

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND  
Form N-CSR  
January 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-09475  
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Nuveen Insured Dividend Advantage Municipal Fund  
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(Exact name of registrant as specified in charter)

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

Jessica R. Droeger  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Name and address of agent for service)

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

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2003

Nuveen  
Municipal Closed-End  
Exchange-Traded  
Funds

NUVEEN INSURED QUALITY MUNICIPAL FUND  
NQI

NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND  
NIO

NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND  
NIF

NUVEEN INSURED PREMIUM INCOME MUNICIPAL FUND 2  
NPX

NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND  
NVG

NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND  
NEA

Photo of: Man holding up child in his arms.  
Photo of: 2 women and 2 girls looking at seashells.

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

Logo: NUVEEN Investments

FASTER INFORMATION  
RECEIVE YOUR  
NUVEEN FUND REPORT  
ELECTRONICALLY

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

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

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SOME COMMON CONCERNS:

WILL MY E-MAIL ADDRESS BE DISTRIBUTED TO OTHER COMPANIES?

No, your e-mail address is strictly confidential and will not be used for anything other than notification of shareholder information.

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

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

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

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

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger  
Chairman of the Board

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

Dear  
SHAREHOLDER

## Edgar Filing: NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND - Form N-CSR

I am very pleased to report that for the year ended October 31, 2003, your Nuveen Fund continued to provide you with attractive monthly tax-free income.

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

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

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

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

December 15, 2003

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Nuveen National Insured Municipal Closed-End Exchange-Traded Funds (NQI, NIO, NIF, NPX, NVG, NEA)

Portfolio Manager's  
COMMENTS

Portfolio manager Tom O'Shaughnessy discusses U.S. economic and market conditions, key investment strategies, and the annual performance of the national insured Funds. With 20 years of investment experience at Nuveen, Tom assumed portfolio management responsibility for NEA at its inception in November 2002, adding NQI, NIO, NIF, NPX, and NVG in January 2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH PERIOD ENDED OCTOBER 31, 2003?

Over the 12-month reporting period, the two greatest influences on the general economy continued to be historically low interest rates and the overall pace of economic improvement. In June 2003, the Federal Reserve reduced the fed funds rate to 1.0%, the lowest level since 1958. The Fed's accommodative monetary policy coupled with Washington's tax relief measures and increased spending for defense helped to fuel an 8.2% jump year-over-year in the third-quarter Gross Domestic Product (GDP), up from 3.3% in the second quarter. At the same time, inflation remained under control throughout the period.

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In the municipal market, the slower rate of economic recovery over the majority of this reporting period, low interest rates, and lack of inflationary pressures helped many municipal bonds perform well. During the summer of 2003, however, stronger-than-expected economic data precipitated a spike in bond yields and a corresponding drop in bond prices that impacted results across all fixed-income markets, including the municipal market, for the 12-month period ended October 31, 2003.

During the first 10 months of 2003, municipal supply nationally remained robust, with \$319.9 billion in new bonds, up 8% over the same period in 2002.

HOW DID THESE NUVEEN FUNDS PERFORM OVER THIS REPORTING PERIOD?

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

|     | MARKET YIELD |                                     | TOTAL RETURN<br>ON NAV      | LEHMAN<br>TOTAL RETURN <sup>1</sup> | LIPPER<br>AVERAGE <sup>2</sup> |
|-----|--------------|-------------------------------------|-----------------------------|-------------------------------------|--------------------------------|
|     | 10/31/03     | TAXABLE-<br>EQUIVALENT <sup>3</sup> | 1 YEAR<br>ENDED<br>10/31/03 | 1 YEAR<br>ENDED<br>10/31/03         | 1 YEAR<br>ENDED<br>10/31/03    |
| NQI | 6.19%        | 8.60%                               | 6.27%                       | 5.52%                               | 6.72%                          |
| NIO | 6.21%        | 8.63%                               | 7.51%                       | 5.52%                               | 6.72%                          |
| NIF | 6.31%        | 8.76%                               | 7.28%                       | 5.52%                               | 6.72%                          |
| NPX | 6.20%        | 8.61%                               | 6.70%                       | 5.52%                               | 6.72%                          |
| NVG | 6.28%        | 8.72%                               | 7.37%                       | 5.52%                               | 6.72%                          |
| NEA | 6.29%        | 8.74%                               | NA                          | --                                  | --                             |

Past performance is not predictive of future results.

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

1 The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Insured Municipal Bond Index, an unleveraged, unmanaged index comprising a broad range of insured municipal bonds. Results for the Lehman index do not reflect any expenses.

2 The total returns of these Funds are compared with the average annualized return of the 24 funds in the Lipper Insured Leveraged 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, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

For the 12 months ended October 31, 2003, all of the Funds in this report with at least one year of performance history outperformed the unleveraged Lehman Brothers Insured Municipal Bond Index. NIO, NIF, and NVG also outperformed their Lipper peer group average, while NPX performed in line with the Lipper average while NQI trailed this measure. The use of leverage was one of the factors that influenced the performances of these Funds relative to the Lehman index over the past 12 months. While this is a strategy that carries some price risk and increased volatility, leveraging can provide opportunities for additional income for common shareholders, especially during periods of low short-term interest rates.

In general, the Funds also benefited from their duration<sup>4</sup> positioning during this period. As of October 31, 2003, the durations of the four older Funds ranged (NQI, NIO, NIF and NPX) from 7.59 to 9.94, while NVG and NEA had durations of 10.02 and 11.47, respectively, compared with 8.98 for the Lehman insured index. However, NPX's duration of 7.59 kept the Fund from fully benefiting from the decline in interest rates during much of the past year.

In addition to leverage and duration, factors such as call exposure, portfolio trading activity, and the price movement of specific sectors and holdings also had an impact on the Funds' relative performances during this period. For example, as of October 31, 2003 NQI and NPX held 7% and 8%, respectively, of their portfolios in multifamily housing bonds. For the 12 months ended October 2003, the multifamily housing sector, as measured by the Lehman index, was among the poorer performers, lagging the insured municipal market by almost 80 basis points.

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

With short-term interest rates remaining at historically low levels, the dividend-paying capabilities of these Funds benefited from their use of leverage. During the 12 months ended October 31, 2003, continued low short-term rates enabled us to implement two dividend increases in NQI and NPX and one each in NIO and NIF. Leverage also helped to support the dividends of the two newer Funds, as NVG and NEA continued to pay shareholders steady, attractive dividends since their first dividend declarations in May 2002 and January 2003, respectively.

<sup>4</sup> Duration is a measure of a fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the fund. References to duration in this commentary are intended to indicate fund duration unless otherwise noted.

Even at these dividend levels, each Fund's common share net investment income during the period exceeded the amount of dividends paid to common shareholders. This excess net investment income, along with any excess net investment income from prior fiscal periods, was held in reserve by the Funds as undistributed net investment income (UNII) and is part of the Funds' net asset value. The Funds, over time, will pay all their net investment income out to common shareholders. However, UNII reserves may help the Funds maintain more stable common share dividend levels over time should the short-term rates the Funds pay on their MuniPreferred shares rise or net common share earnings otherwise decline.

Despite the increased volatility in the fixed-income markets during the summer of 2003, the share prices of all four of the older Funds (NQI, NIO, NIF and NPX)

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ended the period higher than they had been at the beginning. As of October 31, 2003, NQI had moved to trading at a premium to its common share NAV from a discount 12 months earlier, and the discounts on NIO, NIF, and NPX had narrowed. NVG and NEA both saw slight declines in share price during this period; NEA continued to trade at a premium, while the discount on NVG widened modestly .

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED OCTOBER 31, 2003?

Over this 12-month reporting period, we continued to place strong emphasis on keeping the Funds fully invested and well diversified, improving call protection, and enhancing dividend-paying capabilities. We also continued to focus on managing the Funds' durations as a way of enhancing our ability to mitigate interest rate risk and produce potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise. The longer the duration of a Fund's portfolio, the greater its interest rate risk. Over the past 12 months, we worked to make the Funds' durations more consistent with one another, although the duration of the newest Fund--NEA--was kept somewhat longer to provide additional support for its income stream in the current market environment.

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

We also took advantage of strategies that would enable us to reduce taxable distributions to shareholders. Over the past four months, as appropriate opportunities arose, we took losses on selected bonds in order to offset the substantial capital gains that had accumulated in some of the Funds. We also began to gradually cut our holdings of AMT (alternative minimum tax) bonds. In November 2002, we also introduced NEA, which cannot invest in any AMT bonds.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2003?

We believe that, given the current geopolitical and economic climate, maintaining strong credit quality remains a vital requirement. The four older Funds continued to be 100% invested in insured and/or U.S. guaranteed bonds, while the two newer Funds (NVG and NEA), which are allowed to invest up to 20% in uninsured investment-grade quality securities, held 88% and 89% of their portfolios, respectively, in insured and/or U.S. guaranteed bonds as of October 31, 2003.

Looking at bond calls, NVG and NEA should not face any significant call exposure for several years, while the four older Funds offer good levels of protection over the next two years, with potential call exposure ranging from 8% in NIF to 21% in NQI during 2004 and 2005. The number of bond calls will depend largely on market interest rates in coming months.

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

Nuveen Insured Quality Municipal Fund, Inc.  
Performance

OVERVIEW As of October 31, 2003

NQI

Pie Chart:

|                             |     |
|-----------------------------|-----|
| CREDIT QUALITY              |     |
| Insured                     | 88% |
| Insured and U.S. Guaranteed | 11% |
| U.S. Guaranteed             | 1%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$16.39   |
| Common Share Net Asset Value                                       | \$15.72   |
| Market Yield   | 6.19%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.60%     |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$598,102 |
| Average Effective Maturity (Years)                                 | 21.05     |
| Leverage-Adjusted Duration   | 8.13      |

AVERAGE ANNUAL TOTAL RETURN (Inception 12/19/90)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 12.92%         | 6.27%  |
| 5-Year  | 7.70%          | 6.17%  |
| 10-Year | 6.21%          | 6.16%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Transportation         | 21% |
| Healthcare             | 16% |
| Utilities              | 13% |
| U.S. Guaranteed        | 12% |
| Tax Obligation/General | 12% |

Bar Chart:



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| 2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE <sup>2</sup> |        |
|---|--------|
| Nov   | 0.08   |
| Dec   | 0.0815 |
| Jan   | 0.0815 |
| Feb   | 0.0815 |
| Mar   | 0.0845 |
| Apr   | 0.0845 |
| May   | 0.0845 |
| Jun   | 0.0845 |
| Jul   | 0.0845 |
| Aug   | 0.0845 |
| Sep   | 0.0845 |
| Oct   | 0.0845 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 11/1/02 | 15.55 |
|         | 15.41 |
|         | 15.48 |
|         | 15.5  |
|         | 15.65 |
|         | 15.64 |
|         | 15.55 |
|         | 15.48 |
|         | 15.61 |
|         | 15.95 |
|         | 15.6  |
|         | 15.67 |
|         | 15.87 |
|         | 15.94 |
|         | 15.9  |
|         | 16.08 |
|         | 16.01 |
|         | 16.25 |
|         | 16.21 |
|         | 16.17 |
|         | 15.92 |
|         | 16.38 |
|         | 16.4  |
|         | 16.42 |
|         | 16.6  |
|         | 16.53 |
|         | 16.75 |
|         | 16.85 |
|         | 16.83 |
|         | 16.94 |
|         | 16.97 |
|         | 16.61 |
|         | 17    |
|         | 17.1  |
|         | 16.81 |
|         | 16.04 |
|         | 15.72 |
|         | 15.73 |
|         | 15.51 |
|         | 15.6  |
|         | 15.63 |
|         | 15.86 |
|         | 15.73 |

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|          |       |
|----------|-------|
|          | 15.88 |
|          | 15.97 |
|          | 15.95 |
|          | 16.16 |
|          | 16.18 |
| 10/31/03 | 16.39 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.1191 per share.

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Nuveen Insured Municipal Opportunity Fund, Inc.  
Performance

OVERVIEW As of October 31, 2003

NIO

Pie Chart:

CREDIT QUALITY

|                             |     |
|-----------------------------|-----|
| Insured                     | 80% |
| Insured and U.S. Guaranteed | 18% |
| U.S. Guaranteed             | 2%  |

PORTFOLIO STATISTICS

|  |             |
|--|-------------|
| Share Price  | \$15.64     |
| Common Share Net Asset Value                                       | \$15.89     |
| Market Yield   | 6.21%       |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.63%       |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$1,288,087 |
| Average Effective Maturity (Years)                                 | 19.70       |
| Leverage-Adjusted Duration   | 8.40        |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/19/91)

|        | ON SHARE PRICE | ON NAV |
|--------|----------------|--------|
| 1-Year | 10.22%         | 7.51%  |

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|         |       |       |
|---------|-------|-------|
| 5-Year  | 5.38% | 6.22% |
| 10-Year | 6.43% | 6.33% |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Transportation         | 20% |
| U.S. Guaranteed        | 20% |
| Utilities              | 14% |
| Tax Obligation/Limited | 12% |
| Healthcare             | 10% |

Bar Chart:

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

|     |        |
|-----|--------|
| Nov | 00.08  |
| Dec | 00.08  |
| Jan | 00.08  |
| Feb | 00.08  |
| Mar | 00.081 |
| Apr | 00.081 |
| May | 00.081 |
| Jun | 00.081 |
| Jul | 00.081 |
| Aug | 00.081 |
| Sep | 00.081 |
| Oct | 00.081 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 11/1/02 | 15.27 |
|         | 15.35 |
|         | 15.18 |
|         | 14.95 |
|         | 15.03 |
|         | 15.32 |
|         | 15.24 |
|         | 15.33 |
|         | 15.49 |
|         | 15.67 |
|         | 15.34 |
|         | 15.6  |
|         | 15.65 |
|         | 15.73 |
|         | 15.85 |
|         | 15.82 |
|         | 15.78 |
|         | 15.93 |
|         | 15.8  |
|         | 15.7  |
|         | 15.54 |
|         | 15.86 |
|         | 15.85 |

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|          |       |
|----------|-------|
|          | 15.9  |
|          | 15.92 |
|          | 15.96 |
|          | 16.17 |
|          | 16.12 |
|          | 16.38 |
|          | 16.52 |
|          | 16.59 |
|          | 16.04 |
|          | 16.26 |
|          | 16.21 |
|          | 16.17 |
|          | 15.42 |
|          | 15.24 |
|          | 15.36 |
|          | 15.05 |
|          | 15.13 |
|          | 15.16 |
|          | 15.32 |
|          | 15.3  |
|          | 15.36 |
|          | 15.61 |
|          | 15.42 |
|          | 15.45 |
|          | 15.67 |
| 10/31/03 | 15.64 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.1285 per share.

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Nuveen Premier Insured Municipal Income Fund, Inc.  
Performance

OVERVIEW As of October 31, 2003

NIF

Pie Chart:

CREDIT QUALITY

|                             |     |
|-----------------------------|-----|
| Insured                     | 82% |
| Insured and U.S. Guaranteed | 4%  |
| U.S. Guaranteed             | 14% |

PORTFOLIO STATISTICS

|                              |         |
|------------------------------|---------|
| Share Price                  | \$15.51 |
| Common Share Net Asset Value | \$15.69 |

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|  |           |
|--|-----------|
| Market Yield   | 6.31%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.76%     |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$303,912 |
| Average Effective Maturity (Years)                                 | 18.30     |
| Leverage-Adjusted Duration   | 9.94      |

AVERAGE ANNUAL TOTAL RETURN (Inception 12/19/91)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 7.84%          | 7.28%  |
| 5-Year  | 4.66%          | 5.64%  |
| 10-Year | 6.39%          | 5.90%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/General | 19% |
| U.S. Guaranteed        | 18% |
| Transportation         | 17% |
| Healthcare             | 16% |
| Tax Obligation/Limited | 11% |

Bar Chart:

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

|     |        |
|-----|--------|
| Nov | 0.0805 |
| Dec | 0.0805 |
| Jan | 0.0805 |
| Feb | 0.0805 |
| Mar | 0.0815 |
| Apr | 0.0815 |
| May | 0.0815 |
| Jun | 0.0815 |
| Jul | 0.0815 |
| Aug | 0.0815 |
| Sep | 0.0815 |
| Oct | 0.0815 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 11/1/02 | 15.7  |
|         | 15.29 |
|         | 15.19 |
|         | 15.22 |

|          |       |
|----------|-------|
|          | 15.38 |
|          | 15.46 |
|          | 15.34 |
|          | 15.2  |
|          | 15.55 |
|          | 15.9  |
|          | 15.39 |
|          | 15.53 |
|          | 15.65 |
|          | 15.78 |
|          | 15.87 |
|          | 15.78 |
|          | 15.94 |
|          | 15.9  |
|          | 16.06 |
|          | 16.04 |
|          | 15.77 |
|          | 15.95 |
|          | 16.13 |
|          | 15.99 |
|          | 16.03 |
|          | 16.14 |
|          | 16.31 |
|          | 16.34 |
|          | 16.62 |
|          | 16.95 |
|          | 16.96 |
|          | 16.47 |
|          | 16.67 |
|          | 16.7  |
|          | 16.51 |
|          | 16.01 |
|          | 14.99 |
|          | 15.24 |
|          | 14.93 |
|          | 15.16 |
|          | 15.16 |
|          | 15.24 |
|          | 15.35 |
|          | 15.37 |
|          | 15.37 |
|          | 15.35 |
|          | 15.26 |
|          | 15.53 |
| 10/31/03 | 15.51 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0360 per share.

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Nuveen Insured Premium Income Municipal Fund 2

Performance

OVERVIEW As of October 31, 2003

NPX

Pie Chart:

CREDIT QUALITY

|                             |     |
|-----------------------------|-----|
| Insured                     | 90% |
| Insured and U.S. Guaranteed | 10% |

## PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$14.12   |
| Common Share Net Asset Value                                       | \$14.24   |
| Market Yield   | 6.20%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.61%     |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$530,975 |
| Average Effective Maturity (Years)                                 | 18.45     |
| Leverage-Adjusted Duration   | 7.59      |

## AVERAGE ANNUAL TOTAL RETURN (Inception 7/22/93)

|         | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year  | 8.84%          | 6.70%  |
| 5-Year  | 6.79%          | 6.05%  |
| 10-Year | 6.44%          | 5.82%  |

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

|                        |     |
|------------------------|-----|
| Utilities              | 17% |
| Tax Obligation/Limited | 15% |
| Transportation         | 13% |
| Tax Obligation/General | 12% |
| Healthcare             | 11% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |        |
|-----|--------|
| Nov | 0.0705 |
| Dec | 0.0705 |

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|     |        |
|-----|--------|
| Jan | 0.0705 |
| Feb | 0.0705 |
| Mar | 0.072  |
| Apr | 0.072  |
| May | 0.072  |
| Jun | 0.072  |
| Jul | 0.072  |
| Aug | 0.072  |
| Sep | 0.073  |
| Oct | 0.073  |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 11/1/02 | 13.87 |
|         | 13.92 |
|         | 13.82 |
|         | 13.32 |
|         | 13.74 |
|         | 13.85 |
|         | 13.85 |
|         | 13.73 |
|         | 13.88 |
|         | 13.98 |
|         | 13.99 |
|         | 13.87 |
|         | 13.88 |
|         | 14.14 |
|         | 14.21 |
|         | 14.13 |
|         | 14.23 |
|         | 14.31 |
|         | 14.25 |
|         | 14.15 |
|         | 13.91 |
|         | 14.29 |
|         | 14.26 |
|         | 14.31 |
|         | 14.33 |
|         | 14.42 |
|         | 14.64 |
|         | 14.72 |
|         | 14.7  |
|         | 14.9  |
|         | 15.15 |
|         | 14.74 |
|         | 14.93 |
|         | 14.98 |
|         | 14.99 |
|         | 14.2  |
|         | 13.99 |
|         | 13.85 |
|         | 13.69 |
|         | 13.75 |
|         | 13.89 |
|         | 13.8  |
|         | 13.9  |
|         | 13.89 |
|         | 13.96 |
|         | 14.12 |



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|          |       |
|----------|-------|
|          | 13.96 |
|          | 14    |
| 10/31/03 | 14.12 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

9

Nuveen Insured Dividend Advantage Municipal Fund  
Performance

OVERVIEW As of October 31, 2003

NVG

Pie Chart:

|                             |     |
|-----------------------------|-----|
| CREDIT QUALITY              |     |
| Insured                     | 86% |
| Insured and U.S. Guaranteed | 2%  |
| AAA (Uninsured)             | 5%  |
| AA (Uninsured)              | 5%  |
| A (Uninsured)               | 2%  |

PORTFOLIO STATISTICS

|  |           |
|--|-----------|
| Share Price  | \$14.81   |
| Common Share Net Asset Value                                       | \$15.41   |
| Market Yield   | 6.28%     |
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.72%     |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$459,368 |
| Average Effective Maturity (Years)                                 | 21.65     |
| Leverage-Adjusted Duration   | 10.02     |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/25/02)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year          | 6.10%          | 7.37%  |
| Since Inception | 5.59%          | 11.18% |

TOP FIVE SECTORS (as a % of total investments)

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|                                   |       |
|-----------------------------------|-------|
| Tax Obligation/General            | 23%   |
| -----                             | ----- |
| Transportation                    | 21%   |
| -----                             | ----- |
| Tax Obligation/Limited            | 16%   |
| -----                             | ----- |
| Water and Sewer                   | 12%   |
| -----                             | ----- |
| Education and Civic Organizations | 10%   |
| -----                             | ----- |

Bar Chart:

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

|     |        |
|-----|--------|
| Nov | 0.0775 |
| Dec | 0.0775 |
| Jan | 0.0775 |
| Feb | 0.0775 |
| Mar | 0.0775 |
| Apr | 0.0775 |
| May | 0.0775 |
| Jun | 0.0775 |
| Jul | 0.0775 |
| Aug | 0.0775 |
| Sep | 0.0775 |
| Oct | 0.0775 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|         |       |
|---------|-------|
| 11/1/02 | 14.99 |
|         | 14.96 |
|         | 14.86 |
|         | 14.6  |
|         | 14.59 |
|         | 14.72 |
|         | 14.46 |
|         | 14.19 |
|         | 14.5  |
|         | 15.01 |
|         | 14.45 |
|         | 14.8  |
|         | 14.84 |
|         | 14.92 |
|         | 15.01 |
|         | 14.91 |
|         | 15    |
|         | 15.04 |
|         | 14.94 |
|         | 14.95 |
|         | 14.84 |
|         | 14.93 |
|         | 14.95 |
|         | 15.05 |
|         | 15.04 |
|         | 15.02 |
|         | 15.2  |
|         | 15.35 |

|          |       |
|----------|-------|
|          | 15.62 |
|          | 15.88 |
|          | 15.95 |
|          | 15.41 |
|          | 15.4  |
|          | 15.73 |
|          | 15.67 |
|          | 15.19 |
|          | 14.1  |
|          | 14.49 |
|          | 14.31 |
|          | 14.26 |
|          | 14.44 |
|          | 14.59 |
|          | 14.55 |
|          | 14.48 |
|          | 14.56 |
|          | 14.89 |
|          | 14.67 |
|          | 14.81 |
| 10/31/03 | 14.81 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

2 The Fund also paid shareholders a capital gains distribution in December 2002 of \$0.1051 per share.

Nuveen Insured Tax-Free Advantage Municipal Fund  
 Performance  
 OVERVIEW As of October 31, 2003

NEA

Pie Chart:

|                             |     |
|-----------------------------|-----|
| CREDIT QUALITY              |     |
| Insured                     | 87% |
| Insured and U.S. Guaranteed | 2%  |
| AAA (Uninsured)             | 4%  |
| AA (Uninsured)              | 1%  |
| A (Uninsured)               | 4%  |
| BBB (Uninsured)             | 2%  |

PORTFOLIO STATISTICS

|                              |         |
|------------------------------|---------|
| Share Price                  | \$14.79 |
| Common Share Net Asset Value | \$14.54 |
| Market Yield                 | 6.29%   |

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|  |           |
|--|-----------|
| Taxable-Equivalent Yield<br>(Federal Income Tax Rate) <sup>1</sup> | 8.74%     |
| Net Assets Applicable to<br>Common Shares (\$000)                  | \$269,112 |
| Average Effective Maturity (Years)                                 | 24.10     |
| Leverage-Adjusted Duration   | 11.47     |

CUMULATIVE TOTAL RETURN (Inception 11/22/02)

|                 | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| Since Inception | 3.87%          | 6.98%  |

TOP FIVE SECTORS (as a % of total investments)

|                        |     |
|------------------------|-----|
| Tax Obligation/Limited | 31% |
| Tax Obligation/General | 26% |
| Utilities              | 14% |
| Healthcare             | 13% |
| Transportation         | 8%  |

Bar Chart:

2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

|     |        |
|-----|--------|
| Jan | 0.0775 |
| Feb | 0.0775 |
| Mar | 0.0775 |
| Apr | 0.0775 |
| May | 0.0775 |
| Jun | 0.0775 |
| Jul | 0.0775 |
| Aug | 0.0775 |
| Sep | 0.0775 |
| Oct | 0.0775 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

|          |       |
|----------|-------|
| 11/22/02 | 15    |
|          | 15    |
|          | 15    |
|          | 15    |
|          | 15.01 |
|          | 15    |
|          | 14.66 |
|          | 14.8  |
|          | 14.94 |

|          |       |
|----------|-------|
|          | 14.94 |
|          | 14.94 |
|          | 14.8  |
|          | 15    |
|          | 14.99 |
|          | 14.93 |
|          | 14.97 |
|          | 14.66 |
|          | 14.83 |
|          | 14.96 |
|          | 15.17 |
|          | 15    |
|          | 15.08 |
|          | 14.97 |
|          | 15.05 |
|          | 15.18 |
|          | 15.57 |
|          | 15.63 |
|          | 15.56 |
|          | 15.36 |
|          | 15.45 |
|          | 15.33 |
|          | 15.52 |
|          | 15.1  |
|          | 14.24 |
|          | 14.74 |
|          | 14.07 |
|          | 14.09 |
|          | 14.07 |
|          | 14.08 |
|          | 14.13 |
|          | 14.06 |
|          | 14.41 |
|          | 14.56 |
|          | 14.42 |
|          | 14.67 |
| 10/31/03 | 14.79 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order 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 28%.

Shareholder  
MEETING REPORT

The annual shareholder meeting was held on July 28, 2003, at the Northern Trust Bank, Chicago, Illinois.

