/1933 333 W. Wacker Drive Chicago, IL 60606	Trustee	1994 Term Indefinite (2)	Retired (2002); formerly, Executive Director (since 1998) of Manitoga (Center for Environmental Design with Nature); President and Chief Executive Officer of Blanton-Peale Institutes of Research in Health (since December 1990); President, Vice President, Metropolitan Life Insurance Company
PETER R. SAWERS 4/3/1933 333 W. Wacker Drive Chicago, IL 60606	Trustee	1991 Term Indefinite (2)	Adjunct Professor of Business Administration at University of Dubuque, Iowa; Director of Service Corps of Chicago (not-for-profit); Hadley School for the Blind (not-for-profit) formerly (1991-2000) Adjunct Professor at Lake Forest Graduate School of Business, Lake Forest, Illinois; prior to 1991, Executive Director, Towers Perrin, a management consulting firm; Chairman, Financial Analyst; Certified Management Accountant

68

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED AND TERM OF OFFICE	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
-----------------------------	--------------------------------	--	---

TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

WILLIAM J. SCHNEIDER 9/24/1944 333 W. Wacker Drive Chicago, IL 60606	Trustee	1997 Term Indefinite (2)	Senior Partner and Chief Operating Officer, Miller-Valentine Group, Vice President, Miller-Valentine Realty, a development contract company; Chair, Miami
---	---------	--------------------------------	---

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

Vice Chair, Miami Valley Economic
Coalition; formerly, Member, Co-
Board, National City Bank, Dayton,
Business Advisory Council, Cleveland,
Federal Reserve Bank.

JUDITH M. STOCKDALE 12/29/1947 333 W. Wacker Drive Chicago, IL 60606	Trustee	1997 Term Indefinite (2)	Executive Director, Gaylord and Donnelley Foundation (since 1999) thereto, Executive Director, Grant Protection Fund (from 1990 to 1999)
---	---------	--------------------------------	---

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
--------------------------------	-----------------------------------	--	---

OFFICERS OF THE FUNDS:

MICHAEL T. ATKINSON 2/3/1966 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since January 2002) Assistant Vice President (since Associate of Nuveen Investments
---	----------------	------	---

PAUL L. BRENNAN 11/10/1966 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since January 2002) Assistant Vice President, of Nuveen Advisory Corp.
---	----------------	------	--

PETER H. D'ARRIGO 11/28/1967 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	1999	Vice President of Nuveen Investm January 1999), prior thereto, A President (from January 1997); Associate of Nuveen Investments and Treasurer (since September Senior Loan Asset Management In Financial Analyst.
---	---------------------------------	------	---

MICHAEL S. DAVERN 6/26/1957 333 W. Wacker Drive Chicago, IL 60606	Vice President	1997	Vice President of Nuveen Adviso
--	----------------	------	---------------------------------

SUSAN M. DESANTO 9/8/1954 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Vice President of Nuveen Adviso August 2001); previously, Vice Van Kampen Investment Advisory (since 1998); prior thereto, AS President of Van Kampen Investm Advisory Corp.
--	----------------	------	---

Trustees
AND OFFICERS (continued)

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS

OFFICERS OF THE FUNDS (CONTINUED):			

JESSICA R. DROEGER 9/24/1964 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since January 2002); General Counsel (since May 1998); Assistant Vice President of Nuveen Investments (since 1998); Assistant Vice President and Associate (since 1998) of Nuveen Advisory Institutional Advisory Corp.; partner, Associate at the law firm D'Ancona

LORNA C. FERGUSON 10/24/1945 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	Vice President of Nuveen Investments President (since January 1998); Advisory Corp. and Nuveen Institutional Advisory Corp.

WILLIAM M. FITZGERALD 3/2/1964 333 W. Wacker Drive Chicago, IL 60606	Vice President	1995	Managing Director of Nuveen Advisory Institutional Advisory Corp. (since 2001); prior thereto, Vice President Advisory Corp.; Chartered Financial

STEPHEN D. FOY 5/31/1954 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	Vice President of Nuveen Investments (since May 1998); The John Nuveen President (since September 1999); Senior Loan Asset Management In Accountant.

J. THOMAS FUTRELL 7/5/1955 333 W. Wacker Drive Chicago, IL 60606	Vice President	1992	Vice President of Nuveen Advisory Institutional Advisory Corp. and Chartered Financial Analyst.

RICHARD A. HUBER 3/26/1963 333 W. Wacker Drive Chicago, IL 60606	Vice President	1997	Vice President of Nuveen Institutional Advisory Corp. (since March 1998) and Nuveen Advisory Corp.