NQI

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APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

Common and  
MuniPreferred MuniPreferred

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|                      | shares voting<br>together<br>as a class | shares voting<br>together<br>as a class | MuniPreferred<br>Series M | MuniPreferred<br>Series T | MuniPrefe<br>Series |
|----------------------|---|---|---------------------------|---------------------------|---------------------|
| =====                |   |   |                           |                           |                     |
| William E. Bennett   |   |   |                           |                           |                     |
| For                  | 21,572,589                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,036,844                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Robert P. Bremner    |   |   |                           |                           |                     |
| For                  | 21,577,891                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,031,542                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Lawrence H. Brown    |   |   |                           |                           |                     |
| For                  | 21,613,444                              | --                                      | --                        | --                        |                     |
| Withhold             | 995,989                                 | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Jack B. Evans        |   |   |                           |                           |                     |
| For                  | 21,592,868                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,016,565                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Anne E. Impellizzeri |   |   |                           |                           |                     |
| For                  | 21,570,511                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,038,922                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| William L. Kissick   |   |   |                           |                           |                     |
| For                  | 21,555,672                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,053,761                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Thomas E. Leafstrand |   |   |                           |                           |                     |
| For                  | 21,575,308                              | --                                      | --                        | --                        |                     |
| Withhold             | 1,034,125                               | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| Peter R. Sawers      |   |   |                           |                           |                     |
| For                  | 21,613,529                              | --                                      | --                        | --                        |                     |
| Withhold             | 995,904                                 | --                                      | --                        | --                        |                     |
| Total                | 22,609,433                              | --                                      | --                        | --                        |                     |
| -----                |   |   |                           |                           |                     |
| William J. Schneider |   |   |                           |                           |                     |
| For                  | --                                      | 10,978                                  | --                        | --                        |                     |
| Withhold             | --                                      | 76                                      | --                        | --                        |                     |
| Total                | --                                      | 11,054                                  | --                        | --                        |                     |
| =====                |   |   |                           |                           |                     |

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NQI

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|   | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>Series M | MuniPreferred<br>Series T | MuniPreferred<br>Series |
|---|--|--|---------------------------|---------------------------|-------------------------|
| =====   |  |  |                           |                           |                         |
| Timothy R. Schwertfeger   |  |  |                           |                           |                         |
| For   | --   | 10,981   | --                        | --                        |                         |
| Withhold  | --   | 73   | --                        | --                        |                         |
| Total   | --   | 11,054   | --                        | --                        |                         |
| =====   |  |  |                           |                           |                         |
| Judith M. Stockdale   |  |  |                           |                           |                         |
| For   | 21,613,363   | --   | --                        | --                        |                         |
| Withhold  | 996,070  | --   | --                        | --                        |                         |
| Total   | 22,609,433   | --   | --                        | --                        |                         |
| =====   |  |  |                           |                           |                         |
| Sheila W. Wellington  |  |  |                           |                           |                         |
| For   | 21,567,533   | --   | --                        | --                        |                         |
| Withhold  | 1,041,900  | --   | --                        | --                        |                         |
| Total   | 22,609,433   | --   | --                        | --                        |                         |
| =====   |  |  |                           |                           |                         |
| TO APPROVE A CHANGE TO A<br>FUNDAMENTAL INVESTMENT<br>RESTRICTION WITH RESPECT<br>TO LENDING          |  |  |                           |                           |                         |
| For   | 16,610,597   | 2,224  | --                        | --                        |                         |
| Against   | 1,675,317  | 227  | --                        | --                        |                         |
| Abstain   | 856,753  | 90   | --                        | --                        |                         |
| Broker Non-Vote   | 3,466,766  | 8,513  | --                        | --                        |                         |
| Total   | 22,609,433   | 11,054   | --                        | --                        |                         |
| =====   |  |  |                           |                           |                         |
| TO APPROVE A CHANGE TO A<br>FUNDAMENTAL INVESTMENT<br>RESTRICTION WITH RESPECT<br>TO BORROWING        |  |  |                           |                           |                         |
| For   | 16,585,598   | 2,216  | --                        | --                        |                         |
| Against   | 1,718,177  | 235  | --                        | --                        |                         |
| Abstain   | 838,892  | 90   | --                        | --                        |                         |
| Broker Non-Vote   | 3,466,766  | 8,513  | --                        | --                        |                         |
| Total   | 22,609,433   | 11,054   | --                        | --                        |                         |
| =====   |  |  |                           |                           |                         |
| TO APPROVE AN AGREEMENT<br>AND PLAN OF REORGANIZATION<br>AND THE TRANSACTIONS<br>CONTEMPLATED THEREBY |  |  |                           |                           |                         |
| For   | 16,824,047   | 2,260  | 461                       | 435                       |                         |
| Against   | 1,445,925  | 188  | 19                        | 7                         |                         |
| Abstain   | 872,695  | 93   | 28                        | 1                         |                         |
| Broker Non-Vote   | 3,466,766  | 8,513  | 1,825                     | 1,630                     | 1                       |

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|       |            |        |       |       |   |
|-------|------------|--------|-------|-------|---|
| Total | 22,609,433 | 11,054 | 2,333 | 2,073 | 2 |
|-------|------------|--------|-------|-------|---|

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Shareholder  
MEETING REPORT (continued)

NIO

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|                      | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Muni-<br>Preferred<br>Series M | Muni-<br>Preferred<br>Series T | Muni-<br>Preferred<br>Series W | Muni-<br>Preferred<br>Series W |
|----------------------|--|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| =====                |  |  |                                |                                |                                |                                |
| William E. Bennett   |  |  |                                |                                |                                |                                |
| For                  | 48,101,550   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,244,787  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| Robert P. Bremner    |  |  |                                |                                |                                |                                |
| For                  | 48,130,374   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,215,963  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| Lawrence H. Brown    |  |  |                                |                                |                                |                                |
| For                  | 48,176,808   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,169,529  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| Jack B. Evans        |  |  |                                |                                |                                |                                |
| For                  | 48,151,961   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,194,376  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| Anne E. Impellizzeri |  |  |                                |                                |                                |                                |
| For                  | 48,114,883   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,231,454  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| William L. Kissick   |  |  |                                |                                |                                |                                |
| For                  | 48,091,932   | --   | --                             | --                             | --                             | --                             |
| Withhold             | 1,254,405  | --   | --                             | --                             | --                             | --                             |
| Total                | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| =====                |  |  |                                |                                |                                |                                |
| Thomas E. Leafstrand |  |  |                                |                                |                                |                                |
| For                  | 48,127,866   | --   | --                             | --                             | --                             | --                             |



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|                      |            |        |    |    |    |    |
|----------------------|------------|--------|----|----|----|----|
| Withhold             | 1,218,471  | --     | -- | -- | -- | -- |
| Total                | 49,346,337 | --     | -- | -- | -- | -- |
| Peter R. Sawers      |            |        |    |    |    |    |
| For                  | 48,136,824 | --     | -- | -- | -- | -- |
| Withhold             | 1,209,513  | --     | -- | -- | -- | -- |
| Total                | 49,346,337 | --     | -- | -- | -- | -- |
| William J. Schneider |            |        |    |    |    |    |
| For                  | --         | 24,301 | -- | -- | -- | -- |
| Withhold             | --         | 142    | -- | -- | -- | -- |
| Total                | --         | 24,443 | -- | -- | -- | -- |

14

NIO

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|  | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | Muni-<br>Preferred<br>Series M | Muni-<br>Preferred<br>Series T | Muni-<br>Preferred<br>Series W | Muni-<br>Preferred<br>Series W |
|--|--|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Timothy R. Schwertfeger  |  |  |                                |                                |                                |                                |
| For  | --   | 24,307   | --                             | --                             | --                             | --                             |
| Withhold   | --   | 136  | --                             | --                             | --                             | --                             |
| Total  | --   | 24,443   | --                             | --                             | --                             | --                             |
| Judith M. Stockdale  |  |  |                                |                                |                                |                                |
| For  | 48,156,501   | --   | --                             | --                             | --                             | --                             |
| Withhold   | 1,189,836  | --   | --                             | --                             | --                             | --                             |
| Total  | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| Sheila W. Wellington   |  |  |                                |                                |                                |                                |
| For  | 48,092,502   | --   | --                             | --                             | --                             | --                             |
| Withhold   | 1,253,835  | --   | --                             | --                             | --                             | --                             |
| Total  | 49,346,337   | --   | --                             | --                             | --                             | --                             |
| TO APPROVE A CHANGE TO A<br>FUNDAMENTAL INVESTMENT<br>RESTRICTION WITH RESPECT<br>TO LENDING |  |  |                                |                                |                                |                                |
| For  | 33,939,671   | 3,930  | --                             | --                             | --                             | --                             |
| Against  | 2,593,875  | 317  | --                             | --                             | --                             | --                             |
| Abstain  | 1,922,180  | 410  | --                             | --                             | --                             | --                             |
| Broker Non-Vote  | 10,890,611   | 19,786   | --                             | --                             | --                             | --                             |
| Total  | 49,346,337   | 24,443   | --                             | --                             | --                             | --                             |

TO APPROVE A CHANGE TO A

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FUNDAMENTAL INVESTMENT  
RESTRICTION WITH RESPECT  
TO BORROWING

|                 |            |        |    |    |    |    |
|-----------------|------------|--------|----|----|----|----|
| For             | 33,854,073 | 3,939  | -- | -- | -- | -- |
| Against         | 2,689,263  | 322    | -- | -- | -- | -- |
| Abstain         | 1,912,390  | 396    | -- | -- | -- | -- |
| Broker Non-Vote | 10,890,611 | 19,786 | -- | -- | -- | -- |
| Total           | 49,346,337 | 24,443 | -- | -- | -- | -- |

TO APPROVE AN AGREEMENT  
AND PLAN OF REORGANIZATION  
AND THE TRANSACTIONS  
CONTEMPLATED THEREBY

|                 |            |        |       |       |       |       |
|-----------------|------------|--------|-------|-------|-------|-------|
| For             | 34,290,901 | 4,019  | 987   | 508   | 403   | 369   |
| Against         | 2,197,208  | 187    | 18    | 35    | 44    | 12    |
| Abstain         | 1,967,617  | 451    | 70    | 107   | 95    | 58    |
| Broker Non-Vote | 10,890,611 | 19,786 | 2,343 | 3,031 | 3,023 | 2,677 |
| Total           | 49,346,337 | 24,443 | 3,418 | 3,681 | 3,565 | 3,116 |

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Shareholder  
MEETING REPORT (continued)

NIF

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|                    | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | MuniPrefer<br>Series |
|--------------------|--|--|----------------------|
| William E. Bennett |  |  |                      |
| For                | 11,124,069   | --   |                      |
| Withhold           | 274,673  | --   |                      |
| Total              | 11,398,742   | --   |                      |
| Robert P. Bremner  |  |  |                      |
| For                | 11,130,999   | --   |                      |
| Withhold           | 267,743  | --   |                      |
| Total              | 11,398,742   | --   |                      |
| Lawrence H. Brown  |  |  |                      |
| For                | 11,124,870   | --   |                      |
| Withhold           | 273,872  | --   |                      |
| Total              | 11,398,742   | --   |                      |
| Jack B. Evans      |  |  |                      |

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|                      |            |       |
|----------------------|------------|-------|
| For                  | 11,128,843 | --    |
| Withhold             | 269,899    | --    |
| -----                |            |       |
| Total                | 11,398,742 | --    |
| =====                |            |       |
| Anne E. Impellizzeri |            |       |
| For                  | 11,122,494 | --    |
| Withhold             | 276,248    | --    |
| -----                |            |       |
| Total                | 11,398,742 | --    |
| =====                |            |       |
| William L. Kissick   |            |       |
| For                  | 11,114,736 | --    |
| Withhold             | 284,006    | --    |
| -----                |            |       |
| Total                | 11,398,742 | --    |
| =====                |            |       |
| Thomas E. Leafstrand |            |       |
| For                  | 11,123,376 | --    |
| Withhold             | 275,366    | --    |
| -----                |            |       |
| Total                | 11,398,742 | --    |
| =====                |            |       |
| Peter R. Sawers      |            |       |
| For                  | 11,125,137 | --    |
| Withhold             | 273,605    | --    |
| -----                |            |       |
| Total                | 11,398,742 | --    |
| =====                |            |       |
| William J. Schneider |            |       |
| For                  | --         | 6,037 |
| Withhold             | --         | 63    |
| -----                |            |       |
| Total                | --         | 6,100 |
| =====                |            |       |

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NIF

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

|                         | Common and<br>MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferred<br>shares voting<br>together<br>as a class | MuniPreferen<br>Serie |
|-------------------------|--|--|-----------------------|
| =====                   |  |  |                       |
| Timothy R. Schwertfeger |  |  |                       |
| For                     | --   | 6,040  |                       |
| Withhold                | --   | 60   |                       |
| -----                   |  |  |                       |
| Total                   | --   | 6,100  |                       |
| =====                   |  |  |                       |
| Judith M. Stockdale     |  |  |                       |
| For                     | 11,131,990   | --   |                       |
| Withhold                | 266,752  | --   |                       |
| -----                   |  |  |                       |

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|  |            |       |
|--|------------|-------|
| Total  | 11,398,742 | --    |
| =====  |            |       |
| Sheila W. Wellington   |            |       |
| For  | 11,121,848 | --    |
| Withhold   | 276,894    | --    |
| -----  |            |       |
| Total  | 11,398,742 | --    |
| =====  |            |       |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO LENDING          |            |       |
| For  | 7,960,506  | 1,034 |
| Against  | 566,171    | 55    |
| Abstain  | 366,221    | 16    |
| Broker Non-Vote  | 2,505,844  | 4,995 |
| -----  |            |       |
| Total  | 11,398,742 | 6,100 |
| =====  |            |       |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO BORROWING        |            |       |
| For  | 7,958,571  | 1,020 |
| Against  | 572,962    | 55    |
| Abstain  | 361,365    | 30    |
| Broker Non-Vote  | 2,505,844  | 4,995 |
| -----  |            |       |
| Total  | 11,398,742 | 6,100 |
| =====  |            |       |
| TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION AND THE TRANSACTIONS CONTEMPLATED THEREBY |            |       |
| For  | 8,022,008  | 992   |
| Against  | 486,969    | 85    |
| Abstain  | 383,921    | 28    |
| Broker Non-Vote  | 2,505,844  | 4,995 |
| -----  |            |       |
| Total  | 11,398,742 | 6,100 |
| =====  |            |       |

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Shareholder

MEETING REPORT (continued)

|   | NPX  |   | NVG  |  |
|---|--|---|--|--|
|   | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | Common MuniPreferred shares vo together as a c |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: |  |   |  |  |
| =====   |  |   |  |  |
| William E. Bennett                                    |  |   |  |  |
| For   | 24,575,140   | --  | 17,811,562   |  |
| Withhold  | 566,512  | --  | 402,111  |  |
| -----   |  |   |  |  |
| Total   | 25,141,652   | --  | 18,213,673   |  |
| =====   |  |   |  |  |

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|                      |            |       |            |   |
|----------------------|------------|-------|------------|---|
| Robert P. Bremner    |            |       |            |   |
| For                  | 24,585,639 | --    | 17,810,865 |   |
| Withhold             | 556,013    | --    | 402,808    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| Lawrence H. Brown    |            |       |            |   |
| For                  | 24,575,923 | --    | 17,813,468 |   |
| Withhold             | 565,729    | --    | 400,205    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| Jack B. Evans        |            |       |            |   |
| For                  | 24,597,048 | --    | 17,806,462 |   |
| Withhold             | 544,604    | --    | 407,211    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| Anne E. Impellizzeri |            |       |            |   |
| For                  | 24,538,313 | --    | 17,782,261 |   |
| Withhold             | 603,339    | --    | 431,412    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| William L. Kissick   |            |       |            |   |
| For                  | 24,553,417 | --    | 17,778,595 |   |
| Withhold             | 588,235    | --    | 435,078    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| Thomas E. Leafstrand |            |       |            |   |
| For                  | 24,562,479 | --    | 17,809,999 |   |
| Withhold             | 579,173    | --    | 403,674    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| Peter R. Sawers      |            |       |            |   |
| For                  | 24,578,898 | --    | 17,801,778 |   |
| Withhold             | 562,754    | --    | 411,895    |   |
| -----                |            |       |            |   |
| Total                | 25,141,652 | --    | 18,213,673 |   |
| =====                |            |       |            |   |
| William J. Schneider |            |       |            |   |
| For                  | --         | 9,499 | --         | 9 |
| Withhold             | --         | 44    | --         |   |
| -----                |            |       |            |   |
| Total                | --         | 9,543 | --         | 9 |
| =====                |            |       |            |   |

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NPX

NVG

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| Common and<br>MuniPreferred<br>shares voting | MuniPreferred<br>shares voting | Common and<br>MuniPreferred<br>shares voting | Common<br>MuniPrefer<br>shares vo |
|--|--------------------------------|--|-----------------------------------|
|--|--------------------------------|--|-----------------------------------|

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|  | together<br>as a class | together<br>as a class | together<br>as a class | together<br>as a class |
|--|------------------------|------------------------|------------------------|------------------------|
| =====  |                        |                        |                        |                        |
| Timothy R. Schwertfeger  |                        |                        |                        |                        |
| For  | --                     | 9,503                  | --                     | 9                      |
| Withhold   | --                     | 40                     | --                     |                        |
| -----  |                        |                        |                        |                        |
| Total  | --                     | 9,543                  | --                     | 9                      |
| =====  |                        |                        |                        |                        |
| Judith M. Stockdale  |                        |                        |                        |                        |
| For  | 24,588,470             | --                     | 17,827,152             |                        |
| Withhold   | 553,182                | --                     | 386,521                |                        |
| -----  |                        |                        |                        |                        |
| Total  | 25,141,652             | --                     | 18,213,673             |                        |
| =====  |                        |                        |                        |                        |
| Sheila W. Wellington   |                        |                        |                        |                        |
| For  | 24,546,047             | --                     | 17,774,871             |                        |
| Withhold   | 595,605                | --                     | 438,802                |                        |
| -----  |                        |                        |                        |                        |
| Total  | 25,141,652             | --                     | 18,213,673             |                        |
| =====  |                        |                        |                        |                        |
| TO APPROVE A CHANGE TO A FUNDAMENTAL<br>INVESTMENT RESTRICTION WITH RESPECT<br>TO LENDING          |                        |                        |                        |                        |
| For  | 16,831,893             | 1,602                  | 11,790,649             | 1                      |
| Against  | 1,138,769              | 148                    | 776,827                |                        |
| Abstain  | 806,531                | 137                    | 573,381                |                        |
| Broker Non-Vote  | 6,364,459              | 7,656                  | 5,072,816              | 7                      |
| -----  |                        |                        |                        |                        |
| Total  | 25,141,652             | 9,543                  | 18,213,673             | 9                      |
| =====  |                        |                        |                        |                        |
| TO APPROVE A CHANGE TO A FUNDAMENTAL<br>INVESTMENT RESTRICTION WITH RESPECT TO<br>BORROWING        |                        |                        |                        |                        |
| For  | 16,812,795             | 1,641                  | 11,643,905             | 1                      |
| Against  | 1,112,977              | 159                    | 844,600                |                        |
| Abstain  | 851,421                | 87                     | 652,352                |                        |
| Broker Non-Vote  | 6,364,459              | 7,656                  | 5,072,816              | 7                      |
| -----  |                        |                        |                        |                        |
| Total  | 25,141,652             | 9,543                  | 18,213,673             | 9                      |
| =====  |                        |                        |                        |                        |
| TO APPROVE AN AGREEMENT AND PLAN OF<br>REORGANIZATION AND THE TRANSACTIONS<br>CONTEMPLATED THEREBY |                        |                        |                        |                        |
| For  | --                     | --                     | --                     |                        |
| Against  | --                     | --                     | --                     |                        |
| Abstain  | --                     | --                     | --                     |                        |
| Broker Non-Vote  | --                     | --                     | --                     |                        |
| -----  |                        |                        |                        |                        |
| Total  | --                     | --                     | --                     |                        |
| =====  |                        |                        |                        |                        |

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THE BOARD OF DIRECTORS/TRUSTEES AND SHAREHOLDERS  
 NUVEEN INSURED QUALITY MUNICIPAL FUND, INC.  
 NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC.  
 NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC.  
 NUVEEN INSURED PREMIUM INCOME MUNICIPAL FUND 2  
 NUVEEN INSURED DIVIDEND ADVANTAGE MUNICIPAL FUND  
 NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2, Nuveen Insured Dividend Advantage Municipal Fund and Nuveen Insured Tax-Free Advantage Municipal Fund as of October 31, 2003, 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 and financial highlights. Our procedures included confirmation of investments owned as of October 31, 2003, by correspondence with the custodian and brokers or by other appropriate 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 positions of Nuveen Insured Quality Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Insured Premium Income Municipal Fund 2, Nuveen Insured Dividend Advantage Municipal Fund and Nuveen Insured Tax-Free Advantage Municipal Fund at October 31, 2003, and the results of their operations, changes in their net assets and financial highlights for the periods indicated therein in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Chicago, Illinois  
 December 12, 2003

Nuveen Insured Quality Municipal Fund, Inc. (NQI)  
 Portfolio of  
 INVESTMENTS October 31, 2003

PRINCIPAL  
 AMOUNT (000)      DESCRIPTION(1)

OPTIONAL C  
 PROVISIO

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|       |        |   |              |
|-------|--------|---|--------------|
|       |        | ALABAMA - 0.2%  |              |
| \$    | 1,135  | Birmingham, Waterworks and Sewer Board, Alabama, Water and Sewer Revenue Bonds, Series 2002B, 5.250%, 1/01/20 - MBIA Insured  | 1/13 at 100  |
| ----- |        |   |              |
|       |        | ARIZONA - 1.6%  |              |
|       | 9,200  | Phoenix, Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured  | 7/12 at 100  |
| ----- |        |   |              |
|       |        | ARKANSAS - 1.0%   |              |
|       | 5,775  | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, Series 1995B, 6.700%, 7/01/27 (Alternative Minimum Tax)   | 7/05 at 102  |
| ----- |        |   |              |
|       |        | CALIFORNIA - 20.8%  |              |
|       | 8,135  | Alameda County Public Facilities Corporation, Alameda County, California, Certificates of Participation, Series 1991, 6.000%, 9/01/21 (Pre-refunded to 9/01/06) - MBIA Insured                                    | 9/06 at 102  |
|       | 13,175 | California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Southern California Edison Company, Series 1999A, 5.450%, 9/01/29 - MBIA Insured                                     | 9/09 at 101  |
|       | 9,000  | State of California, General Obligation Bonds, Series 2002, 5.000%, 10/01/32 - MBIA Insured   | 10/12 at 100 |
|       | 20,500 | State of California, General Obligation Refunding Bonds, Series 2002, 5.000%, 4/01/27 - AMBAC Insured   | 4/12 at 100  |
|       | 5,500  | California Statewide Communities Development Authority, San Diego, California, Certificates of Participation, The Salk Institute for Biological Studies, 6.200%, 7/01/24 - CONNIE LEE/AMBAC Insured               | 7/04 at 102  |
|       |        | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1999:  |              |
|       | 22,985 | 0.000%, 1/15/24 - MBIA Insured  | 1/10 at 44   |
|       | 22,000 | 0.000%, 1/15/31 - MBIA Insured  | 1/10 at 29   |
|       | 50,000 | 0.000%, 1/15/37 - MBIA Insured  | 1/10 at 20   |
|       | 5,000  | Garden Grove, California, Certificates of Participation, Financing Project, Series 2002A, 5.125%, 3/01/32 - AMBAC Insured   | 3/12 at 101  |
|       | 5,000  | Inland Empire Solid Waste Financing Authority, California, Revenue Bonds, Landfill Improvement Financing Project, Series 1996B, 6.000%, 8/01/16 (Alternative Minimum Tax) (Pre-refunded to 8/01/06) - FSA Insured | 8/06 at 102  |
|       | 5,513  | Moreno Valley Public Finance Authority, California, GNMA Collateralized Assisted Living Housing Revenue Bonds,  | 1/12 at 105  |



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CDC Assisted Living Project, Series 2000A, 7.500%, 1/20/42

|        |   |             |
|--------|---|-------------|
| 6,250  | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Bonds, Ontario Redevelopment Project No. 1, Series 1993, 5.850%, 8/01/22 - MBIA Insured | 2/04 at 102 |
| 3,615  | Pasadena Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003D, 5.000%, 5/01/24 - MBIA Insured                                      | 5/13 at 100 |
|        | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2- Issue 27A:                             |             |
| 7,200  | 5.125%, 5/01/21 (Alternative Minimum Tax) - MBIA Insured  | 5/11 at 100 |
| 12,690 | 5.250%, 5/01/31 (Alternative Minimum Tax) - MBIA Insured  | 5/11 at 100 |

-----  
 COLORADO - 1.7%

|       |   |              |
|-------|---|--------------|
| 5,630 | E-470 Public Highway Authority, Arapahoe County, Colorado, Capital Improvement Trust Fund Highway Revenue Bonds, E-470 Project Vehicle Registration Fee Bonds, Series 1986A, 6.150%, 8/31/26 (Pre-refunded to 8/31/05) - MBIA Insured | 8/05 at 103  |
| 3,750 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured  | 11/06 at 101 |

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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
|                           | -----<br>DISTRICT OF COLUMBIA - 1.4%  |                        |
| \$ 8,000                  | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 5.000%, 10/01/21 - AMBAC Insured  | 10/08 at 101           |
|                           | -----<br>FLORIDA - 6.9%   |                        |
| 4,550                     | Florida Housing Finance Agency, Florida, Single Family Mortgage Revenue Bonds, 1994 Series B, 6.650%, 7/01/26 (Alternative Minimum Tax)   | 7/04 at 102            |
| 20,000                    | Lee County, Florida, Airport Revenue Bonds, Series 2000A, 5.750%, 10/01/25 (Alternative Minimum Tax) - FSA Insured  | 10/10 at 101           |
| 4,115                     | Housing Finance Authority of Miami-Dade County, Florida, Multifamily Housing Revenue Bonds, Series 2001-2A, Monterey Pointe Apartments Project, 5.850%, 7/01/37 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100            |

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|       |   |              |
|-------|---|--------------|
| 7,000 | Miami-Dade County, Florida, Aviation Revenue Bonds,<br>Miami International Airport, Series 2002, 5.375%, 10/01/32<br>(Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 3,780 | The School Board of Palm Beach County, Florida, Certificates<br>of Participation, Series 2003A, 5.000%, 8/01/16 -<br>AMBAC Insured                            | 8/13 at 100  |

-----  
HAWAII - 6.3%

|        |   |             |
|--------|---|-------------|
| 1,620  | Hawaii County, Hawaii, General Obligation Bonds,<br>Series 2003A, 5.000%, 7/15/21 - FSA Insured   | 7/13 at 100 |
|        | Hawaii Department of Transportation, Airport System Revenue<br>Refunding Bonds, Series 2000B:   |             |
| 8,785  | 6.625%, 7/01/18 (Alternative Minimum Tax) - FGIC Insured  | 7/10 at 101 |
| 7,000  | 6.000%, 7/01/19 (Alternative Minimum Tax) - FGIC Insured  | 7/10 at 101 |
| 16,180 | Hawaii Department of Budget and Finance, Special Purpose<br>Revenue Bonds, Hawaii Electric Company, Inc. and Subsidiaries<br>Project, Series 1996A, 6.200%, 5/01/26 (Alternative Minimum<br>Tax) - MBIA Insured | 5/06 at 101 |

-----  
ILLINOIS - 19.4%

|        |   |              |
|--------|---|--------------|
| 10,000 | City of Chicago, Illinois, General Obligation Bonds, Series 1995,<br>6.125%, 1/01/16 (Pre-refunded to 7/01/05) - AMBAC Insured  | 7/05 at 102  |
| 6,000  | City of Chicago, Illinois, Chicago-O'Hare International Airport,<br>General Airport Second Lien Revenue Refunding Bonds,<br>1994 Series A, 6.375%, 1/01/12 - MBIA Insured                             | 1/05 at 102  |
| 9,500  | City of Chicago, Illinois, Chicago-O'Hare International Airport,<br>General Airport Second Lien Revenue Refunding Bonds,<br>1999 Series, 5.500%, 1/01/15 (Alternative Minimum Tax) -<br>AMBAC Insured | 1/10 at 101  |
| 6,825  | Chicago Public Building Commission, Illinois, Building Revenue<br>Bonds, Chicago Board of Education, Series 1993A,<br>5.750%, 12/01/18 (Pre-refunded to 12/01/03) - MBIA Insured                      | 12/03 at 102 |
| 7,165  | Illinois Development Finance Authority, Revenue Bonds,<br>Bradley University Project, Series 1999, 5.500%, 8/01/29<br>(Pre-refunded to 8/01/09) - AMBAC Insured                                       | 8/09 at 101  |
| 25,000 | Illinois Health Facilities Authority, Revenue Bonds, Iowa<br>Health System, Series 2000, 5.875%, 2/15/30 - AMBAC Insured  | 2/10 at 101  |
| 15,785 | State of Illinois, General Obligation Bonds, Illinois FIRST,<br>Series of April 2002, 5.250%, 4/01/27 - FSA Insured   | 4/12 at 100  |
| 13,275 | State of Illinois, General Obligation Bonds, Illinois FIRST,<br>Series of 2001, 5.250%, 5/01/26 - FSA Insured   | 5/11 at 100  |
| 18,000 | Metropolitan Pier and Exposition Authority, Illinois, McCormick<br>Place Expansion Project Revenue Bonds, Series 2002A,<br>0.000%, 12/15/24 - MBIA Insured  | No Opt. C    |

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|                |  |              |
|----------------|--|--------------|
| 10,000         | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001B, 5.250%, 8/15/21 - AMBAC Insured  | 8/11 at 100  |
| -----          |  |              |
| INDIANA - 1.0% |  |              |
| 6,000          | Jasper County, Indiana, Collateralized Pollution Control Revenue Refunding Bonds, Northern Indiana Public Service Company Project, Series 1991, 7.100%, 7/01/17 - MBIA Insured | 1/04 at 100  |
| -----          |  |              |
| KANSAS - 0.5%  |  |              |
| 3,000          | Wichita, Kansas, Water and Sewer and Utility Revenue Bonds, Series 2003, 5.000%, 10/01/21 - FGIC Insured   | 10/13 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| -----                  |  |                     |
| KENTUCKY - 4.0%        |  |                     |
|                        | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000C:  |                     |
| \$ 6,345               | 6.150%, 10/01/27 - MBIA Insured  | 10/13 at 101        |
| 18,185                 | 6.150%, 10/01/28 - MBIA Insured  | 10/13 at 101        |
| -----                  |  |                     |
| LOUISIANA - 3.2%       |  |                     |
| 13,170                 | City of New Orleans, Louisiana, General Obligation Refunding Bonds, Series 1995, 6.200%, 10/01/21 - AMBAC Insured  | 10/05 at 101        |
| 4,285                  | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured  | 12/05 at 103        |
| -----                  |  |                     |
| MAINE - 1.5%           |  |                     |
| 8,000                  | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 1999B, 6.000%, 7/01/29 - MBIA Insured  | 7/09 at 101         |
| -----                  |  |                     |
| MARYLAND - 1.3%        |  |                     |
| 7,535                  | Maryland Transportation Authority, Baltimore-Washington International Airport Parking Revenue Bonds, Series 2002B, 5.500%, 3/01/18 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101         |

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|                      |  |             |
|----------------------|--|-------------|
| -----                |  |             |
| MASSACHUSETTS - 0.8% |  |             |
| 5,000                | Massachusetts Bay Transportation Authority, Senior Sales Tax Revenue Bonds, Series 2002A Refunding, 5.000%, 7/01/27 - FGIC Insured   | 7/12 at 100 |
| -----                |  |             |
| MICHIGAN - 0.8%      |  |             |
| 4,750                | Michigan Strategic Fund, Collateralized Limited Obligation Revenue Refunding Pollution Control Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| -----                |  |             |
| MINNESOTA - 0.0%     |  |             |
| 127                  | St. Louis Park, Minnesota, GNMA Mortgage-Backed Securities Program, Single Family Residential Mortgage Revenue Bonds, Series 1991A, 7.250%, 4/20/23  | 4/04 at 100 |
| -----                |  |             |
| MISSISSIPPI - 2.0%   |  |             |
| 2,545                | Harrison County Wastewater Management District, Mississippi, Wastewater Revenue Refunding Bonds, Series 1991A, 8.500%, 2/01/13 - FGIC Insured  | No Opt. C   |
| 2,715                | Harrison County Wastewater Management District, Mississippi, Wastewater Treatment Facilities Revenue Refunding Bonds, Series 1991B, 7.750%, 2/01/14 - FGIC Insured                                   | No Opt. C   |
| 4,495                | Mississippi Home Corporation, Single Family Mortgage Revenue Bonds, GNMA Collateralized Home Mortgage Program, Series 1996C, 7.600%, 6/01/29 (Alternative Minimum Tax)                               | 6/06 at 105 |
| -----                |  |             |
| MISSOURI - 0.9%      |  |             |
| 5,000                | St. Louis, Missouri, Municipal Finance Corporation, Leasehold Revenue Bonds, Series 1996A, City Justice Center Project, 6.000%, 2/15/19 (Pre-refunded to 2/15/06) - AMBAC Insured                    | 2/06 at 102 |
| -----                |  |             |
| NEVADA - 9.2%        |  |             |
| 33,700               | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured                                       | 1/10 at 100 |
| 5,720                | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Senior Lien Series 2002, 5.125%, 6/01/32 - AMBAC Insured   | 6/12 at 100 |

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|                   |  |             |
|-------------------|--|-------------|
| 13,185            | Washoe County, Nevada, Hospital Revenue Bonds, Washoe Medical Center Inc. Project, Refunding Series 1994A, 6.000%, 6/01/19 - AMBAC Insured                                     | 6/04 at 102 |
| -----             |  |             |
| NEW JERSEY - 2.4% |  |             |
| 3,750             | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Monmouth Medical Center Issue, Series C, 6.250%, 7/01/24 (Pre-refunded to 7/01/04) - CAP GTY/FSA Insured | 7/04 at 102 |
| 10,000            | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 2003A, 5.000%, 1/01/30 - AMBAC Insured   | 7/13 at 100 |

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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| -----                  |   |                     |
| NEW MEXICO - 2.0%      |   |                     |
| \$ 6,000               | City of Farmington, New Mexico, Pollution Control Refunding Revenue Bonds, Southern California Edison Company Four Corners Project, 1991 Series A, 7.200%, 4/01/21        | 4/04 at 100         |
| 5,750                  | Santa Fe, New Mexico, Utility Revenue Bonds, Series 1994A, 6.300%, 6/01/24 (Pre-refunded to 6/01/04) - AMBAC Insured  | 6/04 at 100         |
| -----                  |   |                     |
| NEW YORK - 16.8%       |   |                     |
| 8,000                  | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.000%, 7/01/25 - FGIC Insured                                     | 7/12 at 100         |
| 6,500                  | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.000%, 11/15/32 - FSA Insured   | 11/12 at 100        |
|                        | City of New York, New York, General Obligation Bonds, Fiscal Series 1991A:  |                     |
| 2,000                  | 8.000%, 3/15/11 - FSA Insured   | 3/04 at 100         |
| 6,000                  | 7.250%, 3/15/19 - FSA Insured   | 3/04 at 100         |
| 10,335                 | New York Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1996A, 6.000%, 6/15/25 (Pre-refunded to 6/15/05) - MBIA Insured | 6/05 at 101         |
| 11,760                 | Dormitory Authority of the State of New York, Court Facilities Lease Revenue Bonds, City of New York Issue, Series 1999, 5.750%, 5/15/30 - AMBAC Insured                  | 5/10 at 101         |
| 7,000                  | New York State Energy Research and Development Authority,   | 7/05 at 102         |

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|        |  |              |
|--------|--|--------------|
|        | Facilities Refunding Revenue Bonds, Consolidated Edison Company of New York, Inc. Project, Series 1995A, 6.100%, 8/15/20   |              |
| 10,875 | New York State Housing Finance Agency, Housing Project Mortgage Revenue Refunding Bonds, Series 1996A, 6.125%, 11/01/20 - FSA Insured  | 5/06 at 102  |
| 4,200  | New York Mortgage Agency, Homowner Mortgage Revenue Bonds, Series 82, 5.550%, 10/01/19 (Alternative Minimum Tax) - MBIA Insured  | 10/09 at 100 |
| 12,000 | New York State Medical Care Facilities Finance Agency, New York, Hospital FHA-Insured Mortgage Revenue Bonds, Series 1994A, 6.900%, 8/15/34 (Pre-refunded to 2/15/05) - AMBAC Insured                        | 2/05 at 102  |
| 15,000 | Dormitory Authority of the State of New York, School Districts Financing Program Revenue Bonds, Series 2002D, 5.500%, 10/01/17 - MBIA Insured  | 10/12 at 100 |
| -----  |  |              |
|        | NORTH CAROLINA - 0.3%  |              |
| 1,720  | Union County, North Carolina, Certificates of Participation, Series 2003, 5.000%, 6/01/16 - AMBAC Insured  | 6/13 at 101  |
| -----  |  |              |
|        | NORTH DAKOTA - 3.6%  |              |
| 20,000 | Mercer County, North Dakota, Pollution Control Revenue Refunding Bonds, Basin Electric Power Cooperative - Antelope Valley Unit 1 and Common Facilities, Second Series 1995, 6.050%, 1/01/19 - AMBAC Insured | 1/05 at 102  |
| -----  |  |              |
|        | OHIO - 0.9%  |              |
| 5,000  | Lorain County, Ohio, Health Facilities Revenue Bonds, Catholic Healthcare Partners, Series 1999A, 5.500%, 9/01/29 - AMBAC Insured  | 9/09 at 102  |
| -----  |  |              |
|        | PENNSYLVANIA - 2.6%  |              |
| 7,000  | Allegheny County, Pennsylvania, Airport Revenue Refunding Bonds, Pittsburgh International Airport, Series 1997A, 5.250%, 1/01/16 (Alternative Minimum Tax) - MBIA Insured                                    | 1/08 at 101  |
| 7,250  | Lehigh County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, Pennsylvania Power & Light Company Project, Series 1995A, 6.150%, 8/01/29 - MBIA Insured            | 8/05 at 102  |
| -----  |  |              |
|        | PUERTO RICO - 1.0%   |              |
| 5,000  | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2003AA, 5.500%, 7/01/16 - FGIC Insured   | No Opt. C    |

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-----  
RHODE ISLAND - 0.9%

|       |  |             |
|-------|--|-------------|
| 5,050 | Rhode Island Port Authority and Economic Development Corporation, Airport Revenue Bonds, Series 1994A, 6.625%, 7/01/24 (Alternative Minimum Tax) - FSA Insured | 7/04 at 102 |
|-------|--|-------------|

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

-----

TENNESSEE - 0.8%

|   |                               |            |
|---|-------------------------------|------------|
| Knox County Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds, Covenant Health, Series 2002A Refunding: |                               |            |
| \$ 7,500  | 0.000%, 1/01/24 - FSA Insured | 1/13 at 52 |
| 5,000   | 0.000%, 1/01/25 - FSA Insured | 1/13 at 49 |
| 2,750   | 0.000%, 1/01/26 - FSA Insured | 1/13 at 46 |

-----  
TEXAS - 20.5%

|   |  |              |
|---|--|--------------|
| 8,000   | Abilene Health Facilities Development Corporation, Texas, Hospital Revenue Refunding and Improvement Bonds, Hendrick Medical Center Project, Series 1995C, 6.150%, 9/01/25 - MBIA Insured              | 9/05 at 102  |
| 5,275   | City of Austin, Texas, Combined Utility Systems Revenue Refunding Bonds, Series 1997, 5.125%, 11/15/20 - FSA Insured   | 11/07 at 100 |
| 3,000   | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.750%, 11/01/13 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| 3,735   | Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2003, 5.125%, 2/15/31 - FSA Insured  | 2/13 at 100  |
| Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 1990: |  |              |
| 2,100   | 7.400%, 2/15/10 - AMBAC Insured  | No Opt. C    |
| 2,900   | 7.400%, 2/15/10 - AMBAC Insured  | No Opt. C    |
| 4,500   | City of Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.000%, 3/01/22 - FSA Insured   | 3/11 at 100  |
| 4,685   | Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000A, 5.500%, 7/01/19 (Alternative Minimum Tax) - FSA Insured   | 7/10 at 100  |
| 17,000  | Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2002A, 5.750%, 12/01/32 -   | No Opt. C    |

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FSA Insured

|        |  |             |
|--------|--|-------------|
| 19,200 | Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |
| 6,000  | Laredo Community College District, Texas, Limited Tax General Obligation Bonds, Series 2001, 5.375%, 8/01/31 - AMBAC Insured   | 8/10 at 100 |
| 22,045 | North Central Texas Health Facility Development Corporation, Revenue Bonds, Children's Medical Center of Dallas, Series 2002, 5.250%, 8/15/32 - AMBAC Insured                            | 8/12 at 101 |
| 17,429 | Tarrant County Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Loan Multifamily Housing Revenue Bonds, Bardin Green Apartments Project, Series 2001, 6.600%, 9/20/42    | 3/12 at 105 |

-----  
 UTAH - 1.1%

|       |  |              |
|-------|--|--------------|
| 6,000 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds, IHC Hospitals, Inc., Series 1988A, 8.000%, 5/15/07 | 11/03 at 100 |
|-------|--|--------------|

-----  
 WASHINGTON - 10.7%

|        |  |              |
|--------|--|--------------|
| 10,730 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001C Refunding, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured                     | 7/11 at 101  |
| 4,700  | Seattle Housing Authority, Washington, GNMA Collateralized Mortgage Loan, Low Income Housing Assistance Revenue Bonds, RHF/Esperanza Apartments Project, Series 2000A, 6.125%, 3/20/42 (Alternative Minimum Tax) | 9/11 at 102  |
| 15,025 | Seattle Housing Authority, Washington, GNMA Collateralized Mortgage Loan, Low Income Housing Assistance Revenue Bonds, Park Place Project, Series 2000A, 7.000%, 5/20/42   | 11/11 at 105 |
| 5,000  | City of Seattle, Washington, Municipal Light and Power Revenue Bonds, Series 2000, 5.250%, 12/01/21 - FSA Insured  | 12/10 at 100 |
| 10,000 | Washington, General Obligation Refunding Bonds, Series R-2003A, 5.000%, 1/01/19 - MBIA Insured   | 1/12 at 100  |
| 2,500  | Washington Health Care Facilities Authority Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 - MBIA Insured   | 12/09 at 101 |
| 11,750 | Washington Public Power Supply System, Nuclear Project No. 1, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/17 - MBIA Insured  | 7/08 at 102  |



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Nuveen Insured Quality Municipal Fund, Inc. (NQI) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
|                           | WEST VIRGINIA - 2.3%  |                        |
| \$ 12,845                 | West Virginia Water Development Authority, Infrastructure Revenue Bonds, West Virginia Infrastructure and Jobs Development Council Program, 2000 Series A, 5.500%, 10/01/39 - FSA Insured | 10/10 at 100           |
| \$ 948,249                | Total Long-Term Investments (cost \$841,952,939) - 150.4%   |                        |
|                           | Other Assets Less Liabilities - 2.8%  |                        |
|                           | Preferred Shares, at Liquidation Value - (53.2)%  |                        |
|                           | Net Assets Applicable to Common Shares - 100%   |                        |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

Nuveen Insured Municipal Opportunity Fund, Inc. (NIO)  
 Portfolio of  
 INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|-----------------|------------------------|
|                           | ALABAMA - 15.9% |                        |

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|       |        |  |              |
|-------|--------|--|--------------|
| \$    | 3,850  | Alabama Housing Finance Authority, Multifamily Housing Revenue Refunding Bonds, GNMA Collateralized Royal Hills Apartment Project, Series 1995F, 6.500%, 7/20/30                                   | 7/05 at 103  |
|       | 11,000 | Special Care Facilities Financing Authority of the City of Birmingham, Alabama, Baptist Medical Centers Revenue Bonds, Series 1995-B, Baptist Health System, Inc., 5.875%, 11/15/20 - MBIA Insured | 5/05 at 102  |
|       | 7,465  | Special Care Facilities Financing Authority of the City of Birmingham, Alabama, Baptist Medical Centers Revenue Bonds, Series 1996-A, Baptist Health System, Inc.:                                 |              |
|       | 1,750  | 5.875%, 11/15/19 - MBIA Insured  | 11/06 at 102 |
|       |        | 5.875%, 11/15/26 - MBIA Insured  | 11/06 at 102 |
|       | 11,175 | Hoover City Board of Education, Alabama, Capital Outlay Tax Anticipation Warrants, Series 2001, 5.250%, 2/15/22 - MBIA Insured   | 2/11 at 100  |
|       |        | Jefferson County, Alabama, Sewer Revenue Warrants, Series 1997-A Refunding:  |              |
|       | 25,825 | 5.375%, 2/01/27 (Pre-refunded to 2/01/07) - FGIC Insured   | 2/07 at 100  |
|       | 10,195 | 5.375%, 2/01/27 - FGIC Insured   | 2/07 at 100  |
|       |        | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A:   |              |
|       | 10,815 | 5.000%, 2/01/33 (Pre-refunded to 2/01/09) - FGIC Insured   | 2/09 at 101  |
|       | 9,790  | 5.000%, 2/01/33 (Pre-refunded to 2/01/09) - FGIC Insured   | 2/09 at 101  |
|       | 12,000 | 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured   | 2/09 at 101  |
|       | 29,860 | 5.750%, 2/01/38 (Pre-refunded to 2/01/09) - FGIC Insured   | 2/09 at 101  |
|       | 18,760 | Jefferson County, Alabama, Sewer Revenue Capitol Improvement Warrants, Series 2001A, 5.000%, 2/01/41 (Pre-refunded to 2/01/11) - FGIC Insured  | 2/11 at 101  |
|       |        | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002B:   |              |
|       | 2,500  | 5.125%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured   | 8/12 at 100  |
|       | 2,500  | 5.125%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured   | 8/12 at 100  |
|       |        | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002D:   |              |
|       | 425    | 5.000%, 2/01/38 (Pre-refunded to 8/01/12) - FGIC Insured   | 8/12 at 100  |
|       | 1,940  | 5.000%, 2/01/38 (Pre-refunded to 8/01/12) - FGIC Insured   | 8/12 at 100  |
|       | 14,800 | 5.000%, 2/01/42 (Pre-refunded to 8/01/12) - FGIC Insured   | 8/12 at 100  |
|       | 5,240  | Jefferson County, Alabama, Sewer Revenue Bonds, Series 2003B Refunding, 5.000%, 2/01/41 (Pre-refunded to 2/01/11) - FGIC Insured   | 2/11 at 101  |
|       | 4,250  | Shelby County Board of Education, Alabama, General Obligation Warrants, Series 1995 Refunding, 5.875%, 2/01/17 - AMBAC Insured   | 2/05 at 102  |
| ----- |        |  |              |
|       |        | ALASKA - 2.7%  |              |
|       | 11,245 | Alaska Housing Finance Corporation, General Mortgage Revenue Bonds, Series 1999A, 6.050%, 6/01/39 - MBIA Insured   | 6/09 at 100  |
|       | 11,460 | Alaska Housing Finance Corporation, Governmental Purpose Bonds, 1995 Series A, 5.875%, 12/01/30 - MBIA Insured   | 12/05 at 102 |

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|       |   |              |
|-------|---|--------------|
| 4,990 | Alaska Housing Finance Corporation, Collateralized Veterans Mortgage Program Bonds, First Series 1999-A2, 6.250%, 6/01/39 (Alternative Minimum Tax) | 12/09 at 100 |
| 3,190 | Alaska Housing Finance Corporation, Collateralized Veterans Mortgage Program Bonds, Series 1999-A1, 6.150%, 6/01/39                                 | 12/09 at 100 |
| 3,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, 1998 Series A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured               | 7/08 at 100  |

-----  
ARIZONA - 0.8%

|       |   |             |
|-------|---|-------------|
| 7,560 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company Irvington Project, Series 1988A, 7.250%, 7/15/10 - FSA Insured | 1/04 at 102 |
| 2,000 | Industrial Development Authority of the City of Yuma, Arizona, Hospital Revenue Bonds, Series 2001, Yuma Regional Medical Centre, 5.500%, 8/01/20 - FSA Insured                               | 8/11 at 101 |

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
| CALIFORNIA - 31.3%        |  |                        |
| \$ 6,135                  | California Housing Finance Agency, Housing Revenue Bonds, Series 1994C, 6.250%, 8/01/25 - MBIA Insured                                     | 8/04 at 102            |
|                           | California Rural Home Mortgage Finance Authority, Single Family Mortgage Revenue Bonds, Mortgage-Backed Securities Program, 1996 Series A: |                        |
| 405                       | 7.550%, 11/01/26 (Alternative Minimum Tax)   | No Opt. C              |
| 330                       | 7.750%, 5/01/27 (Alternative Minimum Tax)  | No Opt. C              |
| 4,500                     | California, General Obligation Bonds, Series 1998, 5.000%, 10/01/19 - FGIC Insured   | 10/08 at 101           |
| 10,000                    | Department of Veterans Affairs of the State of California, Home Purchase Revenue Bonds, Series 2002A, 5.300%, 12/01/21 - AMBAC Insured     | 6/12 at 101            |
| 14,585                    | California Housing Finance Agency, Home Mortgage Revenue Bonds, 2000 Series Y, 0.000%, 8/01/20 (Alternative Minimum Tax) - FSA Insured     | 11/10 at 55            |
|                           | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A:  |                        |
| 30,000                    | 5.375%, 5/01/17  | 5/12 at 101            |
| 35,000                    | 5.375%, 5/01/18 - AMBAC Insured  | 5/12 at 101            |

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|        |   |              |
|--------|---|--------------|
| 3,100  | Campbell Union School District, Santa Clara County, California, 1994 General Obligation Bonds, Series A, 6.250%, 8/01/19 (Pre-refunded to 8/01/04) - MBIA Insured                                 | 8/04 at 102  |
| 8,200  | Castaic Lake Water Agency, California, Revenue Refunding Certificates of Participation, Water System Improvement Projects, Series 1994A, 6.300%, 8/01/20 - MBIA Insured                           | 8/04 at 102  |
| 20,000 | Cucamonga County Water District, California, Certificates of Participation, 2000 Water Shares Purchase, 5.125%, 9/01/35 - FGIC Insured  | 9/11 at 101  |
| 5,500  | Fallbrook Union High School District, San Diego County, California, 1994 General Obligation Bonds, Series A, 6.250%, 9/01/19 (Pre-refunded to 9/01/04) - MBIA Insured                             | 9/04 at 102  |
| 5,000  | Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 - AMBAC Insured                           | 11/11 at 101 |
| 20,000 | Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2003A, 5.000%, 7/01/21 - FSA Insured  | 7/13 at 100  |
| 9,000  | Orange County, California, Refunding Recovery Bonds, Series 1995A, 5.750%, 6/01/15 - MBIA Insured   | 6/05 at 102  |
| 12,500 | Orange County, California, Recovery Certificates of Participation, Series 1996A, 6.000%, 7/01/26 - MBIA Insured   | 7/06 at 102  |
| 13,205 | Port of Oakland, California, Revenue Bonds, Series 2002L, 5.000%, 11/01/22 (Alternative Minimum Tax) - FGIC Insured   | 11/12 at 100 |
|        | Poway Redevelopment Agency, California, Tax Allocation Bonds, Paguay Redevelopment Project, Series 2001:  |              |
| 15,000 | 5.200%, 6/15/30 - AMBAC Insured   | 12/11 at 101 |
| 5,000  | 5.125%, 6/15/33 - AMBAC Insured   | 12/11 at 101 |
| 6,000  | Redlands Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2003, 5.000%, 7/01/26 - FSA Insured   | 7/13 at 100  |
| 11,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/33 - MBIA Insured   | 8/13 at 100  |
| 19,300 | Sacramento Power Authority, California, Revenue Bonds, Power Authority Cogeneration Project, Series 1995, 5.875%, 7/01/15 - MBIA Insured  | 7/06 at 102  |
| 6,500  | Salinas, California, GNMA Collateralized Housing Facility Revenue Refunding Bonds, Villa Serra Project, Series 1994A, 6.600%, 7/20/30   | 7/04 at 102  |
| 10,000 | San Francisco City and County Airports Commission, California, Revenue Bonds, San Francisco International Airport, Series 2 - Issue 13B, 5.500%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101  |
| 18,710 | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2 - Issue 27A, 5.250%, 5/01/26 (Alternative                   | 5/11 at 100  |

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Minimum Tax) - MBIA Insured

11,500 San Francisco Bay Area Rapid Transit District, California, 7/11 at 100  
Sales Tax Revenue Bonds, Series 2001, 5.125%, 7/01/36 -  
AMBAC Insured

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| CALIFORNIA (continued)    |  |                        |
| \$ 66,685                 | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Senior Lien Toll Road Revenue Bonds, 0.000%, 1/01/21  | No Opt. C              |
| 31,615                    | San Joaquin Hills Transportation Corridor Agency Orange County, California, Toll Road Refunding Revenue Bonds, Series 1997A: 5.250%, 1/15/30 - MBIA Insured                          | 1/07 at 102            |
| 21,500                    | 0.000%, 1/15/32 - MBIA Insured   | No Opt. C              |
| 12,525                    | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/20 - MBIA Insured                                      | 8/10 at 101            |
| 11,000                    | Santa Ana Financing Authority, California, Police Administration and Housing Facility Lease Revenue Bonds, Series 1994A, 6.250%, 7/01/24 - MBIA Insured                              | No Opt. C              |
| 5,500                     | Santa Clara County Financing Authority, California, Lease Revenue Bonds, VMC Facility Replacement Project, Series 1994A, 6.750%, 11/15/20 (Pre-refunded to 11/15/04) - AMBAC Insured | 11/04 at 102           |
| COLORADO - 6.3%           |  |                        |
| 10,000                    | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/15 (Alternative Minimum Tax) - FGIC Insured                                 | 11/11 at 100           |
| 10,545                    | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured   | 11/06 at 101           |
| 6,200                     | Denver Convention Center Hotel Authority, Colorado, Convention Center Hotel Senior Revenue Bonds, Series 2003A, 5.000%, 12/01/33 - XLCA Insured                                      | 12/13 at 100           |
| 35,995                    | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/23 - MBIA Insured   | No Opt. C              |
| 30,800                    | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35 - MBIA Insured   | 9/10 at 102            |
| 11,800                    | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, 2000 Series B, 0.000%, 9/01/15 - MBIA Insured  | 9/10 at 74             |

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| -----  |  |              |
|--|--|--------------|
| CONNECTICUT - 0.2%   |  |              |
| 2,500  | Connecticut Health and Educational Facilities Authority,<br>Revenue Bonds, Choate Rosemary Hall Issue, Series A,<br>7.000%, 7/01/25 (Pre-refunded to 7/01/04) - MBIA Insured | 7/04 at 101  |
| -----  |  |              |
| DISTRICT OF COLUMBIA - 1.5%  |  |              |
| 3,770  | District of Columbia Housing Finance Agency, GNMA<br>Collateralized Single Family Mortgage Revenue Bonds,<br>Series 1990B, 7.100%, 12/01/24 (Alternative Minimum Tax)        | 12/03 at 100 |
| District of Columbia Water and Sewer Authority, Public Utility<br>Revenue Bonds, Subordinate Lien Series 2003: |  |              |
| 5,000  | 5.125%, 10/01/24 - FGIC Insured  | 10/13 at 100 |
| 5,000  | 5.125%, 10/01/25 - FGIC Insured  | 10/13 at 100 |
| 4,840  | Metropolitan Washington DC Airports Authority, Airport<br>System Revenue Bonds, Series 2001A, 5.500%, 10/01/19<br>(Alternative Minimum Tax) - MBIA Insured                   | 10/11 at 101 |
| -----  |  |              |
| FLORIDA - 5.6%   |  |              |
| 4,425  | Jacksonville Economic Development Commission, Florida,<br>Health Care Facilities Revenue Bonds, Mayo Clinic,<br>Series 2001C, 5.500%, 11/15/36 - MBIA Insured                | 11/12 at 100 |
| 35,920   | Miami-Dade County, Florida, Aviation Revenue Bonds,<br>Miami International Airport, Series 2002, 5.375%, 10/01/32<br>(Alternative Minimum Tax) - FGIC Insured                | 10/12 at 100 |
| Miami-Dade County, Florida, Aviation Revenue Bonds, Miami<br>International Airport, Series 2002A:              |  |              |
| 18,500   | 5.000%, 10/01/33 (Alternative Minimum Tax) - FSA Insured   | 10/12 at 100 |
| 2,150  | 5.125%, 10/01/35 (Alternative Minimum Tax) - FSA Insured   | 10/12 at 100 |
| 3,000  | Orange County, Florida, Solid Waste Facility Revenue Bonds,<br>Series 2003 Refunding, 5.000%, 10/01/14 - MBIA Insured  | 10/13 at 100 |
| Plantation, Florida, Non-Ad Valorem Revenue Bonds, Refunding<br>and Improvement Projects, Series 2003:         |  |              |
| 2,010  | 5.000%, 8/15/16 - FSA Insured  | 8/13 at 100  |
| 2,110  | 5.000%, 8/15/17 - FSA Insured  | 8/13 at 100  |
| 2,225  | 5.000%, 8/15/18 - FSA Insured  | 8/13 at 100  |

Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)  
Portfolio of INVESTMENTS October 31, 2003

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

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|    |                |  |             |
|----|----------------|--|-------------|
|    | GEORGIA - 0.4% |  |             |
| \$ | 5,000          | Glynn-Brunswick Memorial Hospital Authority, Georgia, Revenue Bonds, Southeast Georgia Health Systems Project, Series 1996, 5.250%, 8/01/13 - MBIA Insured | 8/06 at 102 |

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|  |               |  |             |
|--|---------------|--|-------------|
|  | HAWAII - 2.1% |  |             |
|  | 24,250        | Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds, Hawaii Electric Company, Inc. and Subsidiaries Project, Series 1996A, 6.200%, 5/01/26 (Alternative Minimum Tax) - MBIA Insured | 5/06 at 101 |

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|  |              |   |             |
|--|--------------|---|-------------|
|  | IDAHO - 0.4% |   |             |
|  | 1,685        | Idaho Housing Agency, Single Family Mortgage Bonds, Series 1994B-1, 6.750%, 7/01/22                                       | No Opt. C   |
|  | 1,560        | Idaho Housing Agency, Single Family Mortgage Bonds, 1994 Series B2, 6.900%, 7/01/26 (Alternative Minimum Tax)             | No Opt. C   |
|  | 1,845        | Idaho Housing Agency, Single Family Mortgage Bonds, 1995 Series B, Senior Lien, 6.600%, 7/01/27 (Alternative Minimum Tax) | 1/05 at 102 |

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|  |                  |   |              |
|--|------------------|---|--------------|
|  | ILLINOIS - 10.1% |   |              |
|  | 12,500           | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien, Revenue Refunding Bonds, 1993 Series C, 5.000%, 1/01/18 - MBIA Insured  | 1/04 at 102  |
|  |                  | City of Chicago, Illinois, Chicago-O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001E Refunding:                         |              |
|  | 4,615            | 5.500%, 1/01/17 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101  |
|  | 4,870            | 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101  |
|  | 12,000           | Cook County, Illinois, General Obligation Bonds, Series 2003 Refunding, 5.000%, 11/15/10 - MBIA Insured   | No Opt. C    |
|  | 5,000            | Community Unit School District No. 204, Indian Prairie, Counties of DuPage and Will, Illinois, General Obligation Bonds, Series 2001, 5.000%, 12/30/15 - FGIC Insured | 12/11 at 100 |
|  |                  | Eastern Illinois University, Auxiliary Facilities System Revenue Bonds, Series 1989:  |              |
|  | 12,355           | 0.000%, 10/01/09 - MBIA Insured   | 10/04 at 74  |
|  | 16,470           | 0.000%, 4/01/16 (Pre-refunded to 10/01/04) - MBIA Insured   | 10/04 at 47  |
|  | 10,000           | Illinois Development Finance Authority, Revenue Bonds, Provena Health, Series 1998A, 5.500%, 5/15/21 - MBIA Insured   | 5/08 at 101  |
|  | 2,095            | Illinois Educational Facilities Authority, Revenue Bonds, Robert Morris College, Series 2000, 5.800%, 6/01/30 -   | 12/07 at 100 |

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|        |  |  |              |
|--------|--|--|--------------|
|        | MBIA Insured   |  |              |
| 2,180  | Illinois Educational Facilities Authority, Revenue Bonds, DePaul University, Series 2000, 5.500%, 10/01/19 - AMBAC Insured   |  | 10/10 at 101 |
| 7,000  | Illinois Health Facilities Authority, Revenue Bonds, Hospital Sisters Services Inc. Obligated Group, Series 1998A, 5.000%, 6/01/18 - MBIA Insured  |  | 6/08 at 101  |
|        | Illinois Health Facilities Authority, Revenue Bonds, Alexian Brothers Health System, Series 1999:  |  |              |
| 4,500  | 5.000%, 1/01/19 - FSA Insured  |  | 1/09 at 101  |
| 12,000 | 5.125%, 1/01/28 - FSA Insured  |  | 1/09 at 101  |
| 22,410 | State of Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.125%, 2/01/27 - FGIC Insured   |  | 2/12 at 100  |
| 4,560  | County of Macon, Illinois, Revenue Bonds, Millikin University, Series 1995, 6.250%, 10/01/16 (Pre-refunded to 10/01/05) - AMBAC Insured  |  | 10/05 at 100 |
| 5,000  | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1994D, 6.750%, 6/01/25 (Pre-refunded to 6/01/04) - FGIC Insured |  | 6/04 at 102  |

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INDIANA - 4.0%

|        |   |  |              |
|--------|---|--|--------------|
| 2,030  | Decatur Township Multi-School Building Corporation, Marion County, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/20 - FGIC Insured |  | 7/13 at 100  |
| 11,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Daughters of Charity, Series 1993, 5.750%, 11/15/22                      |  | 11/03 at 102 |
| 3,250  | Indianapolis, Indiana, Local Public Improvement Bond Bank, Series 2002A, Waterworks Project, 5.250%, 7/01/33 - MBIA Insured                   |  | 7/12 at 100  |