STEVEN J. KRUPA 8/21/1957 333 W. Wacker Drive Chicago, IL 60606	Vice President	1990	Vice President of Nuveen Advisory Institutional Advisory Corp.

DAVID J. LAMB 3/22/1963 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	Vice President (since March 2000); Investments, previously Assistant President (since January 1999); Associate of Nuveen Investments Public Accountant.

TINA M. LAZAR 8/27/1961 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since 1999), previously Assistant Vice President (since 1999); Nuveen Investments.

Edgar Filing: NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 - Form N-30D

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
--------------------------------	-----------------------------------	--	---

OFFICERS OF THE FUNDS (CONTINUED):

LARRY W. MARTIN 7/27/1951 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1992	Vice President, Assistant Secretary, Assistant General Counsel of Nuveen Investments; Vice President and Secretary of Nuveen Advisory Company Institutional Advisory Corp.; Vice Assistant Secretary of The John Hancock Company and Nuveen Asset Management Vice President and Assistant Secretary (September 1999) of Nuveen Senior Management Inc.
--	--	------	--

EDWARD F. NEILD, IV 7/7/1965 333 W. Wacker Drive Chicago, IL 60606	Vice President	1996	Managing Director (since September 1999) Vice President of Nuveen Advisory Company Nuveen Institutional Advisory Company Financial Analyst.
---	----------------	------	--

THOMAS J. O'SHAUGHNESSY 9/4/1960 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since January 2002) Assistant Vice President (1998) Nuveen Institutional Advisory Company Advisory Corp.; prior thereto, Vice President of Nuveen Institutional Advisory Company.
---	----------------	------	--

THOMAS C. SPALDING, JR. 7/31/1951 333 W. Wacker Drive Chicago, IL 60606	Vice President	1982	Vice President of Nuveen Advisory Company Nuveen Institutional Advisory Company Financial Analyst.
--	----------------	------	--

GIFFORD R. ZIMMERMAN 9/9/1956 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	1992	Managing Director (since January 2002) Assistant Secretary and Associate General Counsel, formerly Assistant General Counsel and Vice President of Nuveen Institutional Advisory Company Managing Director (since January 2002) Assistant Secretary and Assistant Secretary President of Nuveen Advisory Company Institutional Advisory Corp.; Vice Assistant Secretary of The John Hancock Company Managing Director (since January 2002) Assistant Secretary (since September 1999) formerly Vice President of Nuveen Loan Asset Management Inc.; Managing Director (since January 2002), Assistant Associate General Counsel, formerly Assistant Secretary (since 2000), of Nuveen Asset Management Inc. Chartered Financial Analyst.
--	---------------------------------	------	---

(1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and director of Nuveen Advisory Corp.

(2) Trustees serve an indefinite term until his/her successor is elected.

(3) Officers serve one year terms through July of each year.

71

Build Your Wealth
AUTOMATICALLY

Sidebar text: Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

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

FLEXIBILITY

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

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

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

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

72

Fund
INFORMATION

BOARD OF TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Anne E. Impellizzeri
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN, TRANSFER AGENT
AND SHAREHOLDER SERVICES

JPMorgan Chase Bank
P.O. Box 660086
Dallas, TX 75266-0086
(800) 257-8787

LEGAL COUNSEL

Morgan, Lewis &
Bockius LLP
Washington, D.C.

INDEPENDENT AUDITORS

Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended May 31, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

73

Serving Investors

FOR GENERATIONS

Photo of John Nuveen, Sr.
John Nuveen, Sr.

For over a century, generations of Americans have relied on Nuveen Investments to help them grow and keep the money they've earned. Financial advisors, investors and their families have associated Nuveen Investments with quality, expertise and dependability since 1898. That is why financial advisors have entrusted the assets of more than 1.3 million investors to Nuveen.

With the know-how that comes from a century of experience, Nuveen continues to build upon its reputation for quality. Now, financial advisors and investors can count on Nuveen Investments to help them design customized solutions that meet the far-reaching financial goals unique to family wealth strategies - solutions that can translate into legacies.

To find out more about how Nuveen Investments' products and services can help you preserve your financial security, talk with your financial advisor, or call us at (800) 257-8787 for more information, including a prospectus where applicable. Please read that information carefully before you invest.

Logo: NUVEEN Investments

Nuveen Investments o 333 West Wacker Drive
Chicago, IL 60606 o www.nuveen.com

FAN-B-0502