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

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INDIANA (continued)

|           |   |  |             |
|-----------|---|--|-------------|
| \$ 20,000 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Series 1999E, 0.000%, 2/01/28 - AMBAC Insured  |  | No Opt. C   |
| 9,545     | New Prairie School Building Corporation, LaPorte and St. Joseph Counties, Indiana, First Mortgage Bonds, Series 1994, 7.200%, 7/15/21 (Pre-refunded to 7/15/04) - CAP GTY/FSA Insured |  | 7/04 at 102 |
| 5,000     | Noblesville Redevelopment Authority, Indiana, Economic Development Lease Rental Bonds of 2003, Exit 10 Project,   |  | 7/13 at 100 |



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|        |   |              |
|--------|---|--------------|
|        | 5.000%, 1/15/28 - AMBAC Insured   |              |
| 10,000 | Trustees of Purdue University, Indiana, Purdue University Student Fee Bonds, Series O, 5.000%, 7/01/19 - MBIA Insured   | 1/12 at 100  |
| 3,705  | Whitley County Middle School Building Corporation, Columbia City, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/16 - FSA Insured                                     | 7/13 at 100  |
| -----  |   |              |
|        | IOWA - 0.3%   |              |
| 3,045  | Ames, Iowa, Hospital Revenue Bonds, Mary Greeley Medical Center, Series 2003 Refunding, 5.000%, 6/15/15 - AMBAC Insured   | 6/13 at 100  |
| -----  |   |              |
|        | KANSAS - 0.4%   |              |
| 5,000  | University of Kansas Hospital Authority, Health Facilities Revenue Bonds, KU Health System, Series 1999A, 5.650%, 9/01/29 - AMBAC Insured                                       | 9/09 at 100  |
| -----  |   |              |
|        | KENTUCKY - 1.1%   |              |
| 12,980 | Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, 2001 Series A, 5.500%, 5/15/34 - MBIA Insured                   | 11/11 at 101 |
| -----  |   |              |
|        | LOUISIANA - 1.6%  |              |
| 5,000  | De Soto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured                            | 9/09 at 102  |
| 7,305  | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured   | 12/05 at 103 |
| 3,000  | St. Charles Parish, Louisiana, Pollution Control Revenue Bonds, Louisiana Power and Light Company Project, Series 1991, 7.500%, 6/01/21 (Alternative Minimum Tax) - FSA Insured | 12/03 at 100 |
| 3,500  | Tangipahoa Parish Hospital Service District 1, Louisiana, Hospital Revenue Bonds, Series 1994, 6.250%, 2/01/24 (Pre-refunded to 2/01/04) - AMBAC Insured                        | 2/04 at 102  |
| -----  |   |              |
|        | MAINE - 0.2%  |              |
| 3,000  | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 2003B, 5.000%, 7/01/28 - FSA Insured  | 7/13 at 100  |
| -----  |   |              |

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MASSACHUSETTS - 5.8%

|        |   |              |
|--------|---|--------------|
| 22,500 | Massachusetts Development Finance Authority, Revenue Bonds, Series 2002A, WGBH Educational Foundation, 5.375%, 1/01/42 - AMBAC Insured              | 1/12 at 101  |
| 8,400  | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health Systems Issue, Series D, 6.000%, 10/01/13 - MBIA Insured | 10/05 at 102 |
| 2,960  | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, South Shore Hospital Issue, Series D, 6.500%, 7/01/22 - MBIA Insured      | 1/04 at 101  |
| 4,865  | Massachusetts Housing Finance Agency, Housing Revenue Bonds, 1995 Series A Refunding, 6.100%, 12/01/16 - MBIA Insured                               | 12/05 at 102 |
| 33,315 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, 1997 Series A (Senior), 5.000%, 1/01/37 - MBIA Insured                 | 1/07 at 102  |

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MICHIGAN - 7.4%

|        |   |              |
|--------|---|--------------|
| 6,000  | City of Detroit, Michigan, General Obligation Bonds, 2001 Series A-1, 5.375%, 4/01/18 - MBIA Insured  | 10/11 at 100 |
| 5,490  | Detroit School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement General Obligation Bonds, Series 2001A, 6.000%, 5/01/29 - FSA Insured | No Opt. C    |
|        | Detroit, Michigan, Sewage Disposal System Revenue Bonds, Series 1999A:  |              |
| 15,825 | 5.750%, 7/01/26 (Pre-refunded to 1/01/10) - FGIC Insured  | 1/10 at 101  |
| 20,000 | 5.875%, 7/01/27 (Pre-refunded to 1/01/10) - FGIC Insured  | 1/10 at 101  |

Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | MICHIGAN (continued)  |                        |
| \$ 8,700                  | City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, Series 1997-A, 5.000%, 7/01/27 - MBIA Insured   | 7/07 at 101            |
| 8,000                     | Gaylord Community Schools, Counties of Ostego and Antrim, Michigan, 1992 School Building and Site and Refunding Bonds, 0.000%, 5/01/21 (Pre-refunded to 5/01/07) - MBIA Insured | 5/07 at 37             |
|                           | Grand Rapids Community College, Kent County, Michigan, General Obligation Bonds, Series 2003 Refunding:   |                        |

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|   |   |              |
|---|---|--------------|
| 1,050   | 5.250%, 5/01/17 - AMBAC Insured   | 5/13 at 100  |
| 1,085   | 5.250%, 5/01/20 - AMBAC Insured   | 5/13 at 100  |
| 27,000  | Okemos Public School District, Ingham County, Michigan,<br>School Building and Site Bonds, Series 1991I,<br>0.000%, 5/01/21 (Pre-refunded to 5/01/06) - MBIA Insured                              | 5/06 at 34   |
| 10,000  | Wayne County, Michigan, Limited Tax General Obligation<br>Airport Hotel Revenue Bonds, Detroit Metropolitan Wayne<br>County Airport, Series 2001A, 5.250%, 12/01/25 - MBIA Insured                | 12/11 at 101 |
| 6,850   | Wayne County, Michigan, Airport Revenue Bonds, Detroit<br>Metropolitan Wayne County Airport, Series 1998A,<br>5.375%, 12/01/15 (Alternative Minimum Tax) - MBIA Insured                           | 12/08 at 101 |
| -----   |   |              |
| MINNESOTA - 1.2%  |   |              |
| 2,130   | Minnesota Housing Finance Agency, Single Family Mortgage<br>Bonds, Series 1994M, 6.700%, 7/01/26 (Alternative<br>Minimum Tax)   | 1/04 at 102  |
| 13,020  | St. Paul Housing and Redevelopment Authority, Minnesota,<br>GNMA Collateralized Mortgage Loan, Multifamily Housing<br>Revenue Bonds, Marian Center GEAC Project, Series 2001A,<br>3.870%, 6/20/43 | 12/11 at 102 |
| -----   |   |              |
| NEVADA - 6.5%   |   |              |
| Director of Nevada State Department of Business and Industry,<br>Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000: |   |              |
| 15,000  | 5.625%, 1/01/34 - AMBAC Insured   | 1/10 at 102  |
| 13,000  | 5.375%, 1/01/40 - AMBAC Insured   | 1/10 at 100  |
| 1,295   | Nevada Housing Division, Single Family Mortgage Bonds,<br>1994 Senior Series B-1, 6.700%, 10/01/17  | 4/04 at 102  |
| 1,000   | Nevada Housing Division, Single Family Mortgage Bonds,<br>1994 Senior Series B-2, 6.950%, 10/01/26 (Alternative<br>Minimum Tax)   | 4/04 at 102  |
| 40,285  | Reno, Nevada, Capital Improvement Revenue Bonds,<br>Series 2002, 5.375%, 6/01/32 - FGIC Insured   | 6/12 at 100  |
| 10,000  | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno<br>Transportation Rail Access Corridor Project, Senior Lien,<br>Series 2002, 5.125%, 6/01/27 - AMBAC Insured                                 | 6/12 at 100  |
| -----   |   |              |
| NEW YORK - 7.7%   |   |              |
| 8,685   | Long Island Power Authority, New York, Electric System<br>General Revenue Bonds, Series 1998A, 5.300%, 12/01/19 -<br>FSA Insured  | 6/08 at 101  |
| 5,000   | Metropolitan Transportation Authority, New York, State<br>Service Contract Refunding Bonds, Series 2002A,<br>5.000%, 7/01/25 - FGIC Insured   | 7/12 at 100  |

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|        |   |              |
|--------|---|--------------|
| 10,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1996 Series B, 5.750%, 6/15/26 - MBIA Insured           | 6/06 at 101  |
| 15,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1997 Series A, 5.375%, 6/15/26 - FSA Insured            | 6/06 at 101  |
|        | Dormitory Authority of the State of New York, City University System Consolidated, Third General Resolution Revenue Bonds, 1994 Series 2:                       |              |
| 3,000  | 6.250%, 7/01/19 (Pre-refunded to 7/01/04) - MBIA Insured  | 7/04 at 100  |
| 6,400  | 6.750%, 7/01/24 (Pre-refunded to 7/01/04) - MBIA Insured  | 7/04 at 102  |
| 5,000  | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 7, 5.700%, 1/01/27 (Pre-refunded to 1/01/07) - MBIA Insured | 1/07 at 102  |
| 15,600 | Port Authority of New York and New Jersey, Consolidated Bonds, Ninety- Seventh Series, 6.650%, 1/15/23 (Alternative Minimum Tax) - FGIC Insured                 | 1/05 at 101  |
| 25,000 | Triborough Bridge and Tunnel Authority, New York, General Revenue Refunding Subordinate Lien Bonds, Series 2002E, 5.000%, 11/15/32 - MBIA Insured               | 11/12 at 100 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | NORTH CAROLINA - 0.4%   |                        |
| \$ 5,000                  | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/16 - FSA Insured   | 1/13 at 100            |
| -----                     |   |                        |
|                           | OHIO - 3.6%   |                        |
| 20,100                    | Lucas County, Ohio, Hospital Revenue Bonds, ProMedica Healthcare Obligated Group, Series 1999, 5.375%, 11/15/39 - AMBAC Insured                                     | 11/09 at 101           |
| 2,865                     | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program, Residential Mortgage Revenue Bonds, Series 1995A-2, 6.625%, 3/01/26 (Alternative Minimum Tax) | 3/05 at 102            |
|                           | Ohio Air Quality Development Authority, Revenue Refunding Bonds, JMG Funding Limited Partnership Project, Series 1994:  |                        |
| 13,750                    | 6.375%, 1/01/29 (Alternative Minimum Tax) - AMBAC Insured   | 10/04 at 102           |
| 8,000                     | 6.375%, 4/01/29 (Alternative Minimum Tax) - AMBAC Insured   | 10/04 at 102           |
| -----                     |   |                        |
|                           | OKLAHOMA - 1.2%   |                        |

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|        |   |              |
|--------|---|--------------|
| 9,685  | Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax)  | No Opt. C    |
| 5,245  | Oklahoma Industries Authority, Revenue Bonds, Oklahoma Medical Research Foundation Project, Series 2001, 5.250%, 2/01/21 - AMBAC Insured  | 2/11 at 100  |
| -----  |   |              |
|        | OREGON - 0.2%   |              |
| 2,670  | Oregon Housing and Community Services Department, Mortgage Revenue Bonds, Single-Family Mortgage Program, 1995 Series A, 6.450%, 7/01/26 (Alternative Minimum Tax)                                    | 7/05 at 102  |
| -----  |   |              |
|        | PENNSYLVANIA - 0.6%   |              |
| 7,120  | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Hospital, Series 1994A, 6.250%, 7/01/22 (Pre-refunded to 7/01/04) - MBIA Insured                         | 7/04 at 102  |
| -----  |   |              |
|        | PUERTO RICO - 0.2%  |              |
| 2,000  | Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series 2003G, 5.250%, 7/01/19 - FGIC Insured  | 7/13 at 100  |
| -----  |   |              |
|        | RHODE ISLAND - 2.0%   |              |
| 2,195  | Providence Housing Development Corporation, Rhode Island, Mortgage Revenue Refunding Bonds, Series 1994A, FHA-Insured Mortgage Loan-Barbara Jordan Apartments Project, 6.750%, 7/01/25 - MBIA Insured | 7/04 at 102  |
| 20,475 | Rhode Island Depositors Economic Protection Corporation, Special Obligation Refunding Bonds, 1992 Series B, 5.250%, 8/01/21 (Pre-refunded to 2/01/11) - MBIA Insured                                  | 2/11 at 100  |
| -----  |   |              |
|        | SOUTH CAROLINA - 3.6%   |              |
| 10,000 | Beaufort County, South Carolina, Tax Increment Bonds, New River Redevelopment Project, Series 2002, 5.000%, 6/01/27 - MBIA Insured  | 12/12 at 100 |
|        | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, 1988 Refunding Series:   |              |
| 9,190  | 0.000%, 1/01/13 (Pre-refunded to 1/01/10) - AMBAC Insured   | 1/10 at 79   |
| 12,810 | 0.000%, 1/01/13 - AMBAC Insured   | No Opt. C    |
|        | South Carolina Jobs-Economic Development Authority, Hospital Revenue Bonds, Oconee Memorial Hospital Inc, Series 1995:  |              |
| 3,000  | 6.150%, 3/01/15 - CONNIE LEE/AMBAC Insured  | 3/05 at 102  |

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|        |   |              |
|--------|---|--------------|
| 600    | 6.150%, 3/01/25 - CONNIE LEE/AMBAC Insured  | 3/05 at 102  |
| 8,000  | South Carolina Jobs-Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company Project, Series 2002A, 5.200%, 11/01/27 - AMBAC Insured                           | 11/12 at 100 |
| 10,000 | South Carolina Jobs-Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company Project, Series 2002B, 5.450%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 100 |

-----  
 TENNESSEE - 0.5%

|       |  |             |
|-------|--|-------------|
| 6,455 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/18 (Alternative Minimum Tax) - FSA Insured | 3/11 at 100 |
|-------|--|-------------|

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Nuveen Insured Municipal Opportunity Fund, Inc. (NIO) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
| TEXAS - 16.5%             |  |                        |
| \$ 22,650                 | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Industries Inc. Project, Series 1998C, 5.125%, 5/01/19 (Optional put 5/01/08) - AMBAC Insured                          | 5/08 at 102            |
| 1,773                     | Capital Area Housing Finance Corporation, Texas, FNMA Backed Single Family Mortgage Revenue Refunding Bonds, Series 2002A-2, 6.300%, 4/01/35 (Alternative Minimum Tax) - AMBAC Insured | 4/12 at 106            |
| 11,460                    | Dallas County Utility and Reclamation District, Texas, Unlimited Tax Refunding Bonds, Series 1999B, 5.875%, 2/15/29 - AMBAC Insured  | 2/05 at 100            |
| 25,000                    | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured  | 11/11 at 100           |
|                           | Harris County, Texas, Senior Lien Toll Road Revenue Bonds, Series 1989:  |                        |
| 9,000                     | 0.000%, 8/15/18 (Pre-refunded to 8/15/09) - AMBAC Insured  | 8/09 at 53             |
| 39,000                    | 0.000%, 8/15/19 (Pre-refunded to 8/15/09) - AMBAC Insured  | 8/09 at 50             |
| 7,280                     | 0.000%, 8/15/20 (Pre-refunded to 8/15/09) - AMBAC Insured  | 8/09 at 46             |
| 5,085                     | 0.000%, 8/15/21 (Pre-refunded to 8/15/09) - AMBAC Insured  | 8/09 at 43             |
| 2,130                     | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/15 - MBIA Insured                              | 11/13 at 100           |

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|        |   |              |
|--------|---|--------------|
| 6,570  | City of Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.375%, 3/01/19 - FSA Insured  | 3/11 at 100  |
| 4,170  | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured  | 7/10 at 100  |
| 8,225  | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1997 Refunding, 5.125%, 7/01/22 - FGIC Insured  | 7/07 at 100  |
| 17,500 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 5.250%, 9/01/33 - AMBAC Insured  | 9/11 at 100  |
| 12,826 | Houston Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Multifamily Housing Revenue Bonds, RRG Apartments Project, Series 2001, 6.350%, 3/20/42                          | 9/11 at 105  |
| 23,865 | Jefferson County, Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.500%, 8/15/41 - AMBAC Insured | 8/11 at 100  |
| 8,205  | Lower Colorado River Authority, Texas, Refunding and Improvement Revenue Bonds, Series 2001A, 5.000%, 5/15/21 - MBIA Insured  | 5/11 at 100  |
|        | Port of Houston Authority of Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B:   |              |
| 3,205  | 5.500%, 10/01/18 (Alternative Minimum Tax) - FGIC Insured   | 10/11 at 100 |
| 3,375  | 5.500%, 10/01/19 (Alternative Minimum Tax) - FGIC Insured   | 10/11 at 100 |
| 7,205  | City of San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured   | 7/11 at 101  |
|        | Tarrant County Health Facilities Development Corporation, Texas, Health Resources System Revenue Bonds, Series 1997A:   |              |
| 2,900  | 5.250%, 2/15/22 - MBIA Insured  | 2/08 at 102  |
| 6,500  | 5.000%, 2/15/26 - MBIA Insured  | 2/08 at 101  |
| 10,830 | Texas Department of Housing and Community Affairs, Single Family Mortgage Revenue Bonds, Series 1996D, 6.250%, 9/01/28 (Alternative Minimum Tax) - MBIA Insured                           | 9/06 at 102  |
| 1,840  | Ysleta Independent School District, Texas, Public Facility Corporation, Lease Revenue Refunding Bonds, Series 2001, 5.375%, 11/15/24 - AMBAC Insured                                      | 11/09 at 100 |

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UTAH - 1.3%

|        |   |             |
|--------|---|-------------|
| 10,000 | Intermountain Power Agency, Utah, Power Supply Revenue Bonds, Series 2003A Refunding, 5.000%, 7/01/16 - FSA Insured         | 7/13 at 100 |
| 5,630  | Utah Housing Finance Agency, Multifamily Housing Refunding Bonds, 1992 Issue A, FHA-Insured Mortgage Loans, 7.400%, 7/01/24 | 1/04 at 100 |
| 450    | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1994D, 6.750%, 1/01/27 (Alternative Minimum Tax)          | 7/04 at 102 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | VIRGINIA - 0.8%  |                        |
| \$ 10,000                 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series H - Subseries H-1, 5.375%, 7/01/36 - MBIA Insured   | 7/11 at 100            |
| -----                     |  |                        |
|                           | WASHINGTON - 1.5%  |                        |
| 3,195                     | Kitsap County, Washington, Limited Tax General Obligation Bonds, Series 2000, 5.500%, 7/01/25 - AMBAC Insured  | 7/10 at 100            |
| 4,250                     | Snohomish County Public Utility District 1, Washington, Generation System Revenue Bonds, Series 1989, 6.650%, 1/01/16 - FGIC Insured   | 1/04 at 100            |
| 6,000                     | Washington Health Care Facilities Authority, Revenue Bonds, Harrison Memorial Hospital, Series 1998, 5.000%, 8/15/28 - AMBAC Insured   | 8/13 at 102            |
| 4,345                     | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1997A, 5.125%, 7/01/17 - AMBAC Insured  | 7/07 at 102            |
| -----                     |  |                        |
|                           | WEST VIRGINIA - 0.8%   |                        |
| 10,000                    | Harrison County Commission, West Virginia, Solid Waste Disposal Revenue Bonds, West Penn Power Company - Harrison Station Project, Series 1993B, 6.300%, 5/01/23 (Alternative Minimum Tax) | 11/03 at 102           |
| -----                     |  |                        |
|                           | WISCONSIN - 2.8%   |                        |
| 1,130                     | Wisconsin Housing and Economic Development Authority, Housing Revenue Bonds, 1992 Series A, 6.850%, 11/01/12 - MBIA Insured  | 1/04 at 100            |
| 15,000                    | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic Project, Series 1997, 5.750%, 2/15/27 - MBIA Insured   | 2/07 at 102            |
| 18,000                    | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care, Inc., Series 1997, 5.250%, 8/15/17 - MBIA Insured  | 8/07 at 102            |
| -----                     |  |                        |
|                           | WYOMING - 0.4%   |                        |



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|              |  |              |
|--------------|--|--------------|
| 4,415        | Wyoming Community Development Authority, Housing Revenue Bonds, Series 1997-6, 5.600%, 6/01/29 - AMBAC Insured | 12/07 at 101 |
| -----        |  |              |
| \$ 2,016,549 | Total Long-Term Investments (cost \$1,789,468,672) - 149.9%  |              |
| =====        |  |              |
|              | Other Assets Less Liabilities - 2.9%   |              |
| -----        |  |              |
|              | Preferred Shares, at Liquidation Value - (52.8)%   |              |
| -----        |  |              |
|              | Net Assets Applicable to Common Shares - 100%  |              |
| =====        |  |              |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

Nuveen Premier Insured Municipal Income Fund, Inc. (NIF)  
Portfolio of  
INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | ALASKA - 1.0%   |                        |
| \$ 2,890                  | Alaska Housing Finance Corporation, Governmental Purpose Bonds, 1995 Series A, 5.875%, 12/01/24 - MBIA Insured  | 12/05 at 102           |
| -----                     |   |                        |
|                           | CALIFORNIA - 31.2%  |                        |
|                           | ABAG Finance Authority for Nonprofit Corporations, California, Insured Certificates of Participation, Children's Hospital Medical Center of Northern California, Series 1999: |                        |
| 6,750                     | 5.875%, 12/01/19 - AMBAC Insured  | 12/09 at 101           |

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|        |   |              |
|--------|---|--------------|
| 10,000 | 6.000%, 12/01/29 - AMBAC Insured  | 12/09 at 101 |
| 4,755  | Antioch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District No. 1989-1, 5.700%, 8/01/22 - AMBAC Insured   | 8/09 at 101  |
| 3,250  | California Pollution Control Financing Authority, Pollution Control Revenue Refunding Bonds, Pacific Gas and Electric Company, Series 1996A Remarketed, 5.350%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 4/11 at 102  |
| 380    | Kern County Housing Authority, California, GNMA Guaranteed Mortgage Obligation Bonds, Series 1994A-I, 7.150%, 12/30/24 (Alternative Minimum Tax)  | No Opt. C    |
| 350    | Kern County Housing Authority, California, GNMA Guaranteed Tax-Exempt Mortgage Obligation Bonds, Series 1994A-III, 7.450%, 6/30/25 (Alternative Minimum Tax)  | No Opt. C    |
| 5,365  | La Verne-Grand Terrace Housing Finance Agency, California, Single Family Residential Mortgage Revenue Bonds, Series 1984A, 10.250%, 7/01/17   | No Opt. C    |
| 11,080 | City of Lodi, California, Electric System Revenue, Certificates of Participation, 1999 Series B, 0.000%, 1/15/24 (Pre-refunded to 1/15/09) - MBIA Insured   | 1/09 at 40   |
| 5,000  | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.400%, 8/01/25 - MBIA Insured                                       | No Opt. C    |
| 8,880  | Pomona, California, GNMA-FHLMC Mortgage-Backed Securities, Single Family Mortgage Revenue Refunding Bonds, Series 1990B, 7.500%, 8/01/23  | No Opt. C    |
| 10,305 | San Bernardino, California, GNMA Mortgage-Backed Securities, Single Family Mortgage Revenue Refunding Bonds, Series 1990A, 7.500%, 5/01/23  | No Opt. C    |
| 14,755 | San Bernardino County, California, GNMA Mortgage-Backed Securities, Single Family Mortgage Revenue Bonds, Series 1988A, 8.300%, 9/01/14 (Alternative Minimum Tax)   | No Opt. C    |
| 4,300  | San Francisco City and County Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Series 2 - Issue 27A, 5.125%, 5/01/19 (Alternative Minimum Tax) - MBIA Insured       | 5/11 at 100  |

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COLORADO - 4.0%

|       |  |              |
|-------|--|--------------|
| 1,500 | Joint School District No. 28, Adams and Arapahoe Counties, Colorado, General Obligation Bonds, Series 2003A, 5.125%, 12/01/21 - FSA Insured          | 12/13 at 100 |
| 2,500 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2002E, 5.500%, 11/15/18 (Alternative Minimum Tax) - FGIC Insured | 11/12 at 100 |
| 6,000 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/29 - MBIA Insured   | 9/10 at 102  |

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|       |   |              |
|-------|---|--------------|
| 1,225 | Summit County School District RE-1, Colorado, General Obligation Bonds, Series 1994, 6.700%, 12/01/14 (Pre-refunded to 12/01/04) - FGIC Insured | 12/04 at 100 |
|-------|---|--------------|

-----  
 FLORIDA - 5.3%

|       |  |              |
|-------|--|--------------|
| 4,145 | City of Miami, Florida, General Obligation Bonds, Series 2002, 5.000%, 1/01/22 - MBIA Insured                      | 1/12 at 100  |
| 6,985 | Orange County, Florida, Sales Tax Revenue Bonds, Series 2002B, 5.125%, 1/01/32 - FGIC Insured                      | 1/13 at 100  |
| 4,240 | Reedy Creek Improvement District, Florida, Utilities Revenue Bonds, Series 2003-1, 5.250%, 10/01/17 - MBIA Insured | 10/13 at 100 |

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

-----  
 GEORGIA - 2.2%

|          |   |             |
|----------|---|-------------|
| \$ 6,500 | Medical Center Hospital Authority, Georgia, Revenue Anticipation Certificates, Columbus Regional Healthcare System, Inc. Project, Series 1999, 5.500%, 8/01/25 - MBIA Insured | 8/09 at 102 |
|----------|---|-------------|

-----  
 HAWAII - 3.9%

|       |   |             |
|-------|---|-------------|
| 8,030 | Hawaii Department of Transportation, Airport System Revenue Refunding Bonds, Series 2000B, 6.500%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured   | 7/10 at 101 |
| 2,250 | Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds, Hawaii Electric Company, Inc. and Subsidiaries Project, Series 1999D, 6.150%, 1/01/20 (Alternative Minimum Tax) - AMBAC Insured | 1/09 at 101 |

-----  
 ILLINOIS - 20.3%

|        |   |              |
|--------|---|--------------|
| 4,000  | Bridgeview, Illinois, General Obligation Bonds, Series 2002, 5.000%, 12/01/22 - FGIC Insured  | 12/12 at 100 |
| 10,000 | City of Chicago, Illinois, General Obligation Bonds, Refunding Series 2000D, 5.500%, 1/01/35 - FGIC Insured                               | 1/10 at 101  |
| 8,200  | Board of Education of the City of Chicago, Illinois, General Obligation Lease Certificates, 1992 Series A, 6.250%, 1/01/15 - MBIA Insured | No Opt. C    |
| 23,110 | Illinois Development Finance Authority, Local Government  | No Opt. C    |

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|        |   |              |
|--------|---|--------------|
|        | Program Revenue Bonds, Elgin School District U46, Kane, Cook, and DuPage Counties, Series 2002, 0.000%, 1/01/17 - FSA Insured   |              |
| 10,010 | Illinois Development Finance Authority, Revenue Bonds, Catholic Health Partners Services, Series 1995A, 5.300%, 2/15/18 - CONNIE LEE/AMBAC Insured  | 2/05 at 102  |
| 10,150 | Onterie Center Housing Finance Corporation, An Illinois Not for Profit Corporation, Mortgage Revenue Refunding Bonds, Series 1992A, FHA-Insured Mortgage Loan, 7.050%, 7/01/27 - MBIA Insured   | 1/04 at 101  |
| 3,225  | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1992A, 9.000%, 6/01/09 - AMBAC Insured                       | No Opt. C    |
| -----  |   |              |
|        | INDIANA - 3.5%  |              |
| 4,725  | Decatur Township Multi-School Building Corporation, Marion County, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 7/15/17 - FGIC Insured   | 7/13 at 100  |
| 5,375  | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Series 1992, Community Hospitals Projects, 6.400%, 5/01/12 - MBIA Insured                        | 11/03 at 101 |
| -----  |   |              |
|        | IOWA - 1.2%   |              |
| 3,345  | Ames, Iowa, Hospital Revenue Bonds, Mary Greeley Medical Center, Series 2003 Refunding, 5.000%, 6/15/17 - AMBAC Insured   | 6/13 at 100  |
| -----  |   |              |
|        | MARYLAND - 1.7%   |              |
| 5,000  | Maryland Transportation Authority, Baltimore-Washington International Airport Parking Revenue Bonds, Series 2002B, 5.125%, 3/01/21 (Alternative Minimum Tax) - AMBAC Insured                    | 3/12 at 101  |
| -----  |   |              |
|        | MICHIGAN - 4.4%   |              |
| 2,250  | Kalamazoo Hospital Finance Authority, Michigan, Hospital Revenue Refunding and Improvement Bonds, Bronson Methodist Hospital, Series 1996, 5.750%, 5/15/16 - MBIA Insured                       | 5/06 at 102  |
| 6,500  | Michigan Higher Education Student Loan Authority, Revenue Bonds, Series 2000 XII-T, 5.300%, 9/01/10 (Alternative Minimum Tax) - AMBAC Insured   | No Opt. C    |
| 3,810  | Michigan Housing Development Authority, GNMA Collateralized Limited Obligation Multifamily Housing Revenue Bonds, Cranbrook Apartments, Series 2001A, 5.500%, 2/20/43 (Alternative Minimum Tax) | 8/12 at 102  |

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| MINNESOTA - 2.1% |   |             |
|------------------|---|-------------|
| 4,860            | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001B, 5.750%, 1/01/15 (Alternative Minimum Tax) - FGIC Insured | 1/11 at 100 |
| 1,195            | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured  | 2/05 at 102 |

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Nuveen Premier Insured Municipal Income Fund, Inc. (NIF) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| <hr/>                  |  |                     |
| MISSOURI - 3.3%        |  |                     |
| \$ 7,495               | Jefferson County Industrial Development Authority, Missouri, Housing Revenue Bonds, Richardson Road Apartments Project, Series 1985, 11.000%, 12/15/15 (Pre-refunded to 8/15/07) | 8/07 at 100         |
| <hr/>                  |  |                     |
| NEVADA - 7.8%          |  |                     |
| 10,000                 | Clark County, Nevada, Airport System Subordinated Lien Revenue Bonds, Series 2001B, 5.125%, 7/01/21 - FGIC Insured   | 7/11 at 100         |
| 7,990                  | Reno, Nevada, Sales and Room Tax Revenue Bonds, Reno Transportation Rail Access Corridor Project, Senior Lien Series 2002, 5.250%, 6/01/41 - AMBAC Insured                       | 6/12 at 100         |
| 5,050                  | Washoe County, Nevada, Gas and Water Facilities Refunding Revenue Bonds, Sierra Pacific Power Company Project, Series 1987 Remarketed, 6.300%, 12/01/14 - AMBAC Insured          | 1/04 at 101         |
| <hr/>                  |  |                     |
| NEW YORK - 2.8%        |  |                     |
| 7,645                  | Metropolitan Transportation Authority, New York, Transit Facilities Revenue Bonds, Series J, 9.100%, 7/01/05 - FGIC Insured  | No Opt. C           |
| <hr/>                  |  |                     |
| NORTH CAROLINA - 1.0%  |  |                     |
| 3,100                  | North Carolina Medical Care Commission, FHA-Insured Mortgage Revenue Bonds, Betsy Johnson Regional Hospital Project, Series 2003, 5.125%, 10/01/32 - FSA Insured                 | 10/13 at 100        |

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| -----               |   |              |
|---------------------|---|--------------|
| OKLAHOMA - 3.9%     |   |              |
| 2,050               | Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax)  | No Opt. C    |
| 5,440               | Sapulpa Municipal Authority, Oklahoma, Capital Improvement Revenue Bonds, Series 2000 Refunding, 5.625%, 7/01/20 (Pre-refunded to 7/01/10) - FSA Insured  | 7/10 at 101  |
| 3,000               | Tulsa Industrial Authority, Oklahoma, GNMA Collateralized Multifamily Housing Revenue Bonds, Country Club of Woodland Hills Project, Series 1995, 6.250%, 11/01/27  | 11/05 at 103 |
| -----               |   |              |
| OREGON - 9.7%       |   |              |
| 5,000               | Oregon Health Sciences University, Revenue Bonds, Series 2002A: 5.000%, 7/01/26 - MBIA Insured  | 1/13 at 100  |
| 19,000              | 5.000%, 7/01/32 - MBIA Insured  | 1/13 at 100  |
| 4,990               | Oregon, Health, Housing, Educational, and Cultural Facilities Authority, Revenue Bonds, GNMA Mortgaged-Backed Securities Program, Necanicum Village Assisted Living Project, 2001 Series A, 6.850%, 6/20/42                                 | 3/12 at 105  |
| -----               |   |              |
| PENNSYLVANIA - 4.9% |   |              |
| 1,650               | Pennsylvania Turnpike Commission, Oil Franchise Tax Senior Lien Revenue Bonds, Series 2003A, 5.000%, 12/01/24 - MBIA Insured  | 12/13 at 100 |
| 13,000              | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/33 - FSA Insured   | 6/13 at 100  |
| -----               |   |              |
| PUERTO RICO - 0.8%  |   |              |
| 2,000               | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2003AA, 5.500%, 7/01/17 - MBIA Insured  | No Opt. C    |
| -----               |   |              |
| TENNESSEE - 2.0%    |   |              |
| 5,000               | Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 6.000%, 11/15/30 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| -----               |   |              |
| TEXAS - 10.4%       |   |              |
| 400                 | Corpus Christi Housing Finance Corporation, Texas, Single   | 1/04 at 101  |

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Family Mortgage Senior Revenue Refunding Bonds,  
Series 1991A, 7.700%, 7/01/11 - MBIA Insured

12,500 Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured 11/09 at 100

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| -----                  |   |                     |
|                        | TEXAS (continued)   |                     |
| \$ 445                 | El Paso Property Finance Authority Inc., Texas, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1992A, 8.700%, 12/01/18 (Alternative Minimum Tax) | 12/03 at 102        |
|                        | North Harris County Regional Water Authority, Texas, Senior Water Revenue Bonds, Series 2003:   |                     |
| 4,565                  | 5.250%, 12/15/20 - FGIC Insured   | 12/13 at 100        |
| 4,800                  | 5.250%, 12/15/21 - FGIC Insured   | 12/13 at 100        |
| 7,600                  | City of San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured   | 7/11 at 101         |
| -----                  |   |                     |
|                        | UTAH - 0.7%   |                     |
| 2,000                  | Clearfield City, Utah, Sales Tax Revenue Bonds, Series 2003, 5.000%, 7/01/28 - FGIC Insured   | 7/13 at 100         |
| -----                  |   |                     |
|                        | VIRGINIA - 1.2%   |                     |
| 3,635                  | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series C - Subseries C-2, 5.450%, 7/01/23 (Alternative Minimum Tax) - MBIA Insured                            | 7/11 at 100         |
| -----                  |   |                     |
|                        | WASHINGTON - 21.0%  |                     |
| 5,000                  | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured      | 7/11 at 101         |
| 1,570                  | Sedro-Wooley School District No. 101, Clark County, Washington, General Obligation Bonds, Series 2002, 5.250%, 12/01/18 - FSA Insured   | 12/12 at 100        |
|                        | Bellevue School District No. 405, King County, Washington,  |                     |

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|            |   |  |              |
|------------|---|--|--------------|
|            | General Obligation Bonds, Series 2002:  |  |              |
| 12,060     | 5.000%, 12/01/19 - FGIC Insured   |  | 12/12 at 100 |
| 12,785     | 5.000%, 12/01/20 - FGIC Insured   |  | 12/12 at 100 |
|            | Pierce County School District No. 343, Dieringer, Washington, General Obligation Bonds, Series 2003 Refunding:                      |  |              |
| 2,755      | 5.250%, 12/01/18 - FSA Insured  |  | 6/13 at 100  |
| 2,990      | 5.250%, 12/01/19 - FSA Insured  |  | 6/13 at 100  |
| 4,715      | Port of Seattle, Washington, Revenue Bonds, Series 2001B, 5.625%, 4/01/17 (Alternative Minimum Tax) - FGIC Insured                  |  | 10/11 at 100 |
|            | Port of Seattle, Washington, Special Facilities Revenue Bonds, Terminal 18 Project, Series 1999C:                                   |  |              |
| 755        | 6.000%, 9/01/29 (Alternative Minimum Tax) (Pre-refunded to 3/01/10) - MBIA Insured  |  | 3/10 at 101  |
| 895        | 6.000%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured  |  | 3/10 at 101  |
| 1,265      | City of Tacoma, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/18 - FGIC Insured                                  |  | 12/12 at 100 |
| 4,200      | City of Tacoma, Washington, Solid Waste Utility Revenue Bonds, Series 2001 Refunding, 5.250%, 12/01/20 - AMBAC Insured              |  | 12/11 at 100 |
| 5,000      | State of Washington, General Obligation Bonds, 2001 Series C 5.250%, 1/01/26 - FSA Insured  |  | 1/11 at 100  |
| 6,990      | Washington Public Power Supply System, Nuclear Project No. 1, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/17 - MBIA Insured |  | 7/08 at 102  |
| -----      |   |  |              |
| \$ 436,525 | Total Long-Term Investments (cost \$425,205,273) - 150.3%   |  |              |
| =====      |   |  |              |
|            | Other Assets Less Liabilities - 2.7%  |  |              |
| -----      |   |  |              |
|            | Preferred Shares, at Liquidation Value - (53.0)%  |  |              |
| -----      |   |  |              |
|            | Net Assets Applicable to Common Shares - 100%   |  |              |
| =====      |   |  |              |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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



Nuveen Insured Premium Income Municipal Fund 2 (NPX)  
 Portfolio of  
 INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | ALABAMA - 3.9%   |                        |
|                           | Jefferson County, Alabama, Sewer Revenue Warrants,<br>Series 1997D:  |                        |
| \$ 5,000                  | 5.700%, 2/01/20 (Pre-refunded to 2/01/07) - FGIC Insured   | 2/07 at 101            |
| 3,970                     | 5.750%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured   | 2/07 at 101            |
| 4,830                     | 5.750%, 2/01/22 (Pre-refunded to 2/01/07) - FGIC Insured   | 2/07 at 101            |
| 2,500                     | City of Mobile, Alabama, General Obligation Refunding<br>Warrants, Series 1996, 5.750%, 2/15/16 (Pre-refunded to<br>2/15/06) - AMBAC Insured   | 2/06 at 102            |
| 2,000                     | City of Scottsboro, Alabama, General Obligation School<br>Warrants, Series 1996-B, 5.750%, 7/01/14 - FSA Insured   | 7/06 at 102            |
| -----                     |  |                        |
|                           | CALIFORNIA - 13.8%   |                        |
| 31,200                    | Foothill-Eastern Transportation Corridor Agency, California,<br>Toll Road Refunding Revenue Bonds, Series 1999,<br>0.000%, 1/15/34 - MBIA Insured  | 1/10 at 24             |
| 6,850                     | Orange County, California, Recovery Certificates of Participation,<br>Series 1996A, 6.000%, 7/01/26 - MBIA Insured   | 7/06 at 102            |
| 15,000                    | Orange County Sanitation District, California, Certificates<br>of Participation, Series 2003, 5.250%, 2/01/30 - FGIC Insured   | 8/13 at 100            |
| 10,000                    | Orange County Water District, California, Revenue Certificates<br>of Participation, Series 2003B, 5.000%, 8/15/34 - MBIA Insured   | 8/13 at 100            |
| 1,435                     | Pasadena Area Community College District, Los Angeles County,<br>California, General Obligation Bonds, Series 2003A,<br>5.000%, 6/01/22 - FGIC Insured   | 6/13 at 100            |
| 13,000                    | Sacramento City Financing Authority, California, Capital<br>Improvement Revenue Bonds, Solid Waste and Redevelopment<br>Projects, Series 1999, 5.800%, 12/01/19 - AMBAC Insured                | 12/09 at 102           |
|                           | San Leandro Housing Finance Corporation, California, Mortgage<br>Revenue Refunding Bonds, Series 1993A, FHA-Insured Mortgage Loan<br>- Ashland Village Apartments, Section 8 Assisted Project: |                        |
| 1,140                     | 6.550%, 1/01/12 - MBIA Insured   | 1/04 at 100            |
| 5,100                     | 6.650%, 1/01/25 - MBIA Insured   | 1/04 at 100            |
| 12,500                    | University of California, Multiple Purpose Projects, Revenue   | 5/13 at 100            |

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Bonds, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured

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| COLORADO - 10.0%   |   |              |
|--|---|--------------|
| Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Adams School District 12 - Pinnacle School Project, Series 2003: |   |              |
| 1,940  | 5.250%, 6/01/23 - XLCA Insured  | 6/13 at 100  |
| 1,000  | 5.000%, 6/01/33 - XLCA Insured  | 6/13 at 100  |
| 3,405  | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Classical Academy Project, Series 2003, 5.250%, 12/01/23 - XLCA Insured | 12/13 at 100 |
| Colorado Health Facilities Authority, Hospital Revenue Bonds, Poudre Valley Health Care, Inc., Series 1999A:   |   |              |
| 2,480  | 5.625%, 12/01/19 - FSA Insured  | 12/09 at 101 |
| 3,500  | 5.750%, 12/01/23 - FSA Insured  | 12/09 at 101 |
| 12,955   | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1995A, 5.600%, 11/15/20 - MBIA Insured  | 11/05 at 102 |
| Denver Convention Center Hotel Authority, Colorado, Convention Center Hotel Senior Revenue Bonds, Series 2003A:  |   |              |
| 6,770  | 5.000%, 12/01/19 - XLCA Insured   | 12/13 at 100 |
| 17,495   | 5.000%, 12/01/33 - XLCA Insured   | 12/13 at 100 |
| 1,325  | El Paso County, Colorado, Certificates of Participation, Series 2002B, Detention Facility Project, 5.000%, 12/01/27 - AMBAC Insured                           | 12/12 at 100 |

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| PRINCIPAL AMOUNT (000)   | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|--|---|---------------------|
| DISTRICT OF COLUMBIA - 0.7%  |   |                     |
| \$ 3,540   | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990C-4, 6.350%, 12/01/24 (Alternative Minimum Tax) | 12/03 at 102        |
| GEORGIA - 1.4%   |   |                     |
| Municipal Electric Authority of Georgia, Combustion Turbine Project Revenue Bonds, Series 2003A: |   |                     |
| 1,775  | 5.000%, 11/01/21 - MBIA Insured   | 11/13 at 100        |
| 2,580  | 5.000%, 11/01/22 - MBIA Insured   | 11/13 at 100        |
| 3,000  | Valdosta and Lowndes County Hospital Authority, Georgia, Series 2002, South Georgia Medical Center Project Revenue Certificates, 5.200%, 10/01/22 - AMBAC Insured | 10/12 at 101        |

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|  |   |             |
|--|---|-------------|
| HAWAII - 7.9%  |   |             |
| 2,375  | Hawaii County, Hawaii, General Obligation Bonds, Series 2003A, 5.000%, 7/15/19 - FSA Insured  | 7/13 at 100 |
| Hawaii Department of Transportation, Airport System Revenue Refunding Bonds, Series 2000B: |   |             |
| 6,105  | 6.100%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured  | 7/10 at 101 |
| 9,500  | 6.625%, 7/01/17 (Alternative Minimum Tax) - FGIC Insured  | 7/10 at 101 |
| 20,000   | Department of Budget and Finance of the State of Hawaii, Special Purpose Revenue Bonds, Hawaiian Electric Company, Inc. and Subsidiary Projects, Refunding Series 2000, 5.700%, 7/01/20 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 101 |

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|              |   |             |
|--------------|---|-------------|
| IDAHO - 0.3% |   |             |
| 1,510        | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 1998 Series E, 5.450%, 7/01/18 (Alternative Minimum Tax) - AMBAC Insured | 1/08 at 101 |

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|   |   |             |
|---|---|-------------|
| ILLINOIS - 15.1%  |   |             |
| 2,500   | Kane, DuPage, Kendall and Will Counties, Aurora, Illinois, General Obligation Bonds, Series 1996, 5.800%, 1/01/14 (Pre-refunded to 1/01/05) - MBIA Insured          | 1/05 at 100 |
| 1,500   | City of Chicago, Illinois, General Obligation Bonds, Series 1995, 6.125%, 1/01/16 (Pre-refunded to 7/01/05) - AMBAC Insured   | 7/05 at 102 |
| 25,585  | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding, Series 1996B, 5.125%, 1/01/25 - FGIC Insured  | 1/06 at 102 |
| 8,370   | City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, Series 1996A, 5.625%, 1/01/17 - MBIA Insured   | 1/07 at 101 |
| City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, 1994 Series A: |   |             |
| 280   | 6.100%, 1/01/08 (Alternative Minimum Tax) - MBIA Insured  | 1/04 at 102 |
| 710   | 6.250%, 1/01/14 (Alternative Minimum Tax) - MBIA Insured  | 1/04 at 102 |
| 8,235   | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien Revenue Refunding Bonds, 1994 Series A, 6.375%, 1/01/15 - MBIA Insured | 1/05 at 102 |
| 4,115   | Chicago Park District, Illinois, General Obligation Limited Tax Bonds, Series 2001C, 5.500%, 1/01/18 - FGIC Insured   | 7/11 at 100 |
| 9,680   | Illinois Educational Facilities Authority, Revenue Bonds, Columbia College Bonds, Series 1998, 5.000%, 12/01/20 - MBIA Insured                                      | 6/08 at 100 |
| 1,950   | Illinois Health Facilities Authority, Health Facilities Refunding Revenue Bonds, SSM Health Care, Series 1992AA, 6.550%, 6/01/14 - MBIA Insured                     | No Opt. C   |
| Illinois Health Facilities Authority, Lutheran General Health                   |   |             |

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|       |   |              |
|-------|---|--------------|
|       | System, Revenue Bonds, Series 1993A:  |              |
| 4,355 | 6.125%, 4/01/12 - FSA Insured   | No Opt. C    |
| 5,000 | 6.250%, 4/01/18 - FSA Insured   | No Opt. C    |
| 2,510 | Illinois Housing Development Authority, Housing Development Bonds, 1993 Series A, 6.000%, 7/01/18   | 1/04 at 102  |
| 745   | Peoria, Moline and Freeport, Illinois, Collateralized Single Family Mortgage Revenue Bonds, Series 1995A, 7.600%, 4/01/27 (Alternative Minimum Tax) | 10/05 at 105 |

-----  
INDIANA - 1.2%

|       |  |             |
|-------|--|-------------|
| 1,000 | Ft. Wayne South Side School Building Corporation, Indiana, First Mortgage Bonds, Series 1994, 6.125%, 1/15/12 (Pre-refunded to 1/15/04) - MBIA Insured | 1/04 at 102 |
| 5,285 | Logansport School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/22 - FGIC Insured                                     | 7/11 at 100 |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL PROVISION |
|------------------------|---|--------------------|
|                        | KANSAS - 0.1%   |                    |
| \$ 245                 | Olathe-Labette Count, Kansas, GNMA Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1994A-I, 8.100%, 8/01/23 (Alternative Minimum Tax)           | 2/05 at 105        |
| 405                    | Sedgwick and Shawnee Counties, Kansas, GNMA Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1994A-II, 8.050%, 5/01/24 (Alternative Minimum Tax) | 11/04 at 105       |
|                        | KENTUCKY - 0.3%   |                    |
| 7,000                  | Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Norton Healthcare Inc., Series 2000B, 0.000%, 10/01/28 - MBIA Insured                   | No Opt. C          |
|                        | MASSACHUSETTS - 3.1%  |                    |
| 4,910                  | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.500%, 11/01/15 - MBIA Insured   | No Opt. C          |
| 3,000                  | Massachusetts Development Finance Authority, Revenue Bonds, Series 2002A, WGBH Educational Foundation,  | No Opt. C          |

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5.750%, 1/01/42 - AMBAC Insured

|       |   |             |
|-------|---|-------------|
| 3,765 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 48, 6.350%, 6/01/26 (Alternative Minimum Tax) - MBIA Insured  | 6/06 at 102 |
| 3,340 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 53, 6.150%, 12/01/29 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 102 |

-----  
MICHIGAN - 2.9%

|        |  |              |
|--------|--|--------------|
| 4,705  | Board of Control of Grand Valley State University, Michigan, General Revenue Bonds, Series 2000, 5.250%, 12/01/20 - FGIC Insured                     | 12/10 at 100 |
| 10,000 | Michigan State Housing Development Authority, Rental Housing Revenue Bonds, 1997 Series A, 6.000%, 4/01/16 (Alternative Minimum Tax) - AMBAC Insured | 4/07 at 102  |

-----  
MINNESOTA - 1.4%

|       |  |             |
|-------|--|-------------|
| 7,275 | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured | 2/05 at 102 |
|-------|--|-------------|

-----  
MISSOURI - 1.5%

|       |  |              |
|-------|--|--------------|
| 1,000 | Hazelwood Industrial Development Authority, Missouri, GNMA Collateralized Project Multifamily Housing Revenue Refunding Bonds, Lakes Apartments Project, Series 1996, 6.000%, 9/20/16                            | 9/06 at 102  |
| 4,500 | Land Clearance for Redevelopment Authority of Kansas City, Missouri, Lease Revenue Bonds, Municipal Auditorium and Muehlebach Hotel Redevelopment Projects, Series 1995A, 5.900%, 12/01/18 - CAP GTY/FSA Insured | 12/05 at 102 |
| 1,000 | Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Capital Improvement, Series 1996B, 5.750%, 1/15/14 - AMBAC Insured  | 1/06 at 101  |
| 1,030 | Missouri Housing Development Commission, Multifamily Housing Revenue Bonds, Brookstone Village Apartments Project, 1996 Series A, 6.000%, 12/01/16 (Alternative Minimum Tax) - FSA Insured                       | 12/06 at 102 |

-----  
NEVADA - 8.0%

|       |  |              |
|-------|--|--------------|
| 5,000 | Clark County, Nevada, Industrial Development Revenue Bonds, Nevada Power Company Project, Series 1992A, 6.700%, 6/01/22 (Alternative Minimum Tax) - FGIC Insured | 12/03 at 101 |
| 5,000 | Clark County, Nevada, Industrial Development Revenue Bonds, Series 2000C, Southwest Gas Corporation,   | 7/10 at 102  |

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5.950%, 12/01/38 (Alternative Minimum Tax) -  
 AMBAC Insured

|       |  |             |
|-------|--|-------------|
| 5,500 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.625%, 1/01/32 - AMBAC Insured | 1/10 at 102 |
|       | Las Vegas Convention and Visitors Authority, Nevada, Revenue Bonds, Series 1999:   |             |
| 2,695 | 5.750%, 7/01/15 - AMBAC Insured  | 7/09 at 101 |
| 6,035 | 5.750%, 7/01/16 - AMBAC Insured  | 7/09 at 101 |
| 6,500 | 5.750%, 7/01/17 - AMBAC Insured  | 7/09 at 101 |
| 3,535 | 5.750%, 7/01/18 - AMBAC Insured  | 7/09 at 101 |
| 4,000 | 6.000%, 7/01/19 - AMBAC Insured  | 7/09 at 101 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | NEW JERSEY - 0.7%   |                        |
| \$ 3,075                  | New Jersey Transit Corporation, Certificates of Participation, Series 2003 Refunding, 5.500%, 10/01/15 - FSA Insured                                      | No Opt. C              |
| -----                     |   |                        |
|                           | NEW YORK - 17.1%  |                        |
| 4,090                     | Metropolitan Transportation Authority, New York, Commuter Facilities Revenue Bonds, Series 1994A, 8.000%, 7/01/07 - MBIA Insured                          | No Opt. C              |
| 4,985                     | Metropolitan Transportation Authority, New York, Transit Facilities Revenue Bonds, Series O, 8.000%, 7/01/07 - MBIA Insured                               | No Opt. C              |
|                           | County of Nassau, New York, General Obligation Improvement Bonds, Series 2000E:   |                        |
| 1,755                     | 6.000%, 3/01/16 - FSA Insured   | 3/10 at 100            |
| 2,740                     | 6.000%, 3/01/18 - FSA Insured   | 3/10 at 100            |
| 2,265                     | County of Nassau, New York, General Obligation Bonds, Serial General Improvement Bonds, Series F, 7.000%, 3/01/14 (Pre-refunded to 3/01/10) - FSA Insured | 3/10 at 100            |
| 7,500                     | Nassau Health Care Corporation, New York, County Guaranteed Health System Revenue Bonds, Series 1999, 5.750%, 8/01/29 - FSA Insured                       | 8/09 at 102            |
| 4,000                     | City of New York, New York, General Obligation Bonds, Fiscal Series 1995E, 8.000%, 8/01/05 - MBIA Insured   | No Opt. C              |
| 7,900                     | City of New York, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18 - FSA Insured  | 3/06 at 101            |
| 7,000                     | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 2000 Series A,                                    | 6/09 at 101            |

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|       |   |             |
|-------|---|-------------|
|       | 5.750%, 6/15/31 - FGIC Insured  |             |
|       | Dormitory Authority of the State of New York, Insured Revenue Bonds, New Island Hospital Issue, Series 1999B:   |             |
| 3,400 | 5.750%, 7/01/19 - MBIA Insured  | 7/09 at 101 |
| 5,750 | 6.000%, 7/01/24 - MBIA Insured  | 7/09 at 101 |
| 9,095 | New York State Housing Finance Agency, Housing Project Mortgage Revenue Refunding Bonds, Series 1996A, 6.125%, 11/01/20 - FSA Insured   | 5/06 at 102 |
| 6,095 | New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, 1995 Series A, 6.000%, 8/15/15 (Pre-refunded to 2/15/05) - MBIA Insured | 2/05 at 102 |
|       | New York State Medical Care Facilities Finance Agency, New York, Hospital FHA-Insured Mortgage Revenue Bonds, Series 1994A:   |             |
| 3,000 | 6.750%, 8/15/14 (Pre-refunded to 2/15/05) - AMBAC Insured   | 2/05 at 102 |
| 2,500 | 6.800%, 8/15/24 (Pre-refunded to 2/15/05) - AMBAC Insured   | 2/05 at 102 |
|       | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 7:  |             |
| 3,505 | 5.700%, 1/01/27 (Pre-refunded to 1/01/07) - MBIA Insured  | 1/07 at 102 |
| 5,000 | 5.700%, 1/01/27 (Pre-refunded to 1/01/07) - FSA Insured   | 1/07 at 102 |

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NORTH DAKOTA - 3.7%

|        |  |              |
|--------|--|--------------|
| 10,715 | Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.600%, 6/01/21 - FSA Insured | 6/10 at 101  |
| 8,000  | North Dakota, Student Loan Trust Revenue Bonds, Series 2000B, 5.850%, 12/01/25 (Alternative Minimum Tax) - AMBAC Insured | 12/10 at 100 |

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OHIO - 2.3%

|        |   |             |
|--------|---|-------------|
| 12,200 | Board of Education, City School District of Columbus, Franklin County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/31 - FGIC Insured | 6/13 at 100 |
|--------|---|-------------|

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OKLAHOMA - 1.0%

|       |   |             |
|-------|---|-------------|
|       | Oklahoma City, Oklahoma, Airport Trust Junior Lien Tax Exempt Bonds, Twenty Seventh Series 2000A: |             |
| 1,320 | 5.125%, 7/01/20 - FSA Insured   | 7/10 at 100 |
| 4,040 | 5.250%, 7/01/21 - FSA Insured   | 7/10 at 100 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | OREGON - 3.7%   |                        |
|                           | Portland, Oregon, Airport Way Urban Renewal and Redevelopment<br>Bonds, Series 2000A:   |                        |
| \$ 4,405                  | 5.700%, 6/15/17 - AMBAC Insured   | 6/10 at 101            |
| 3,665                     | 5.750%, 6/15/18 - AMBAC Insured   | 6/10 at 101            |
| 4,265                     | 5.750%, 6/15/19 - AMBAC Insured   | 6/10 at 101            |
| 1,375                     | 5.750%, 6/15/20 - AMBAC Insured   | 6/10 at 101            |
|                           | Housing Authority of Portland, Oregon, Multifamily Housing<br>Revenue Bonds, Series 2000, Lovejoy Station Apartments Project:   |                        |
| 1,500                     | 5.900%, 7/01/23 (Alternative Minimum Tax) - MBIA Insured  | 7/10 at 100            |
| 2,520                     | 6.000%, 7/01/33 (Alternative Minimum Tax) - MBIA Insured  | 7/10 at 100            |
| -----                     |   |                        |
|                           | PENNSYLVANIA - 8.6%   |                        |
| 12,620                    | Allegheny County Hospital Development Authority, Pennsylvania,<br>Health System Insured Revenue Bonds, Series 2000A,<br>West Penn Allegheny Health System, 6.500%, 11/15/30 -<br>MBIA Insured   | 11/10 at 102           |
| 2,165                     | Allegheny County Residential Finance Authority, Pennsylvania,<br>Single Family Mortgage Revenue Bonds, GNMA Mortgage<br>Backed Securities Program, Series 1996AA, 6.450%, 5/01/28<br>(Alternative Minimum Tax)                          | 11/06 at 102           |
| 9,485                     | Berks County Municipal Authority, Pennsylvania, Hospital<br>Revenue Bonds, Reading Hospital and Medical Center Project,<br>Series 1999, 6.000%, 11/01/19 (Pre-refunded to 11/01/09) -<br>FSA Insured                                    | 11/09 at 102           |
| 1,000                     | Luzerne County Industrial Development Authority, Pennsylvania,<br>Exempt Facilities Revenue Refunding Bonds, Pennsylvania Gas<br>and Water Company Project, Series 1994A, 7.000%, 12/01/17<br>(Alternative Minimum Tax) - AMBAC Insured | 12/04 at 102           |
| 12,730                    | City of Philadelphia, Pennsylvania, Water and Wastewater<br>Revenue Bonds, Series 1997A, 5.125%, 8/01/27 - AMBAC Insured  | 8/07 at 102            |
| 3,650                     | State Public School Building Authority, Pennsylvania, Lease<br>Revenue Bonds, Philadelphia School District Project,<br>Series 2003, 5.000%, 6/01/29 - FSA Insured   | 6/13 at 100            |
| -----                     |   |                        |
|                           | PUERTO RICO - 0.8%  |                        |
| 4,000                     | Puerto Rico Municipal Finance Agency, 2002 Series A,<br>5.250%, 8/01/17 - FSA Insured   | 8/12 at 100            |
| -----                     |   |                        |
|                           | TEXAS - 19.1%   |                        |
|                           | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston<br>Industries Inc. Project, Series 1998C:   |                        |



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|        |  |              |
|--------|--|--------------|
| 10,000 | 5.125%, 5/01/19 - AMBAC Insured  | 5/08 at 102  |
| 9,000  | 5.125%, 11/01/20 (Optional put 11/01/08) - AMBAC Insured   | 11/08 at 102 |
| 12,500 | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/09 at 100 |
| 3,895  | Denton, Texas, Utility System Revenue Bonds, Series 2000A, 5.625%, 12/01/19 - FSA Insured  | 12/10 at 100 |
| 7,210  | Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 1997A, 5.250%, 12/01/22 - FGIC Insured  | 12/07 at 101 |
| 4,485  | Lower Colorado River Authority, Texas, Transmission Contract Refunding Revenue Bonds, Transmission Services Corporation Project, Series 2003B, 5.000%, 5/15/21 - FSA Insured                           | 5/12 at 100  |
| 10,000 | Lower Colorado River Authority, Texas, Contract Revenue Refunding Bonds, Transmission Services Corporation Project, Series 2003C, 5.000%, 5/15/33 - AMBAC Insured                                      | 5/13 at 100  |
| 4,151  | Panhandle Regional Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, GNMA Collateralized Mortgage - Renaissance of Amarillo Apartments, Series 2001A, 6.650%, 7/20/42             | 7/12 at 105  |
|        | Tarrant County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Cook Children's Medical Center Project, Series 2000A:   |              |
| 6,725  | 5.750%, 12/01/17 - FSA Insured   | 12/10 at 101 |
| 7,500  | 5.750%, 12/01/24 - FSA Insured   | 12/10 at 101 |
| 10,627 | Tarrant County Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Loan, Multifamily Housing Revenue Bonds, Legacy Senior Residence Apartments Project, Series 2001, 6.625%, 4/20/42      | 10/11 at 105 |

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | TEXAS (continued)  |                        |
|                           | Texas General Obligation Bonds, Veterans Housing Assistance Program Fund, Series 1993:                       |                        |
| \$ 1,315                  | 6.800%, 12/01/23 (Alternative Minimum Tax)<br>(Pre-refunded to 12/01/03)                                     | 12/03 at 102           |
| 6,585                     | 6.800%, 12/01/23 (Alternative Minimum Tax)<br>(Pre-refunded to 12/01/03) - MBIA Insured                      | 12/03 at 102           |
| 2,300                     | Texas State University System, Financing Revenue Refunding Bonds, Series 2002, 5.000%, 3/15/18 - FSA Insured | 3/12 at 100            |
| -----                     |  |                        |

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UTAH - 3.3%

|       |   |              |
|-------|---|--------------|
| 2,695 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1993A, 5.500%, 7/01/20 - AMBAC Insured | 1/04 at 102  |
| 8,600 | Intermountain Power Agency, Utah, Power Supply Revenue Bonds, Series 2003A Refunding, 5.000%, 7/01/18 - FSA Insured   | 7/13 at 100  |
| 5,525 | Utah Transit Authority, Sales Tax Revenue Bonds, Series 2002A, 5.000%, 6/15/24 - FSA Insured                          | 12/12 at 100 |

VERMONT - 0.3%

|       |  |              |
|-------|--|--------------|
| 1,320 | Vermont Educational and Health Buildings Financing Agency, Revenue Bonds, Fletcher Allen Health Care Project, Series 2000A, 6.000%, 12/01/23 - AMBAC Insured | 12/10 at 101 |
|-------|--|--------------|

VIRGINIA - 0.4%

|       |   |             |
|-------|---|-------------|
| 2,250 | Virginia Housing Development Authority, Multifamily Housing Bonds, Series 1997B, 6.050%, 5/01/17 (Alternative Minimum Tax) - MBIA Insured | 1/08 at 102 |
|-------|---|-------------|

WASHINGTON - 6.5%

|        |   |              |
|--------|---|--------------|
| 10,000 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2001B, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured                  | 7/11 at 101  |
| 1,370  | Sedro-Wooley School District No. 101, Clark County, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/22 - FSA Insured   | 12/12 at 100 |
| 5,230  | Douglas County Public Utility District 1, Washington, Wells Hydroelectric Revenue Bonds, Series 1999A, 6.125%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured                                     | 9/09 at 102  |
| 3,485  | Public Utility District No. 2 of Grant County, Washington, Priest Rapids Hydroelectric Development Revenue Bonds, Second Series B of 1996, 5.900%, 1/01/21 (Alternative Minimum Tax) - MBIA Insured | 1/06 at 102  |
| 2,500  | City of Tacoma, Washington, Sewer Revenue Bonds, 1995 Series B, 6.375%, 12/01/15 (Pre-refunded to 12/01/05) - FGIC Insured  | 12/05 at 100 |
| 6,200  | State of Washington, General Obligation Bonds, Series 2003A Various Purpose, 5.000%, 7/01/20 - FGIC Insured   | 7/12 at 100  |
| 3,950  | Washington Health Care Facilities Authority, Revenue Bonds, Swedish Health Services, Series 1998, 5.125%, 11/15/22 - AMBAC Insured  | 11/08 at 101 |

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| -----                |  |              |
|----------------------|--|--------------|
| WEST VIRGINIA - 1.6% |  |              |
| 8,000                | Pleasants County, West Virginia, Pollution Control Revenue Bonds, Monongahela Power Company - Pleasants Station Project, Series 1995C, 6.150%, 5/01/15 - AMBAC Insured         | 5/05 at 102  |
| -----                |  |              |
| WISCONSIN - 6.4%     |  |              |
| 7,000                | La Crosse, Wisconsin, Resource Recovery Revenue Refunding Bonds, Northern States Power Company Project, Series 1996, 6.000%, 11/01/21 (Alternative Minimum Tax) - MBIA Insured | No Opt. C    |
| 12,750               | Milwaukee County, Wisconsin, Airport Revenue Bonds, Series 2000A, 5.750%, 12/01/25 (Alternative Minimum Tax) - FGIC Insured  | 12/10 at 100 |
| 6,250                | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1996, Sinai Samaritan Medical Center, Inc. Project, 5.750%, 8/15/16 - MBIA Insured                | 8/06 at 102  |

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Nuveen Insured Premium Income Municipal Fund 2 (NPX) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000)                           | DESCRIPTION(1)  | OPTIONAL PROVISION |
|--|---|--------------------|
| -----  |   |                    |
| WISCONSIN (continued)                            |   |                    |
| \$ 5,000   | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1995, 6.125%, 8/15/13 - AMBAC Insured | 8/05 at 102        |
| -----  |   |                    |
| \$ 759,768                                       | Total Long-Term Investments (cost \$730,247,731) - 147.1%   |                    |
| =====  |   |                    |
| Other Assets Less Liabilities - 3.5%             |   |                    |
| -----  |   |                    |
| Preferred Shares, at Liquidation Value - (50.6)% |   |                    |
| -----  |   |                    |
| Net Assets Applicable to Common Shares - 100%    |   |                    |
| =====  |   |                    |

All of the bonds in the portfolio are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

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

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\* Optional Call Provisions (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.

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Nuveen Insured Dividend Advantage Municipal Fund (NVG)  
Portfolio of  
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL CALL PROVISION |
|------------------------|---|-------------------------|
| -----                  |   |                         |
|                        | ALABAMA - 4.4%  |                         |
| \$ 5,310               | Athens, Alabama, Water and Sewer Revenue Warrants, Series 2002, 5.300%, 5/01/32 - MBIA Insured  | 5/12 at 101             |
| 3,045                  | Hoover, Alabama, General Obligation Warrants, Series 2003, 5.000%, 3/01/20 - MBIA Insured   | 3/12 at 101             |
| 10,000                 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured             | 2/09 at 101             |
| -----                  |   |                         |
|                        | ALASKA - 3.4%   |                         |
| 15,000                 | State of Alaska, International Airport System Revenue Bonds, Series 2002B, 5.250%, 10/01/27 - AMBAC Insured   | 10/12 at 100            |
| -----                  |   |                         |
|                        | ARIZONA - 1.1%  |                         |
| 5,000                  | Phoenix Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100             |
| -----                  |   |                         |
|                        | CALIFORNIA - 11.4%  |                         |
| 10,000                 | State of California, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.400%, 12/01/14 (Alternative Minimum Tax)                                 | 12/08 at 101            |
| 3,200                  | State of California, General Obligation Various Purpose Bonds, 5.250%, 9/01/17 - MBIA Insured   | 9/10 at 100             |
| 10,000                 | State of California, General Obligation Refunding Bonds,  | No Opt. C               |

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Series 2002, 5.000%, 2/01/23 - MBIA Insured

|       |   |              |
|-------|---|--------------|
| 3,000 | State of California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.375%, 12/01/24 (Alternative Minimum Tax) - MBIA Insured                    | 6/07 at 100  |
| 7,935 | Los Angeles, California, Certificates of Participation, Real Property Acquisition Program, Series 2002, 5.300%, 4/01/32 - AMBAC Insured                     | 4/12 at 100  |
| 1,000 | Los Angeles Convention and Exhibition Center Authority, California, Certificates of Participation, Series 1985, 9.000%, 12/01/20 (Pre-refunded to 12/01/05) | 12/05 at 100 |
| 7,500 | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.200%, 7/01/32 - MBIA Insured                            | 7/08 at 100  |
| 2,320 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001P, 5.250%, 8/15/18 - FSA Insured                                      | 8/11 at 100  |
| 6,000 | University of California, Multiple Purpose Projects, Revenue Bonds, Series 2003A, 5.000%, 5/15/27 - AMBAC Insured   | 5/13 at 100  |

-----  
 FLORIDA - 16.9%

|        |   |              |
|--------|---|--------------|
| 11,600 | Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds, Series 2002B, 5.125%, 10/01/21 (Alternative Minimum Tax) - FSA Insured | 10/12 at 100 |
| 6,000  | JEA, Florida, Water and Sewer System Revenue Bonds, Series 2002A, 5.500%, 10/01/41 - MBIA Insured   | 4/07 at 100  |
| 8,155  | Lee County, Florida, Solid Waste System Revenue Refunding Bonds, Series 2001, 5.625%, 10/01/13 (Alternative Minimum Tax) - MBIA Insured               | 10/11 at 100 |
| 15,000 | Miami-Dade County School Board, Florida, Certificates of Participation, Series 2003A, 5.000%, 8/01/08 (Mandatory put 8/01/08) - MBIA Insured          | No Opt. C    |
|        | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002:   |              |
| 7,165  | 5.625%, 10/01/15 (Alternative Minimum Tax) - FGIC Insured   | 10/12 at 100 |
| 5,600  | 5.750%, 10/01/16 (Alternative Minimum Tax) - FGIC Insured   | 10/12 at 100 |
| 10,000 | 5.125%, 10/01/21 (Alternative Minimum Tax) - FGIC Insured   | 10/12 at 100 |
| 2,000  | 5.250%, 10/01/22 (Alternative Minimum Tax) - FGIC Insured   | 10/12 at 100 |
| 8,400  | Village Center Community Development District, Florida, Recreational Revenue Bonds, Series 2003A, 5.000%, 11/01/32 - MBIA Insured                     | 11/13 at 100 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | GEORGIA - 0.4%  |                        |
| \$ 1,695                  | Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.500%, 6/01/32 (Alternative Minimum Tax)  | 12/11 at 100           |
| -----                     |   |                        |
|                           | ILLINOIS - 15.9%  |                        |
| 19,185                    | Village of Bolingbrook, Illinois, General Obligation Bonds, Series 2002A, 5.375%, 1/01/38 - FGIC Insured  | 1/12 at 100            |
| 5,000                     | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Bonds, Series 2001A, 5.500%, 1/01/38 - MBIA Insured  | 1/11 at 101            |
|                           | City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001C:   |                        |
| 4,250                     | 5.500%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101            |
| 4,485                     | 5.500%, 1/01/17 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101            |
| 4,730                     | 5.500%, 1/01/18 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101            |
| 2,930                     | 5.500%, 1/01/19 (Alternative Minimum Tax) - AMBAC Insured   | 1/11 at 101            |
| 3,000                     | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Third Lien Revenue Refunding Bonds, Series 2002A, 5.750%, 1/01/17 (Alternative Minimum Tax) - MBIA Insured | 1/12 at 100            |
| 12,765                    | City of Chicago, Illinois, Skyway Toll Bridge Revenue Bonds, Series 1996, 5.500%, 1/01/23 - MBIA Insured  | 1/07 at 102            |
| 4,000                     | Town of Cicero, Cook County, Illinois, General Obligation Corporate Purpose Bonds, Series 2002, 5.000%, 12/01/21 - MBIA Insured   | 12/12 at 101           |
| 1,500                     | DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003C, 5.250%, 10/01/22 - FSA Insured  | 10/13 at 100           |
| 5,000                     | State of Illinois, General Obligation Bonds, Illinois FIRST, Series of April 2002, 5.250%, 4/01/23  | 4/12 at 100            |
| 2,700                     | University of Illinois, Certificates of Participation, Utility Infrastructure Projects, Series 2001A, 5.000%, 8/15/20 - AMBAC Insured   | 8/11 at 100            |
| -----                     |   |                        |
|                           | INDIANA - 16.5%   |                        |
| 3,380                     | Evansville, Indiana, Sewage Works Revenue Bonds, Series 2003A Refunding, 5.000%, 7/01/20 - AMBAC Insured  | 7/13 at 100            |
|                           | Indiana Bond Bank, Special Program Bonds, 2002 Series D, Hendricks County Redevelopment District:   |                        |
| 2,500                     | 5.375%, 4/01/23 - AMBAC Insured   | 4/12 at 100            |

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|        |  |             |
|--------|--|-------------|
| 7,075  | 5.250%, 4/01/26 - AMBAC Insured  | 4/12 at 100 |
| 7,000  | 5.250%, 4/01/30 - AMBAC Insured  | 4/12 at 100 |
| 10,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Marion General Hospital Project, Series 2002, 5.250%, 7/01/32 - AMBAC Insured | 7/12 at 100 |
| 25,000 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Series 2002A, Waterworks Project, 5.250%, 7/01/33 - MBIA Insured                        | 7/12 at 100 |
|        | New Albany-Floyd County School Building Corporation, Indiana, First Mortgage Bonds, Series 2002:   |             |
| 2,500  | 5.750%, 7/15/17 - FGIC Insured   | 7/12 at 100 |
| 3,810  | 5.750%, 7/15/20 - FGIC Insured   | 7/12 at 100 |
|        | Northern Wells Community School Building Corporation, Wells County, Indiana, First Mortgage Bonds, Series 2001:                                    |             |
| 420    | 5.250%, 1/15/19 - FGIC Insured   | 7/12 at 100 |
| 430    | 5.250%, 7/15/19 - FGIC Insured   | 7/12 at 100 |
| 1,675  | 5.400%, 7/15/23 - FGIC Insured   | 7/12 at 100 |
| 6,960  | Valparaiso Middle Schools Building Corporation, Indiana, First Mortgage Bonds, Series 2002 Refunding, 5.000%, 7/15/24 - MBIA Insured               | 1/13 at 100 |
| 2,490  | Whitley County Middle School Building Corporation, Columbia City, Indiana, First Mortgage Bonds, Series 2003, 5.000%, 1/15/18 - FSA Insured        | 7/13 at 100 |

-----  
LOUISIANA - 0.7%

|       |   |             |
|-------|---|-------------|
| 3,085 | City of New Orleans, Louisiana, General Obligation Bonds, Series 2002 Refunding, 5.125%, 9/01/21 - MBIA Insured | 9/12 at 100 |
|-------|---|-------------|

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

-----  
MASSACHUSETTS - 2.4%

|           |  |           |
|-----------|--|-----------|
| \$ 10,000 | Commonwealth of Massachusetts, Special Obligation Refunding Notes, Federal Highway Grant Anticipation Note Program, Series 2003A, 5.000%, 12/15/13 - FSA Insured | No Opt. C |
|-----------|--|-----------|

-----  
MISSOURI - 2.0%

|       |   |             |
|-------|---|-------------|
| 8,735 | City of St. Louis, Missouri, Airport Revenue Bonds, Series 2001A, Airport Development Program, 5.250%, 7/01/31 - MBIA Insured | 7/11 at 100 |
|-------|---|-------------|

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NEBRASKA - 0.5%

|       |   |  |             |
|-------|---|--|-------------|
|       | Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series 2003A: |  |             |
| 1,000 | 5.250%, 4/01/20 (WI, settling 11/05/03) - FSA Insured                                 |  | 4/13 at 100 |
| 1,000 | 5.250%, 4/01/21 (WI, settling 11/05/03) - FSA Insured                                 |  | 4/13 at 100 |

NEVADA - 4.2%

|       |  |  |             |
|-------|--|--|-------------|
| 9,810 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.000%, 6/15/21 - MBIA Insured |  | 6/12 at 100 |
| 8,750 | Truckee Meadows Water Authority, Nevada, Water Revenue Bonds, Series 2001A, 5.250%, 7/01/34 - FSA Insured    |  | 7/11 at 100 |

NEW YORK - 6.6%

|        |   |  |              |
|--------|---|--|--------------|
| 20,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2002A Refunding, 5.000%, 11/15/30 - FSA Insured |  | 11/12 at 100 |
| 10,000 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 2001A, 5.000%, 1/01/32 - MBIA Insured         |  | 1/12 at 100  |

NORTH CAROLINA - 0.6%

|       |  |  |              |
|-------|--|--|--------------|
| 2,435 | North Carolina Medical Care Commission, FHA-Insured Mortgage Revenue Bonds, Betsy Johnson Regional Hospital Project, Series 2003, 5.375%, 10/01/24 - FSA Insured |  | 10/13 at 100 |
|-------|--|--|--------------|

OREGON - 3.3%

|       |   |  |              |
|-------|---|--|--------------|
|       | State of Oregon, General Obligation Veterans Welfare Bonds, 2002 Series 82: |  |              |
| 9,570 | 5.375%, 12/01/31  |  | 12/11 at 100 |
| 5,465 | 5.500%, 12/01/42  |  | 12/11 at 100 |

PENNSYLVANIA - 2.7%

|       |   |  |              |
|-------|---|--|--------------|
| 4,500 | Allegheny County, Pennsylvania, Airport Revenue Refunding Bonds, Pittsburgh International Airport, Series 1997A, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured |  | No Opt. C    |
| 5,000 | Pennsylvania Higher Educational Facilities Authority, University of Pennsylvania Revenue Bonds, Series 1998, 5.500%, 7/15/38 - MBIA Insured                               |  | 7/08 at 100  |
| 1,000 | Pennsylvania Higher Educational Facilities Authority, Lycoming College Revenue Bonds, Series 2003-AA2, 5.250%, 11/01/16 - RAAI Insured                                    |  | 11/13 at 100 |



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|   |   |              |
|---|---|--------------|
| 1,000   | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/23 - FSA Insured | 6/13 at 100  |
| -----   |   |              |
| SOUTH CAROLINA - 0.8%   |   |              |
| Greenville, South Carolina, Tax Increment Revenue Improvement Bonds, Series 2003: |   |              |
| 1,000   | 5.500%, 4/01/17 - MBIA Insured  | 4/13 at 100  |
| 2,300   | 5.000%, 4/01/21 - MBIA Insured  | 4/13 at 100  |
| -----   |   |              |
| TENNESSEE - 8.1%  |   |              |
| 10,000  | Memphis and Shelby County Sports Authority, Inc., Tennessee, Revenue Bonds, 2002 Series A, Memphis Arena Project, 5.125%, 11/01/28 - AMBAC Insured          | 11/12 at 100 |
| 11,000  | Memphis and Shelby County Sports Authority, Inc., Tennessee, Revenue Bonds, 2002 Series B, Memphis Arena Project, 5.125%, 11/01/29 - AMBAC Insured          | 11/12 at 100 |
| 15,195  | Tennessee State School Bond Authority, Higher Educational Facilities Bonds, Second Program, Series 2002A, 5.250%, 5/01/32 - FSA Insured                     | 5/12 at 100  |

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Nuveen Insured Dividend Advantage Municipal Fund (NVG) (continued)  
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| -----                  |  |                     |
| TEXAS - 29.7%          |  |                     |
| \$ 7,165               | Arlington Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 1998 Refunding, 4.750%, 2/15/21   | 2/08 at 100         |
| 3,500                  | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.750%, 11/01/13 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100        |
| 10,000                 | Gainesville Hospital District, Texas, General Obligation Limited Tax Bonds, Series 2002, 5.375%, 8/15/32 - MBIA Insured  | 8/11 at 100         |
| 3,645                  | Galveston, Texas, General Obligation Bonds, Series 2001A Refunding, 5.250%, 5/01/21 - AMBAC Insured  | No Opt. C           |
|                        | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003:  |                     |

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|        |  |              |
|--------|--|--------------|
| 2,240  | 5.000%, 11/15/16 - MBIA Insured  | 11/13 at 100 |
| 2,355  | 5.000%, 11/15/17 - MBIA Insured  | 11/13 at 100 |
| 13,000 | Houston Area Water Corporation, Texas, City of Houston Contract Revenue Bonds, Northeast Water Purification Plant Project, Series 2002, 5.125%, 3/01/32 - FGIC Insured | 3/12 at 100  |
| 2,500  | Houston Higher Education Finance Corporation, Texas, Revenue Bonds, Rice University Project, Series 1999A, 5.375%, 11/15/29  | 11/09 at 101 |
| 4,345  | San Antonio, Texas, Water System Senior Lien Revenue Refunding Bonds, Series 2002, 5.500%, 5/15/17 - FSA Insured   | 5/12 at 100  |
| 9,145  | State of Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund II, 2002 Series A-1, 5.250%, 12/01/22 (Alternative Minimum Tax)                     | 6/12 at 100  |
| 7,255  | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, 2001 Series A, 5.350%, 7/01/33 (Alternative Minimum Tax)                        | 7/11 at 100  |
| 6,000  | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, 2002 Series A, 5.350%, 7/01/33 (Alternative Minimum Tax)                        | 7/12 at 100  |
|        | Texas Public Finance Authority, Revenue Financing System Bonds, Series 2002, Texas Southern University:  |              |
| 3,520  | 5.125%, 11/01/20 - MBIA Insured  | 5/12 at 100  |
| 3,520  | 5.125%, 11/01/21 - MBIA Insured  | 5/12 at 100  |
| 8,905  | Texas Department of Housing and Community Affairs, Single Family Mortgage Bonds, Series 2002B, 5.550%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured                | 3/12 at 100  |
|        | Texas Student Housing Authority, Student Housing Revenue Bonds, Austin Project, Senior Series 2001A:   |              |
| 9,400  | 5.375%, 1/01/23 - MBIA Insured   | 1/12 at 102  |
| 11,665 | 5.500%, 1/01/33 - MBIA Insured   | 1/12 at 102  |
| 5,000  | Texas Water Development Board, State Revolving Fund, Senior Lien Revenue Bonds, Series 1999B, 5.250%, 7/15/17  | 1/10 at 100  |
|        | Williamson County, Texas, General Obligation Road Bonds, Series 2002:  |              |
| 3,500  | 5.200%, 2/15/21 - FSA Insured  | 2/12 at 100  |
| 3,000  | 5.250%, 2/15/22 - FSA Insured  | 2/12 at 100  |
| 7,340  | 5.250%, 2/15/23 - FSA Insured  | 2/12 at 100  |
| 5,000  | 5.250%, 2/15/25 - FSA Insured  | 2/12 at 100  |

-----  
 WASHINGTON - 12.9%

|       |   |             |
|-------|---|-------------|
| 7,675 | Energy Northwest, Washington, Nuclear Project No. 1 Electric Revenue Bonds, Series 2002A Refunding, 5.500%, 7/01/15 - MBIA Insured      | 7/12 at 100 |
| 6,600 | Energy Northwest, Washington, Columbia Generation Station Electric Revenue Refunding Bonds, Series 2002B, 5.350%, 7/01/18 - FSA Insured | 7/12 at 100 |

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|       |   |              |
|-------|---|--------------|
| 2,500 | Port of Seattle, Washington, Revenue Bonds, Series 2002D Refunding, 5.750%, 11/01/15 (Alternative Minimum Tax) - FGIC Insured           | 11/12 at 100 |
| 3,255 | Yelm Community Schools, Thurston and Pierce Counties, Washington, General Obligation Bonds, Series 2003, 5.250%, 12/01/16 - FSA Insured | 6/13 at 100  |

50

| PRINCIPAL<br>AMOUNT (000)                        | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|--|--|------------------------|
| WASHINGTON (continued)                           |  |                        |
|  | Washington State Economic Development Finance Authority, Wastewater Revenue Bonds, LOTT Project, Series 2002:  |                        |
| \$ 2,000   | 5.500%, 6/01/17 - AMBAC Insured  | 6/12 at 100            |
| 4,325  | 5.125%, 6/01/22 - AMBAC Insured  | 6/12 at 100            |
| 15,000   | Washington Health Care Facilities Authority, Revenue Bonds, Harrison Memorial Hospital, Series 1998, 5.000%, 8/15/28 - AMBAC Insured                             | 8/13 at 102            |
| 10,000   | Washington State Health Care Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.125%, 10/01/31 - AMBAC Insured | 10/11 at 100           |
| 5,170  | Whitman County School District No. 267, Pullman, Washington, General Obligation Bonds, Series 2002, 5.000%, 12/01/20 - FSA Insured                               | 6/12 at 100            |
| WISCONSIN - 4.5%                                 |  |                        |
| 8,080  | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, 2002 Series E, 5.250%, 9/01/22 (Alternative Minimum Tax)                     | 3/12 at 100            |
| 11,950   | State of Wisconsin, Transportation Revenue Bonds, Series 2002-1 Refunding, 5.125%, 7/01/18 - AMBAC Insured   | 7/12 at 100            |
| \$ 657,110                                       | Total Long-Term Investments (cost \$653,305,321) - 149.0%  |                        |
| Other Assets Less Liabilities - 1.7%             |  |                        |
| Preferred Shares, at Liquidation Value - (50.7)% |  |                        |
| Net Assets Applicable to Common Shares - 100%    |  |                        |
| =====  |  |                        |

At least 80% of the Fund's net assets (including net assets applicable to Preferred shares) are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest.

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Up to 20% of the Fund's net assets (including net assets applicable to Preferred shares) may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

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

Nuveen Insured Tax-Free Advantage Municipal Fund (NEA)  
 Portfolio of  
 INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | ALABAMA - 9.0%   |                        |
| \$ 5,655                  | Colbert County-Northwest Health Care Facilities Authority, Alabama, Helen Keller Hospital Revenue Bonds, Series 2003, 5.750%, 6/01/27                        | 6/13 at 101            |
| 3,100                     | Huntsville Health Care Authority, Alabama, Revenue Bonds, Series 1998A, 5.400%, 6/01/22 - MBIA Insured   | 5/12 at 102            |
| 2,000                     | Huntsville Public Building Authority, Alabama, Lease Revenue Bonds, Municipal Justice and Public Safety Center, Series 2002, 5.000%, 10/01/29 - MBIA Insured | 10/12 at 101           |
| 6,280                     | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 2002D, 5.000%, 2/01/32 (Pre-refunded to 8/01/12) - FGIC Insured                | 8/12 at 100            |
| 1,750                     | Montgomery, Alabama, General Obligation Warrants, Series 2003, 5.000%, 5/01/21 - AMBAC Insured   | 5/12 at 101            |
| 4,500                     | Sheffield, Alabama, Electric Revenue Warrants, Series 2003,  | 7/13 at 100            |

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5.500%, 7/01/29 - AMBAC Insured

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|                |   |              |
|----------------|---|--------------|
| ARIZONA - 3.8% |   |              |
| 10,000         | Maricopa County, Arizona, Pollution Control Corporation Revenue Bonds, Arizona Public Service Company - Palo Verde Project, Series 2002A, 5.050%, 5/01/29 - AMBAC Insured | 11/12 at 100 |

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|                    |  |              |
|--------------------|--|--------------|
| CALIFORNIA - 29.8% |  |              |
| 13,500             | State of California, General Obligation Refunding Bonds, Series 2002, 5.250%, 4/01/30 - XLCA Insured   | 4/12 at 100  |
| 26,300             | California State Public Works Board, Department of General Services, Lease Revenue Bonds, Capital East End Project, Series 2002A, 5.000%, 12/01/27 - AMBAC Insured | 12/12 at 100 |
| 2,910              | Cathedral City Public Financing Authority, California, Tax Allocation Bonds, Housing Set-Aside, Series 2002D, 5.000%, 8/01/26 - MBIA Insured                       | 8/12 at 102  |
| 3,500              | Cerritos Public Financing Authority, California, Tax Allocation Revenue Bonds, Los Cerritos Redevelopment Projects, Series 2002A, 5.000%, 11/01/24 - AMBAC Insured | 11/17 at 102 |
| 2,500              | Irvine Public Facilities and Infrastructure Authority, California, Assessment Revenue Bonds, Series 2003C, 5.000%, 9/02/23 - AMBAC Insured                         | 3/04 at 103  |
| 4,000              | Montara Sanitary District, California, General Obligation Bonds, Series 2003, 5.000%, 8/01/28 - FGIC Insured   | 8/11 at 101  |
| 2,000              | Northern California Power Agency, Revenue Refunding Bonds, Hydroelectric Project 1, Series 1998A, 5.000%, 7/01/28 - MBIA Insured                                   | 7/08 at 101  |
|                    | Plumas County, California, Certificates of Participation, Series 2003A, Capital Improvement Program:   |              |
| 1,130              | 5.250%, 6/01/19 - AMBAC Insured  | 6/13 at 101  |
| 1,255              | 5.250%, 6/01/21 - AMBAC Insured  | 6/13 at 101  |
| 1,210              | Redding Joint Power Financing Authority, California, Lease Revenue Bonds, Series 2003A, Capital Projects, 5.000%, 3/01/23 - AMBAC Insured                          | 3/13 at 100  |
|                    | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R:   |              |
| 3,750              | 5.000%, 8/15/28 - MBIA Insured   | 8/13 at 100  |
| 5,000              | 5.000%, 8/15/33 - MBIA Insured   | 8/13 at 100  |
| 1,500              | San Diego Community College District, California, General Obligation Bonds, Series 2003A, 5.000%, 5/01/28 - FSA Insured  | 5/13 at 100  |
| 3,000              | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2002, 5.000%, 8/01/32 - MBIA Insured                    | 8/10 at 101  |

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|       |  |             |
|-------|--|-------------|
| 1,055 | Turlock Irrigation District, California, Certificates of Participation, Series 2003A, 5.000%, 1/01/28 - MBIA Insured | 1/13 at 100 |
| 6,300 | University of California, Multiple Purpose Projects, Revenue Bonds, Series 2003A, 5.000%, 5/15/33 - AMBAC Insured    | 5/13 at 100 |

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| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)   | OPTIONAL C<br>PROVISIO |
|---------------------------|--|------------------------|
| -----                     |  |                        |
|                           | COLORADO - 5.2%  |                        |
|                           | Bowles Metropolitan District, Colorado, General Obligation Bonds, Series 2003:   |                        |
| \$ 4,300                  | 5.500%, 12/01/23 - FSA Insured   | 12/13 at 100           |
| 3,750                     | 5.500%, 12/01/28 - FSA Insured   | 12/13 at 100           |
| 5,250                     | Sand Creek Metropolitan District, Colorado, General Obligation Bonds, Series 2003 Refunding, 5.000%, 12/01/31 - XLCA Insured                 | 12/13 at 100           |
| -----                     |  |                        |
|                           | FLORIDA - 1.1%   |                        |
| 3,000                     | Pinellas County Health Facilities Authority, Florida, Revenue Bonds, Baycare Health System, Series 2003, 5.500%, 11/15/27                    | 5/13 at 100            |
| -----                     |  |                        |
|                           | GEORGIA - 1.4%   |                        |
| 3,825                     | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Second Indenture Series 2002, 5.000%, 7/01/32 - MBIA Insured | 1/13 at 100            |
| -----                     |  |                        |
|                           | ILLINOIS - 1.4%  |                        |
| 1,310                     | Cook County School District No. 100, Berwyn, Illinois, General Obligation Bonds, Series 2003B Refunding, 5.250%, 12/01/21 - FSA Insured      | 12/13 at 100           |
| 2,500                     | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 5.250%, 7/01/23                                      | 7/13 at 100            |
| -----                     |  |                        |
|                           | INDIANA - 8.7%   |                        |
| 2,500                     | Evansville, Indiana, Sewage Works Revenue Bonds, Series 2003A Refunding, 5.000%, 7/01/23 - AMBAC Insured                                     | 7/13 at 100            |
| 2,190                     | Indiana Bond Bank, Common School Fund Advance Purchase Funding Bonds, Series 2003B, 5.000%, 8/01/19 - MBIA Insured                           | 8/13 at 100            |

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|        |   |              |
|--------|---|--------------|
| 1,000  | Trustees of Indiana University, Indiana University Student Fee Revenue Bonds, 2003 Series O, 5.000%, 8/01/22 - FGIC Insured   | 8/13 at 100  |
|        | IPS Multi-School Building Corporation, Indiana, First Mortgage Bonds, Series 2003:  |              |
| 11,020 | 5.000%, 7/15/19 - MBIA Insured  | 7/13 at 100  |
| 6,000  | 5.000%, 7/15/20 - MBIA Insured  | 7/13 at 100  |
| -----  |   |              |
|        | KANSAS - 2.4%   |              |
| 6,250  | Kansas Development Finance Authority, Revenue Bonds, Kansas Board of Regents, Scientific Research and Development Facilities Projects, Series 2003C, 5.000%, 10/01/22 - AMBAC Insured | 4/13 at 102  |
| -----  |   |              |
|        | KENTUCKY - 0.5%   |              |
| 1,325  | Commonwealth of Kentucky, State Property and Buildings Commission, Project No. 77 Revenue and Refunding Bonds, Series 2003, 5.000%, 8/01/23 - MBIA Insured                            | 8/13 at 100  |
| -----  |   |              |
|        | LOUISIANA - 2.2%  |              |
| 5,785  | City of New Orleans, Louisiana, General Obligation Bonds, Series 2002 Refunding, 5.300%, 12/01/27 - FGIC Insured  | 12/12 at 100 |
| -----  |   |              |
|        | MASSACHUSETTS - 5.3%  |              |
| 10,000 | Massachusetts Bay Transportation Authority, Senior Sales Tax Revenue Bonds, Series 2002A Refunding, 5.000%, 7/01/27 - FGIC Insured  | 7/12 at 100  |
| 1,125  | Massachusetts Development Finance Agency, Revenue Bonds, Middlesex School Project, Series 2003, 5.125%, 9/01/23   | 9/13 at 100  |
| 3,000  | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, 1997 Series A - Senior, 5.000%, 1/01/37 - MBIA Insured   | 1/07 at 102  |
| -----  |   |              |
|        | MICHIGAN - 11.8%  |              |
| 6,130  | Detroit, Michigan, Water Supply System Senior Lien Revenue Bonds, Series 2003A, 5.000%, 7/01/23 - MBIA Insured  | 7/13 at 100  |
| 4,465  | City of Detroit, Michigan, Water Supply System Senior Lien Revenue Bonds, Series 2003C Refunding, 5.000%, 7/01/22 - MBIA Insured  | 7/13 at 100  |

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Nuveen Insured Tax-Free Advantage Municipal Fund (NEA) (continued)  
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL<br>AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C<br>PROVISIO |
|---------------------------|---|------------------------|
| -----                     |   |                        |
|                           | MICHIGAN (continued)  |                        |
| \$ 955                    | Grand Rapids Community College, Kent County, Michigan, General Obligation Bonds, Series 2003 Refunding, 5.250%, 5/01/18 - AMBAC Insured                                       | 5/13 at 100            |
| 10,800                    | Michigan Strategic Fund, Resource Recovery Limited Obligation Revenue Bonds, Detroit Edison Company, Series 2002D Refunding, 5.250%, 12/15/32 - XLCA Insured                  | 12/12 at 100           |
| 2,250                     | Romulus Community Schools, County of Wayne, State of Michigan, General Obligation Bonds, Series 2001 Refunding, 5.250%, 5/01/25   | 5/11 at 100            |
| 6,500                     | Wayne County, Michigan, Limited Tax General Obligation, Airport Hotel Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 2001A, 5.000%, 12/01/30 - MBIA Insured | 12/11 at 101           |
| -----                     |   |                        |
|                           | MONTANA - 2.3%  |                        |
| 6,105                     | Forsyth, Rosebud County, Montana, Pollution Control Revenue Refunding Bonds, Puget Sound Energy, Series 2003A, 5.000%, 3/01/31 - AMBAC Insured                                | 3/13 at 101            |
| -----                     |   |                        |
|                           | NEBRASKA - 3.3%   |                        |
| 5,000                     | Lincoln, Nebraska, Sanitary Sewer System Revenue Bonds, Series 2003 Refunding, 5.000%, 6/15/28 - MBIA Insured   | 6/13 at 100            |
| 3,855                     | Nebraska Public Power District, General Revenue Bonds, Series 2002B, 5.000%, 1/01/33 - AMBAC Insured  | 1/13 at 100            |
| -----                     |   |                        |
|                           | NEVADA - 0.9%   |                        |
| 2,315                     | Clark County, Nevada, Airport System Subordinated Lien Revenue Bonds, Series 2001B, 5.200%, 7/01/31 - FGIC Insured  | 7/11 at 100            |
| -----                     |   |                        |
|                           | NEW YORK - 9.4%   |                        |
| 25,000                    | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2002F Refunding, 5.000%, 11/15/31 - MBIA Insured  | 11/12 at 100           |



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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1)  | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| -----                  |   |                     |
| NORTH CAROLINA - 3.3%  |   |                     |
| 8,700                  | North Carolina Medical Care Commission, Revenue Bonds, Maria Pelham Medical Center, Series 2003, 5.375%, 10/01/33 - RAAI Insured                            | 10/13 at 100        |
| -----                  |   |                     |
| OREGON - 3.5%          |   |                     |
| 9,350                  | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.000%, 7/01/32 - MBIA Insured  | 1/13 at 100         |
| -----                  |   |                     |
| PENNSYLVANIA - 8.6%    |   |                     |
| 3,000                  | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, St. Luke's Hospital of Bethlehem, Series 2003, 5.375%, 8/15/33               | 8/13 at 100         |
| 2,000                  | Philadelphia, Pennsylvania, Gas Works Revenue Bonds, General Ordinance, Fourth Series 1998, 5.000%, 8/01/32 - FSA Insured                                   | 8/13 at 100         |
| 5,000                  | City of Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 1997A, 5.125%, 8/01/27 - AMBAC Insured                                       | 8/07 at 102         |
| 13,000                 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.000%, 6/01/33 - FSA Insured | 6/13 at 100         |
| -----                  |   |                     |
| SOUTH CAROLINA - 7.9%  |   |                     |
|                        | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2003:   |                     |
| 3,000                  | 5.000%, 12/01/22  | 12/13 at 100        |
| 1,785                  | 5.000%, 12/01/23  | 12/13 at 100        |
| 1,365                  | Myrtle Beach, South Carolina, Water and Sewer System Revenue Bonds, Series 2003 Refunding, 5.375%, 3/01/19 - FGIC Insured                                   | 3/13 at 100         |
| 15,000                 | South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2002A, 5.000%, 10/01/33 - AMBAC Insured  | 10/12 at 100        |
| -----                  |   |                     |
| TEXAS - 12.2%          |   |                     |
| \$ 7,975               | Fort Bend Independent School District, Fort Bend County, Texas, General Obligation Bonds, Series 2000,  | 8/10 at 100         |

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|        |   |              |
|--------|---|--------------|
|        | 5.000%, 8/15/25   |              |
| 12,500 | Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2003, 5.125%, 2/15/31 - FSA Insured                     | 2/13 at 100  |
| 5,515  | Houston, Texas, General Obligation Bonds, Series 2002 Refunding, 5.250%, 3/01/20 - MBIA Insured   | 3/12 at 100  |
| 5,850  | Katy Independent School District, Harris Fort Bend, and Waller Counties, Texas, General Obligation Bonds, Series 2002A, 5.125%, 2/15/18                   | 2/12 at 100  |
| -----  |   |              |
|        | VIRGINIA - 0.6%   |              |
| 1,500  | Hampton, Virginia, Convention Center Revenue Bonds, Series 2002, 5.125%, 1/15/28 - AMBAC Insured  | 1/13 at 100  |
| -----  |   |              |
|        | WASHINGTON - 9.1%   |              |
| 4,945  | Broadway Office Properties, King County, Washington, Lease Revenue Bonds, Washington Project, Series 2002, 5.000%, 12/01/31 - MBIA Insured                | 12/12 at 100 |
| 5,250  | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2002C, 5.125%, 7/01/33 - AMBAC Insured | 7/12 at 100  |
| 2,135  | Kitsap County Consolidated Housing Authority, Washington, Revenue Bonds, Bremerton Government Center Project, Series 2003, 5.000%, 7/01/23 - MBIA Insured | 7/13 at 100  |
| 1,935  | Pierce County School District No. 343, Dieringer, Washington, General Obligation Bonds, Series 2003 Refunding, 5.250%, 12/01/17 - FSA Insured             | 6/13 at 100  |
| 9,670  | State of Washington, General Obligation Bonds, Series 2003D, 5.000%, 12/01/21 - MBIA Insured  | 6/13 at 100  |
| -----  |   |              |
|        | WEST VIRGINIA - 1.2%  |              |
| 3,000  | West Virginia State Building Commission, Lease Revenue Bonds, Series 1998A Refunding, Regional Jail Project, 5.375%, 7/01/21 - AMBAC Insured              | No Opt. C    |
| -----  |   |              |
|        | WISCONSIN - 6.1%  |              |
| 4,750  | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wausau Hospital Inc., Series 1998A Refunding, 5.125%, 8/15/20 - AMBAC Insured       | 8/08 at 102  |
| 3,000  | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1992A, Meriter Hospital, Inc., 6.000%, 12/01/22 - FGIC Insured               | No Opt. C    |

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|       |         |   |             |
|-------|---------|---|-------------|
|       | 3,600   | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.125%, 8/15/33                          | 8/13 at 100 |
|       | 4,605   | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Health Care Ministry, Series 2003A, 5.875%, 9/01/33 | 9/13 at 100 |
| ----- |         |   |             |
| \$    | 398,130 | Total Long-Term Investments (cost \$398,679,247) - 151.0%   |             |
| ===== |         |   |             |
|       |         | Other Assets Less Liabilities - 2.5%  |             |
| ----- |         |   |             |
|       |         | Preferred Shares, at Liquidation Value - (53.5)%  |             |
| ----- |         |   |             |
|       |         | Net Assets Applicable to Common Shares - 100%   |             |
| ===== |         |   |             |

At least 80% of the Fund's net assets (including net assets applicable to Preferred shares) are invested in municipal securities that are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance which ensures the timely payment of principal and interest. Up to 20% of the Fund's net assets (including net assets applicable to Preferred shares) may be invested in municipal securities that are (i) either backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities (also ensuring the timely payment of principal and interest), or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

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

Statement of  
ASSETS AND LIABILITIES October 31, 2003

|  |                             |                                 |                                    |   |
|--|-----------------------------|---------------------------------|------------------------------------|---|
|  | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) |
|--|-----------------------------|---------------------------------|------------------------------------|---|

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ASSETS

|   |                    |                      |                    |                    |
|---|--------------------|----------------------|--------------------|--------------------|
| Investments, at market value<br>(cost \$841,952,939, \$1,789,468,672,<br>\$425,205,273, \$730,247,731,<br>\$653,305,321 and \$398,679,247,<br>respectively) | \$899,334,120      | \$1,930,364,152      | \$456,817,685      | \$780,891,281      |
| Cash  | --                 | 287,186              | 621,390            | 1,765,136          |
| Receivables:  |                    |                      |                    |                    |
| Interest  | 12,825,106         | 30,783,815           | 7,709,805          | 13,694,058         |
| Investments sold  | 4,798,116          | 14,117,073           | 115,180            | 4,258,848          |
| Other assets  | 47,095             | 80,231               | 17,289             | 42,786             |
| <b>Total assets</b>   | <b>917,004,437</b> | <b>1,975,632,457</b> | <b>465,281,349</b> | <b>800,652,109</b> |

LIABILITIES

|                                   |                |                  |                |                |
|-----------------------------------|----------------|------------------|----------------|----------------|
| Cash overdraft                    | 181,468        | --               | --             | --             |
| Payable for investments purchased | --             | 6,100,993        | --             | --             |
| Accrued expenses:                 |                |                  |                |                |
| Management fees                   | 484,135        | 1,018,982        | 250,022        | 424,083        |
| Organization and offering costs   | --             | --               | --             | --             |
| Other                             | 217,555        | 387,777          | 112,049        | 337,682        |
| Preferred share dividends payable | 19,361         | 37,972           | 7,586          | 15,800         |
| <b>Total liabilities</b>          | <b>902,519</b> | <b>7,545,724</b> | <b>369,657</b> | <b>777,565</b> |

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| Preferred shares, at liquidation value | 318,000,000 | 680,000,000 | 161,000,000 | 268,900,000 |
|--|-------------|-------------|-------------|-------------|

|  |               |                 |               |               |
|--|---------------|-----------------|---------------|---------------|
| Net assets applicable to Common shares | \$598,101,918 | \$1,288,086,733 | \$303,911,692 | \$530,974,544 |
|--|---------------|-----------------|---------------|---------------|

|                           |            |            |            |            |
|---------------------------|------------|------------|------------|------------|
| Common shares outstanding | 38,051,042 | 81,060,946 | 19,371,141 | 37,292,863 |
|---------------------------|------------|------------|------------|------------|

|   |          |          |          |          |
|---|----------|----------|----------|----------|
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.72 | \$ 15.89 | \$ 15.69 | \$ 14.24 |
|---|----------|----------|----------|----------|

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

|   |                      |                        |                      |                      |
|---|----------------------|------------------------|----------------------|----------------------|
| Common shares, \$.01 par value per share                  | \$ 380,510           | \$ 810,609             | \$ 193,711           | \$ 372,929           |
| Paid-in surplus   | 530,579,588          | 1,127,616,209          | 268,677,643          | 490,981,637          |
| Undistributed (Overdistribution of) net investment income | 7,882,002            | 16,782,480             | 3,050,407            | 5,784,342            |
| Accumulated net realized gain (loss) from investments     | 1,878,637            | 1,981,955              | 377,519              | (16,807,915)         |
| Net unrealized appreciation of investments                | 57,381,181           | 140,895,480            | 31,612,412           | 50,643,551           |
| <b>Net assets applicable to Common shares</b>             | <b>\$598,101,918</b> | <b>\$1,288,086,733</b> | <b>\$303,911,692</b> | <b>\$530,974,544</b> |

|                    |             |             |             |           |
|--------------------|-------------|-------------|-------------|-----------|
| Authorized shares: |             |             |             |           |
| Common             | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred          | 1,000,000   | 1,000,000   | 1,000,000   | Unlimited |

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See accompanying notes to financial statements.

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Statement of  
OPERATIONS Year Ended October 31, 2003

|  | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) |
|--|-----------------------------|---------------------------------|------------------------------------|---|
| INVESTMENT INCOME  | \$49,005,308                | \$101,120,686                   | \$24,064,314                       | \$41,860,523                            |
| EXPENSES   |                             |                                 |                                    |   |
| Management fees  | 5,746,494                   | 12,056,807                      | 2,960,010                          | 5,023,477                               |
| Preferred shares - auction fees  | 802,763                     | 1,716,149                       | 405,689                            | 661,155                                 |
| Preferred shares - dividend<br>disbursing agent fees                       | 50,000                      | 70,000                          | 30,000                             | 50,000                                  |
| Shareholders' servicing agent fees<br>and expenses                         | 132,841                     | 213,403                         | 52,429                             | 80,241                                  |
| Custodian's fees and expenses  | 199,461                     | 427,011                         | 114,216                            | 184,146                                 |
| Directors'/Trustees' fees<br>and expenses                                  | 12,513                      | 24,426                          | 5,753                              | 11,844                                  |
| Professional fees  | 32,157                      | 61,225                          | 18,750                             | 24,978                                  |
| Shareholders' reports - printing<br>and mailing expenses                   | 60,970                      | 116,978                         | 37,998                             | 48,620                                  |
| Stock exchange listing fees  | 15,892                      | 31,000                          | 15,602                             | 15,742                                  |
| Investor relations expense   | 96,115                      | 202,491                         | 57,503                             | 97,455                                  |
| Portfolio insurance expense  | 37,227                      | 42,511                          | --                                 | 13,097                                  |
| Other expenses   | 46,827                      | 81,932                          | 31,227                             | 36,766                                  |
| Total expenses before custodian<br>fee credit and<br>expense reimbursement | 7,233,260                   | 15,043,933                      | 3,729,177                          | 6,247,521                               |
| Custodian fee credit   | (30,261)                    | (87,236)                        | (33,888)                           | (58,338)                                |
| Expense reimbursement  | --                          | --                              | --                                 | --                                      |
| Net expenses   | 7,202,999                   | 14,956,697                      | 3,695,289                          | 6,189,183                               |
| Net investment income  | 41,802,309                  | 86,163,989                      | 20,369,025                         | 35,671,340                              |
| REALIZED AND UNREALIZED GAIN<br>FROM INVESTMENTS                           |                             |                                 |                                    |   |
| Net realized gain<br>from investments                                      | 1,876,817                   | 2,436,868                       | 398,323                            | 4,868,689                               |
| Change in net unrealized<br>appreciation (depreciation)<br>of investments  | (4,019,790)                 | 11,623,684                      | 2,116,009                          | (3,467,246)                             |
| Net gain from investments  | (2,142,973)                 | 14,060,552                      | 2,514,332                          | 1,401,443                               |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS                                    |                             |                                 |                                    |   |
| From net investment income   | (2,683,386)                 | (5,618,357)                     | (1,427,461)                        | (2,405,892)                             |
| From accumulated net realized<br>gains from investments                    | (433,291)                   | (990,259)                       | (66,215)                           | --                                      |

|   |              |               |              |              |
|---|--------------|---------------|--------------|--------------|
| Decrease in net assets applicable to<br>Common shares from distributions<br>to Preferred shareholders | (3,116,677)  | (6,608,616)   | (1,493,676)  | (2,405,892)  |
| Net increase in net assets<br>applicable to Common shares<br>from operations                          | \$36,542,659 | \$ 93,615,925 | \$21,389,681 | \$34,666,891 |

\* For the period November 22, 2002 (commencement of operations) through October 31, 2003. See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS

|   | INSURED QUALITY (NQI)     |                           |
|---|---------------------------|---------------------------|
|   | YEAR<br>ENDED<br>10/31/03 | YEAR<br>ENDED<br>10/31/02 |
| <b>OPERATIONS</b>   |                           |                           |
| Net investment income   | \$ 41,802,309             | \$ 42,568,954             |
| Net realized gain from investments  | 1,876,817                 | 4,974,138                 |
| Change in net unrealized appreciation (depreciation)<br>of investments                          | (4,019,790)               | (3,800,192)               |
| <b>Distributions to Preferred Shareholders:</b>   |                           |                           |
| From net investment income  | (2,683,386)               | (4,177,031)               |
| From accumulated net realized gains from investments  | (433,291)                 | (252,858)                 |
| Net increase in net assets applicable<br>to Common shares from operations                       | 36,542,659                | 39,313,011                |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>   |                           |                           |
| From net investment income  | (37,979,535)              | (34,809,135)              |
| From accumulated net realized gains from investments  | (4,511,581)               | (824,876)                 |
| Decrease in net assets applicable to Common shares<br>from distributions to Common shareholders | (42,491,116)              | (35,634,011)              |
| <b>CAPITAL SHARE TRANSACTIONS</b>   |                           |                           |
| Common shares:  |                           |                           |
| Net proceeds from sale of shares  | --                        | --                        |
| Net proceeds from shares issued to shareholders<br>due to reinvestment of distributions         | 2,555,277                 | 817,396                   |
| Preferred shares offering costs   | --                        | --                        |
| Net increase in net assets applicable to Common shares<br>from capital share transactions       | 2,555,277                 | 817,396                   |
| Net increase in net assets applicable to Common shares  | (3,393,180)               | 4,496,396                 |
| Net assets applicable to Common shares at the<br>beginning of year                              | 601,495,098               | 596,998,702               |

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|  |               |               |
|--|---------------|---------------|
| Net assets applicable to Common shares at the end of year                    | \$598,101,918 | \$601,495,098 |
| =====  |               |               |
| Undistributed (Overdistribution of) net investment income at the end of year | \$ 7,882,002  | \$ 6,743,927  |
| =====  |               |               |

See accompanying notes to financial statements.

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|  | PREMIER INSURED<br>INCOME (NIF) |                           |
|--|---------------------------------|---------------------------|
|  | YEAR<br>ENDED<br>10/31/03       | YEAR<br>ENDED<br>10/31/02 |
| -----  |                                 |                           |
| OPERATIONS   |                                 |                           |
| Net investment income  | \$ 20,369,025                   | \$ 21,949,356             |
| Net realized gain from investments   | 398,323                         | 1,473,037                 |
| Change in net unrealized appreciation (depreciation) of investments                          | 2,116,009                       | (2,260,720)               |
| Distributions to Preferred Shareholders:   |                                 |                           |
| From net investment income   | (1,427,461)                     | (2,181,015)               |
| From accumulated net realized gains from investments   | (66,215)                        | --                        |
| -----  |                                 |                           |
| Net increase in net assets applicable to Common shares from operations                       | 21,389,681                      | 18,980,658                |
| -----  |                                 |                           |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS   |                                 |                           |
| From net investment income   | (18,862,625)                    | (18,123,654)              |
| From accumulated net realized gains from investments   | (674,649)                       | --                        |
| -----  |                                 |                           |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (19,537,274)                    | (18,123,654)              |
| -----  |                                 |                           |
| CAPITAL SHARE TRANSACTIONS   |                                 |                           |
| Common shares:   |                                 |                           |
| Net proceeds from sale of shares   | --                              | --                        |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions         | 937,964                         | 610,174                   |
| Preferred shares offering costs  | --                              | --                        |
| -----  |                                 |                           |
| Net increase in net assets applicable to Common shares from capital share transactions       | 937,964                         | 610,174                   |
| -----  |                                 |                           |
| Net increase in net assets applicable to Common shares                                       | 2,790,371                       | 1,467,178                 |
| Net assets applicable to Common shares at the beginning of period                            | 301,121,321                     | 299,654,143               |
| -----  |                                 |                           |
| Net assets applicable to Common shares at the end of period                                  | \$303,911,692                   | \$301,121,321             |
| =====  |                                 |                           |
| Undistributed (Overdistribution of) net investment income at the end of period               | \$ 3,050,407                    | \$ 2,973,772              |
| =====  |                                 |                           |

See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS (continued)

|   | INSURED<br>ADVANTAGE<br>----- |
|---|-------------------------------|
|   | YEAR<br>ENDED<br>10/31/03     |
| -----   |                               |
| OPERATIONS  |                               |
| Net investment income   | \$ 30,822,852                 |
| Net realized gain from investments  | 2,261,496                     |
| Change in net unrealized appreciation (depreciation) of investments                             | 2,080,176                     |
| Distributions to Preferred Shareholders:  |                               |
| From net investment income  | (1,986,953)                   |
| From accumulated net realized gains from investments  | (389,279)                     |
| -----   |                               |
| Net increase in net assets applicable<br>to Common shares from operations                       | 32,788,292                    |
| -----   |                               |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS  |                               |
| From net investment income  | (27,721,277)                  |
| From accumulated net realized gains from investments  | (3,132,797)                   |
| -----   |                               |
| Decrease in net assets applicable to Common shares<br>from distributions to Common shareholders | (30,854,074)                  |
| -----   |                               |
| CAPITAL SHARE TRANSACTIONS  |                               |
| Common shares:  |                               |
| Net proceeds from sale of shares  | (1,575)                       |
| Net proceeds from shares issued to shareholders<br>due to reinvestment of distributions         | --                            |
| Preferred shares offering costs   | 3,032                         |
| -----   |                               |
| Net increase in net assets applicable to Common shares<br>from capital share transactions       | 1,457                         |
| -----   |                               |
| Net increase in net assets applicable to Common shares  | 1,935,675                     |
| Net assets applicable to Common shares at the beginning of period                               | 457,432,371                   |
| -----   |                               |
| Net assets applicable to Common shares at the end of period                                     | \$459,368,046                 |
| =====   |                               |
| Undistributed (Overdistribution of) net investment income at the end of period                  | \$ 2,280,637                  |
| =====   |                               |



See accompanying notes to financial statements.

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Notes to  
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The National Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Insured Quality Municipal Fund, Inc. (NQI), Nuveen Insured Municipal Opportunity Fund, Inc. (NIO), Nuveen Premier Insured Municipal Income Fund, Inc. (NIF), Nuveen Insured Premium Income Municipal Fund 2 (NPX), Nuveen Insured Dividend Advantage Municipal Fund (NVG) and Nuveen Insured Tax-Free Advantage Municipal Fund (NEA). Common shares of Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) are traded on the New York Stock Exchange while Common shares of Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Prior to the commencement of operations of Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 per Fund by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), and the recording of the organization expenses (\$11,500 per Fund) and their reimbursement by Nuveen Investments, LLC (formerly, Nuveen Investments), also a wholly owned subsidiary of Nuveen Investments, Inc.

Each Fund seeks to provide current income exempt from regular federal income tax, and in the case of Insured Tax-Free Advantage (NEA) the alternative minimum tax applicable to individuals, by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities.

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

Securities Transactions

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Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2003, Insured Dividend Advantage (NVG) had outstanding when-issued purchase commitments of \$2,085,070. There were no such outstanding purchase commitments in any of the other Funds.

### Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

### Federal 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 income tax, and in the case of Insured Tax-Free Advantage (NEA) the alternative minimum tax applicable to individuals, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2003, have been designated Exempt Interest Dividends

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### Notes to FINANCIAL STATEMENTS (continued)

#### Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

#### Preferred Shares

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

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|                   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) |
|-------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| -----             |                             |                                 |                                       |   |   |
| Number of shares: |                             |                                 |                                       |   |   |
| Series M          | 2,600                       | 4,000                           | --                                    | 2,080                                   | 3,160                                     |
| Series T          | 2,600                       | 4,000                           | --                                    | 2,200                                   | 3,080                                     |
| Series W          | 2,600                       | 4,000                           | 840                                   | 2,080                                   | --  |
| Series W2         | --                          | 3,200                           | --                                    | --                                      | --  |
| Series TH         | 2,320                       | 4,000                           | 2,800                                 | 2,200                                   | 3,080                                     |
| Series TH2        | --                          | 4,000                           | --                                    | --                                      | --  |
| Series F          | 2,600                       | 4,000                           | 2,800                                 | 2,196                                   | --  |
| -----             |                             |                                 |                                       |   |   |
| Total             | 12,720                      | 27,200                          | 6,440                                 | 10,756                                  | 9,320                                     |
| =====             |                             |                                 |                                       |   |   |

Effective January 17, 2003, Insured Tax-Free Advantage (NEA) issued 2,880 Series T and 2,880 Series W, \$25,000 stated value Preferred shares.

Insurance

Insured Quality (NQI), Insured Opportunity (NIO), Premier Insured Income (NIF) and Insured Premium Income 2 (NPX) invest in municipal securities which are either covered by insurance or are backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest.

Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA) invest at least 80% of their net assets (including net assets applicable to Preferred shares) in municipal securities that are covered by insurance. Each Fund may also invest up to 20% of its net assets (including net assets applicable to Preferred shares) in municipal securities which are either (i) backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, or (ii) municipal bonds that are rated, at the time of investment, within the four highest grades (Baa or BBB or better by Moody's, S&P or Fitch) or unrated but judged to be of comparable quality by the Adviser.

Each insured municipal security is covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance. Such insurance does not guarantee the market value of the municipal securities or the value of the Funds' Common shares. Original Issue Insurance and Secondary Market Insurance remain in effect as long as the municipal securities covered thereby remain outstanding and the insurer remains in business, regardless of whether the Funds ultimately dispose of such municipal securities. Consequently, the market value of the municipal securities covered by Original Issue Insurance or Secondary Market Insurance may reflect value attributable to the insurance. Portfolio Insurance is effective only while the municipal securities are held by the Funds. Accordingly, neither the prices used in determining the market value of the underlying municipal securities nor the Common share net asset value of the Funds include value, if any, attributable to the Portfolio Insurance. Each policy of the Portfolio Insurance does, however, give the Funds the right to obtain permanent insurance with respect to the municipal security covered by the

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Portfolio Insurance policy at the time of its sale.

## 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 fiscal year ended October 31, 2003.

## Custodian Fee Credit

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

## Offering Costs

Nuveen Investments, LLC has agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share for Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA). Insured Dividend Advantage's (NVG) and Insured Tax-Free Advantage's (NEA) share of Common share offering costs (\$615,654 and \$555,000, respectively) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA) in connection with their offering of Preferred shares (\$2,597,085 and \$3,084,842, 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.

## 2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

|  | INSURED<br>QUALITY (NQI)  |                           | INSURED<br>OPPORTUNITY (NIO) |                           | PREMIER IN<br>INCOME (    |
|--|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|
|  | YEAR<br>ENDED<br>10/31/03 | YEAR<br>ENDED<br>10/31/02 | YEAR<br>ENDED<br>10/31/03    | YEAR<br>ENDED<br>10/31/02 | YEAR<br>ENDED<br>10/31/03 |
| Common shares:   |                           |                           |                              |                           |                           |
| Shares sold  | --                        | --                        | --                           | --                        | --                        |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | 156,328                   | 51,548                    | --                           | --                        | 57,779                    |
|  | 156,328                   | 51,548                    | --                           | --                        | 57,779                    |
| Preferred shares sold  | --                        | --                        | --                           | --                        | --                        |

Notes to  
FINANCIAL STATEMENTS (continued)

|  | INSURED<br>PREMIUM INCOME 2 (NPX) |                           | INSURED<br>DIVIDEND ADVANTAGE (NVG) |  | INSURED<br>TAX-FREE ADVAN |
|--|-----------------------------------|---------------------------|-------------------------------------|--|---------------------------|
|  | YEAR<br>ENDED<br>10/31/03         | YEAR<br>ENDED<br>10/31/02 | YEAR<br>ENDED<br>10/31/03           | FOR THE<br>PERIOD<br>3/25/02<br>(COMMENCEMENT<br>OF OPERATIONS)<br>THROUGH<br>10/31/02 | (CO<br>OF O               |
| Common shares:   |                                   |                           |                                     |  |                           |
| Shares sold  | --                                | --                        | --                                  | 29,800,000   |                           |
| Shares issued to shareholders<br>due to reinvestment<br>of distributions | 38,904                            | --                        | --                                  | 822  |                           |
|  | 38,904                            | --                        | --                                  | 29,800,822   |                           |
| Preferred shares sold  | --                                | --                        | --                                  | 9,320  |                           |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended October 31, 2003, were as follows:

|                      | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) |
|----------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Purchases            | \$119,890,993               | \$374,582,677                   | \$117,785,020                         | \$229,788,119                           | \$159,490,051                             |
| Sales and maturities | 147,254,224                 | 387,201,969                     | 106,157,405                           | 220,200,166                             | 158,334,979                               |

\* For the period November 22, 2002 (commencement of operations) through October 31, 2003.

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are

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primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At October 31, 2003, the cost of investments were as follows:

|                     | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) |
|---------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Cost of investments | \$841,542,409               | \$1,789,063,044                 | \$425,192,858                         | \$730,237,702                           | \$653,243,130                             |

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Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2003, were as follows:

|   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) |
|---|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Gross unrealized:                             |                             |                                 |                                       |   |   |
| Appreciation                                  | \$58,181,730                | \$142,812,042                   | \$31,682,018                          | \$51,219,451                            | \$31,265,766                              |
| Depreciation                                  | (390,019)                   | (1,510,934)                     | (57,191)                              | (565,872)                               | (166,992)                                 |
| Net unrealized appreciation<br>of investments | \$57,791,711                | \$141,301,108                   | \$31,624,827                          | \$50,653,579                            | \$31,098,774                              |

The tax components of undistributed net investment income and net realized gains at October 31, 2003, were as follows:

|   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) |             |
|---|-----------------------------|---------------------------------|---------------------------------------|---|-------------|
| Undistributed net tax-exempt income       |                             | \$10,441,828                    | \$22,381,199                          | \$4,603,021                             | \$8,407,682 |
| Undistributed net ordinary income *       |                             | 264,316                         | 78,388                                | --                                      | 66,600      |
| Undistributed net long-term capital gains |                             | 1,878,637                       | 2,503,130                             | 398,819                                 | --          |

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

The tax character of distributions paid during the fiscal years ended October

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31, 2003 and October 31, 2002, was designated for purposes of the dividends paid deduction as follows:

| 2003   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) |
|--|-----------------------------|---------------------------------|---------------------------------------|---|
| Distributions from net tax-exempt income       | \$40,502,631                | \$84,020,174                    | \$20,270,539                          | \$34,382,914                            |
| Distributions from net ordinary income *       | 538,152                     | 410,238                         | 22,665                                | --                                      |
| Distributions from net long-term capital gains | 4,406,720                   | 11,032,247                      | 740,863                               | --                                      |

| 2002   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) |
|--|-----------------------------|---------------------------------|---------------------------------------|
| Distributions from net tax-exempt income       | \$38,550,143                | \$83,471,540                    | \$20,196,415                          |
| Distributions from net ordinary income *       | 123,801                     | 5,439                           | --                                    |
| Distributions from net long-term capital gains | 1,077,734                   | 1,880,410                       | --                                    |

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

At October 31, 2003, Insured Premium Income 2 (NPX) had an unused capital loss carryforward of \$16,777,857 available for federal income tax purposes to be applied against future capital gains, if any. If not applied \$1,449,876 and \$15,327,981 of the carryforward will expire in 2004 and 2008, respectively.

Notes to  
FINANCIAL STATEMENTS (continued)

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under the Funds' (excluding Insured Dividend Advantage (NVG) and Insured Tax-Free Advantage (NEA)) 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<br>ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|---|----------------|
| For the first \$125 million   | .6500%         |
| For the next \$125 million  | .6375          |

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|                                 |       |
|---------------------------------|-------|
| For the next \$250 million      | .6250 |
| For the next \$500 million      | .6125 |
| For the next \$1 billion        | .6000 |
| For the next \$3 billion        | .5875 |
| For net assets over \$5 billion | .5750 |

Under Insured Dividend Advantage's (NVG) and Insured Tax-Free Advantage's (NEA) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

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

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

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

| YEAR ENDING<br>MARCH 31, |      | YEAR ENDING<br>MARCH 31, |      |
|--------------------------|------|--------------------------|------|
| 2002*                    | .30% | 2008                     | .25% |
| 2003                     | .30  | 2009                     | .20  |
| 2004                     | .30  | 2010                     | .15  |
| 2005                     | .30  | 2011                     | .10  |
| 2006                     | .30  | 2012                     | .05  |
| 2007                     | .30  |                          |      |

\* From the commencement of operations.

The Adviser has not agreed to reimburse Insured Dividend Advantage (NVG) for any portion of its fees and expenses beyond March 31, 2012.

For the first eight years of Insured Tax-Free Advantage's (NEA) 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 |
|-------------|-------------|
|-------------|-------------|



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

\* From the commencement of operations.

The Adviser has not agreed to reimburse Insured Tax-Free Advantage (NEA) for any portion of its fees and expenses beyond November 30, 2010.

6. INVESTMENT COMPOSITION

At October 31, 2003, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

|                                   | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) |
|-----------------------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|
| Education and Civic Organizations | 2%                          | 3%                              | 2%                                    | 5%                                      | 10%                                       |
| Healthcare                        | 16                          | 10                              | 16                                    | 11                                      | 5   |
| Housing/Multifamily               | 7                           | 3                               | 4                                     | 8                                       | --  |
| Housing/Single Family             | 2                           | 6                               | 2                                     | 2                                       | 5   |
| Tax Obligation/General            | 12                          | 7                               | 19                                    | 12                                      | 23  |
| Tax Obligation/Limited            | 10                          | 12                              | 11                                    | 15                                      | 16  |
| Transportation                    | 21                          | 20                              | 17                                    | 13                                      | 21  |
| U.S. Guaranteed                   | 12                          | 20                              | 18                                    | 10                                      | 2   |
| Utilities                         | 13                          | 14                              | 7                                     | 17                                      | 6   |
| Water and Sewer                   | 5                           | 5                               | 2                                     | 7                                       | 12  |
| Other                             | --                          | --                              | 2                                     | --                                      | --  |
|                                   | 100%                        | 100%                            | 100%                                  | 100%                                    | 100%                                      |

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (100% for Insured Quality (NQI), 100% for Insured Opportunity (NIO), 100% for Premier Insured Income (NIF), 100% for Insured Premium Income 2 (NPX), 88% for Insured Dividend Advantage (NVG) and 89% for Insured Tax-Free Advantage (NEA)). Such insurance or escrow, however, does not guarantee the market value of the municipal securities or the value of any of the Funds' shares.

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

FINANCIAL STATEMENTS (continued)

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2003, to shareholders of record on November 15, 2003, as follows:

|                    | INSURED<br>QUALITY<br>(NQI) | INSURED<br>OPPORTUNITY<br>(NIO) | PREMIER<br>INSURED<br>INCOME<br>(NIF) | INSURED<br>PREMIUM<br>INCOME 2<br>(NPX) | INSURED<br>DIVIDEND<br>ADVANTAGE<br>(NVG) | A |
|--------------------|-----------------------------|---------------------------------|---------------------------------------|---|---|---|
| Dividend per share | \$ .0845                    | \$ .0810                        | \$ .0815                              | \$ .0730                                | \$ .0775                                  |   |

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Financial  
HIGHLIGHTS

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Financial  
HIGHLIGHTS

Selected data for a Common share outstanding throughout each year:

|                       | Investment Operations                              |                             |   |   |   |      | Tot |
|-----------------------|--|-----------------------------|---|---|---|------|-----|
|                       | Beginning<br>Common<br>Share<br>Net Asset<br>Value | Net<br>Investment<br>Income | Net<br>Realized/<br>Unrealized<br>Investment<br>Gain (Loss) | Distributions<br>from Net<br>Investment<br>Income to<br>Preferred<br>Share-<br>holders+ | Distributions<br>from<br>Capital<br>Gains to<br>Preferred<br>Share-<br>holders+ |      |     |
| =====                 |  |                             |   |   |   |      |     |
| INSURED QUALITY (NQI) |  |                             |   |   |   |      |     |
| -----                 |  |                             |   |   |   |      |     |
| Year Ended 10/31:     |  |                             |   |   |   |      |     |
| 2003                  | \$15.87  | \$1.10                      | \$ (.05)  | \$ (.07)  | \$ (.01)  | \$ . |     |
| 2002                  | 15.78  | 1.12                        | .03   | (.11)   | (.01)   | 1.   |     |
| 2001                  | 14.51  | 1.18                        | 1.20  | (.26)   | --  | 2.   |     |
| 2000                  | 13.95  | 1.20                        | .60   | (.34)   | --  | 1.   |     |

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1999 16.02 1.17 (1.91) (.22) (.04) (1.04)

INSURED OPPORTUNITY (NIO)

Year Ended 10/31:

|      |       |      |        |       |       |        |
|------|-------|------|--------|-------|-------|--------|
| 2003 | 15.83 | 1.06 | .17    | (.07) | (.01) | 1.04   |
| 2002 | 15.72 | 1.15 | .03    | (.11) | (.01) | 1.04   |
| 2001 | 14.64 | 1.17 | 1.04   | (.26) | --    | 1.04   |
| 2000 | 14.25 | 1.21 | .39    | (.33) | --    | 1.04   |
| 1999 | 16.04 | 1.18 | (1.73) | (.24) | (.01) | (1.04) |

PREMIER INSURED INCOME (NIF)

Year Ended 10/31:

|      |       |      |        |       |       |        |
|------|-------|------|--------|-------|-------|--------|
| 2003 | 15.59 | 1.05 | .13    | (.07) | --    | 1.04   |
| 2002 | 15.55 | 1.14 | (.05)  | (.11) | --    | 1.04   |
| 2001 | 14.66 | 1.18 | .85    | (.26) | --    | 1.04   |
| 2000 | 14.25 | 1.20 | .43    | (.33) | --    | 1.04   |
| 1999 | 16.18 | 1.16 | (1.89) | (.23) | (.01) | (1.04) |

INSURED PREMIUM INCOME 2 (NPX)

Year Ended 10/31:

|      |       |      |        |       |    |        |
|------|-------|------|--------|-------|----|--------|
| 2003 | 14.17 | .96  | .03    | (.06) | -- | 1.04   |
| 2002 | 13.94 | .99  | .16    | (.10) | -- | 1.04   |
| 2001 | 13.05 | 1.01 | .86    | (.23) | -- | 1.04   |
| 2000 | 12.40 | .99  | .66    | (.29) | -- | 1.04   |
| 1999 | 14.10 | .97  | (1.71) | (.23) | -- | (1.04) |

INSURED DIVIDEND ADVANTAGE (NVG)

Year Ended 10/31:

|          |       |      |      |       |       |      |
|----------|-------|------|------|-------|-------|------|
| 2003     | 15.35 | 1.03 | .15  | (.07) | (.01) | 1.04 |
| 2002 (a) | 14.33 | .55  | 1.10 | (.05) | --    | 1.04 |

INSURED TAX-FREE ADVANTAGE (NEA)

Year Ended 10/31:

|          |       |     |     |       |    |      |
|----------|-------|-----|-----|-------|----|------|
| 2003 (b) | 14.33 | .82 | .42 | (.05) | -- | 1.04 |
|----------|-------|-----|-----|-------|----|------|

Total Returns

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

INSURED QUALITY (NQI)

Year Ended 10/31:

|      |       |         |           |        |        |
|------|-------|---------|-----------|--------|--------|
| 2003 | \$ -- | \$15.72 | \$16.3900 | 12.92% | 6.27%  |
| 2002 | --    | 15.87   | 15.5500   | 10.82  | 6.83   |
| 2001 | --    | 15.78   | 14.9200   | 15.53  | 14.94  |
| 2000 | --    | 14.51   | 13.6875   | 10.94  | 10.86  |
| 1999 | (.02) | 13.95   | 13.1875   | (9.65) | (6.77) |

INSURED OPPORTUNITY

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(NIO)

| -----             |       |       |         |         |        |
|-------------------|-------|-------|---------|---------|--------|
| Year Ended 10/31: |       |       |         |         |        |
| 2003              | --    | 15.89 | 15.6400 | 10.22   | 7.51   |
| 2002              | --    | 15.83 | 15.2100 | 9.80    | 7.01   |
| 2001              | --    | 15.72 | 14.7400 | 19.84   | 13.61  |
| 2000              | --    | 14.64 | 13.0625 | 5.06    | 9.25   |
| 1999              | (.01) | 14.25 | 13.3125 | (14.71) | (5.33) |

PREMIER INSURED INCOME  
(NIF)

| -----             |       |       |         |         |        |
|-------------------|-------|-------|---------|---------|--------|
| Year Ended 10/31: |       |       |         |         |        |
| 2003              | --    | 15.69 | 15.5100 | 7.84    | 7.28   |
| 2002              | --    | 15.59 | 15.3300 | 6.84    | 6.57   |
| 2001              | --    | 15.55 | 15.2500 | 19.97   | 12.40  |
| 2000              | --    | 14.66 | 13.5000 | 9.92    | 9.41   |
| 1999              | (.02) | 14.25 | 13.1250 | (17.33) | (6.42) |

INSURED PREMIUM INCOME 2  
(NPX)

| -----             |    |       |         |         |        |
|-------------------|----|-------|---------|---------|--------|
| Year Ended 10/31: |    |       |         |         |        |
| 2003              | -- | 14.24 | 14.1200 | 8.84    | 6.70   |
| 2002              | -- | 14.17 | 13.7700 | 6.32    | 7.83   |
| 2001              | -- | 13.94 | 13.7500 | 29.46   | 12.85  |
| 2000              | -- | 13.05 | 11.2500 | 4.35    | 11.35  |
| 1999              | -- | 12.40 | 11.5000 | (11.16) | (7.21) |

INSURED DIVIDEND  
ADVANTAGE (NVG)

| -----             |       |       |         |      |       |
|-------------------|-------|-------|---------|------|-------|
| Year Ended 10/31: |       |       |         |      |       |
| 2003              | --    | 15.41 | 14.8100 | 6.10 | 7.37  |
| 2002 (a)          | (.11) | 15.35 | 14.9600 | 2.84 | 10.44 |

INSURED TAX-FREE  
ADVANTAGE (NEA)

| -----             |       |       |         |      |      |
|-------------------|-------|-------|---------|------|------|
| Year Ended 10/31: |       |       |         |      |      |
| 2003 (b)          | (.20) | 14.54 | 14.7900 | 3.87 | 6.98 |

Ratios/Supplemental Data

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

INSURED QUALITY (NQI)

| -----             |            |       |       |       |
|-------------------|------------|-------|-------|-------|
| Year Ended 10/31: |            |       |       |       |
| 2003              | \$ 598,102 | 1.20% | 6.93% | 1.20% |

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|      |         |      |      |      |
|------|---------|------|------|------|
| 2002 | 601,495 | 1.23 | 7.22 | 1.21 |
| 2001 | 596,999 | 1.24 | 7.72 | 1.23 |
| 2000 | 549,120 | 1.24 | 8.48 | 1.23 |
| 1999 | 527,789 | 1.19 | 7.67 | 1.18 |

INSURED OPPORTUNITY  
(NIO)

|                   |           |      |      |      |
|-------------------|-----------|------|------|------|
| Year Ended 10/31: |           |      |      |      |
| 2003              | 1,288,087 | 1.17 | 6.67 | 1.16 |
| 2002              | 1,283,353 | 1.20 | 7.42 | 1.19 |
| 2001              | 1,274,659 | 1.21 | 7.69 | 1.20 |
| 2000              | 1,186,701 | 1.20 | 8.47 | 1.20 |
| 1999              | 1,155,516 | 1.16 | 7.67 | 1.16 |

PREMIER INSURED INCOME  
(NIF)

|                   |         |      |      |      |
|-------------------|---------|------|------|------|
| Year Ended 10/31: |         |      |      |      |
| 2003              | 303,912 | 1.22 | 6.66 | 1.21 |
| 2002              | 301,121 | 1.25 | 7.40 | 1.23 |
| 2001              | 299,654 | 1.26 | 7.79 | 1.24 |
| 2000              | 282,544 | 1.26 | 8.37 | 1.24 |
| 1999              | 274,668 | 1.19 | 7.49 | 1.18 |

INSURED PREMIUM INCOME 2  
(NPX)

|                   |         |      |      |      |
|-------------------|---------|------|------|------|
| Year Ended 10/31: |         |      |      |      |
| 2003              | 530,975 | 1.17 | 6.68 | 1.16 |
| 2002              | 527,800 | 1.20 | 7.13 | 1.19 |
| 2001              | 519,296 | 1.22 | 7.39 | 1.20 |
| 2000              | 486,009 | 1.22 | 7.87 | 1.20 |
| 1999              | 461,955 | 1.21 | 7.11 | 1.21 |

INSURED DIVIDEND  
ADVANTAGE (NVG)

|                   |         |       |       |      |
|-------------------|---------|-------|-------|------|
| Year Ended 10/31: |         |       |       |      |
| 2003              | 459,368 | 1.17  | 6.22  | .72  |
| 2002 (a)          | 457,432 | 1.10* | 5.71* | .61* |

INSURED TAX-FREE  
ADVANTAGE (NEA)

|                   |         |       |       |      |
|-------------------|---------|-------|-------|------|
| Year Ended 10/31: |         |       |       |      |
| 2003 (b)          | 269,112 | 1.12* | 5.52* | .65* |

Preferred Shares at End of Period

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

INSURED QUALITY (NQI)

|                   |           |          |          |
|-------------------|-----------|----------|----------|
| Year Ended 10/31: |           |          |          |
| 2003              | \$318,000 | \$25,000 | \$72,021 |

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|      |         |        |        |
|------|---------|--------|--------|
| 2002 | 318,000 | 25,000 | 72,287 |
| 2001 | 318,000 | 25,000 | 71,934 |
| 2000 | 318,000 | 25,000 | 68,170 |
| 1999 | 318,000 | 25,000 | 66,493 |

INSURED OPPORTUNITY  
(NIO)

-----

|                   |         |        |        |
|-------------------|---------|--------|--------|
| Year Ended 10/31: |         |        |        |
| 2003              | 680,000 | 25,000 | 72,356 |
| 2002              | 680,000 | 25,000 | 72,182 |
| 2001              | 680,000 | 25,000 | 71,862 |
| 2000              | 680,000 | 25,000 | 68,629 |
| 1999              | 680,000 | 25,000 | 67,482 |

PREMIER INSURED INCOME  
(NIF)

-----

|                   |         |        |        |
|-------------------|---------|--------|--------|
| Year Ended 10/31: |         |        |        |
| 2003              | 161,000 | 25,000 | 72,191 |
| 2002              | 161,000 | 25,000 | 71,758 |
| 2001              | 161,000 | 25,000 | 71,530 |
| 2000              | 161,000 | 25,000 | 68,873 |
| 1999              | 161,000 | 25,000 | 67,650 |

INSURED PREMIUM INCOME 2  
(NPX)

-----

|                   |         |        |        |
|-------------------|---------|--------|--------|
| Year Ended 10/31: |         |        |        |
| 2003              | 268,900 | 25,000 | 74,365 |
| 2002              | 268,900 | 25,000 | 74,070 |
| 2001              | 268,900 | 25,000 | 73,280 |
| 2000              | 268,900 | 25,000 | 70,185 |
| 1999              | 268,900 | 25,000 | 67,949 |

INSURED DIVIDEND  
ADVANTAGE (NVG)

-----

|                   |         |        |        |
|-------------------|---------|--------|--------|
| Year Ended 10/31: |         |        |        |
| 2003              | 233,000 | 25,000 | 74,288 |
| 2002 (a)          | 233,000 | 25,000 | 74,081 |

INSURED TAX-FREE  
ADVANTAGE (NEA)

-----

|                   |         |        |        |
|-------------------|---------|--------|--------|
| Year Ended 10/31: |         |        |        |
| 2003 (b)          | 144,000 | 25,000 | 71,721 |

=====

- \* Annualized.
- \*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income at net asset value, reinvested capital gains distributions at net asset value, if any, and changes in Common share net asset value per share. Total returns are not annualized.
- \*\*\* After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

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- (a) For the period March 25, 2002 (commencement of operations) through October 31, 2002.
- (b) For the period November 22, 2002 (commencement of operations) through October 31, 2003.

See accompanying notes to financial statements.

70-71 SPREAD

Directors  
AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Directors of the Funds. The number of directors of the Funds is currently set at twelve. None of the directors who are not "interested" persons of the Funds has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the directors and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

| NAME, BIRTHDATE<br>AND ADDRESS | POSITION(S)<br>HELD WITH<br>THE FUNDS | YEAR FIRST<br>ELECTED OR<br>APPOINTED (2) | PRINCIPAL OCCUPATION(S)<br>INCLUDING OTHER DIRECTORSHIPS<br>DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

DIRECTOR WHO IS AN INTERESTED PERSON OF THE FUNDS:

|  |  |      |   |
|--|--|------|---|
| Timothy R. Schwertfeger (1)<br>3/28/49<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Chairman of the<br>Board and<br>Director | 1994 | Chairman and Director (since 1996) of Nuveen Investments, Inc. and Nuveen Investment Director (since 1992) and Chairman (since 1992) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (since 1992) of Nuveen Asset Management, Inc.; Director of Institutional Capital Corporation; Chairman (since 1999) of Rittenhouse Asset Management; Chairman of Nuveen Investments Advisers |
|--|--|------|---|

DIRECTORS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

|  |          |      |   |
|--|----------|------|---|
| William E. Bennett<br>10/16/46<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Director | 2001 | Private Investor; previously, President and Managing Officer, Draper & Kramer, Inc., a private equity firm that handles mortgage banking, real estate development, advisory and real estate management (1992-1998) thereto, Executive Vice President and Chief Financial Officer of First Chicago Corporation and its principal bank, First National Bank of Chicago. |
|--|----------|------|---|

|                   |          |      |  |
|-------------------|----------|------|--|
| Robert P. Bremner | Director | 1997 | Private Investor and Management Consultant |
|-------------------|----------|------|--|







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OFFICERS OF THE FUNDS (CONTINUED):

|   |                                  |      |  |
|---|----------------------------------|------|--|
| Paul L. Brennan<br>11/10/66<br>333 W. Wacker Drive<br>Chicago, IL 60606     | Vice President                   | 1999 | Vice President (since 2002), formerly, Vice President (since 1997), of Nuveen prior thereto, portfolio manager of Fla Chartered Financial Analyst and Certifi  |
| Peter H. D'Arrigo<br>11/28/67<br>333 W. Wacker Drive<br>Chicago, IL 60606   | Vice President<br>and Treasurer  | 1999 | Vice President of Nuveen Investments, L prior thereto, Assistant Vice President President and Treasurer of Nuveen Inves 1999); Vice President and Treasurer of and Nuveen Institutional Advisory Corp. President and Treasurer of Nuveen Asset Inc. (since 2002) and of Nuveen Investm Inc. (since 2002); Assistant Treasurer Management Company, LLC (since 2002); C Financial Analyst. |
| Susan M. DeSanto<br>9/8/54<br>333 W. Wacker Drive<br>Chicago, IL 60606      | Vice President                   | 2001 | Vice President of Nuveen Advisory Corp. previously, Vice President of Van Kamp Advisory Corp. (since 1998); Vice Presi Institutional Advisory Corp. (since 200 Assistant Vice President of Van Kampen Advisory Corp. (since 1994).   |
| Jessica R. Droeger<br>9/24/64<br>333 W. Wacker Drive<br>Chicago, IL 60606   | Vice President<br>and Secretary  | 2000 | Vice President (since 2002) and Assista (since 1998); formerly, Assistant Vice of Nuveen Investments, LLC; Vice Presid and Assistant Secretary (since 1998), f Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.  |
| Lorna C. Ferguson<br>10/24/45<br>333 W. Wacker Drive<br>Chicago, IL 60606   | Vice President                   | 1998 | Vice President of Nuveen Investments, L President (since 1998) of Nuveen Adviso Nuveen Institutional Advisory Corp.  |
| William M. Fitzgerald<br>3/2/64<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President                   | 1995 | Managing Director (since 2002) of Nuvee LLC; Managing Director (since 2001), fo President of Nuveen Advisory Corp. and Institutional Advisory Corp. (since 199 Director of Nuveen Asset Management, In Vice President of Nuveen Investment Adv (since 2002); Chartered Financial Analy   |
| Stephen D. Foy<br>5/31/54<br>333 W. Wacker Drive<br>Chicago, IL 60606       | Vice President<br>and Controller | 1998 | Vice President (since 1993) and Funds C 1998) of Nuveen Investments, LLC and Vi Funds Controller (since 1998) of Nuveen Certified Public Accountant.   |
| J. Thomas Futrell<br>7/5/55   | Vice President                   | 1988 | Vice President of Nuveen Advisory Corp. Chartered Financial Analyst.   |

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333 W. Wacker Drive  
Chicago, IL 60606

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|  |                |      |   |
|--|----------------|------|---|
| Steven J. Krupa<br>8/21/57<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 1990 | Vice President of Nuveen Advisory Corp. |
|--|----------------|------|---|

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| NAME, BIRTHDATE<br>AND ADDRESS | POSITION(S)<br>HELD WITH<br>THE FUNDS | YEAR FIRST<br>ELECTED OR<br>APPOINTED (3) | PRINCIPAL OCCUPATION(S)<br>DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

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OFFICERS OF THE FUNDS (CONTINUED):

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|  |                |      |   |
|--|----------------|------|---|
| David J. Lamb<br>3/22/63<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I<br>previously Assistant Vice President (si<br>thereto, Associate of Nuveen Investment<br>Public Accountant. |
|--|----------------|------|---|

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|  |                |      |  |
|--|----------------|------|--|
| Tina M. Lazar<br>8/27/61<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999), previously<br>President (since 1993) of Nuveen Invest |
|--|----------------|------|--|

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|  |  |      |  |
|--|--|------|--|
| Larry W. Martin<br>7/27/51<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President<br>and Assistant<br>Secretary | 1988 | Vice President, Assistant Secretary and<br>Counsel of Nuveen Investments, LLC; Vic<br>Assistant Secretary of Nuveen Advisory<br>Institutional Advisory Corp.; Assistant<br>Investments, Inc. and (since 1997) Nuve<br>Inc.; Vice President (since 2000), Assi<br>Assistant General Counsel (since 1998)<br>Management, Inc.; Vice President and As<br>Nuveen Investments Advisers Inc. (since<br>Secretary of NWQ Investment Management<br>(since 2002). |
|--|--|------|--|

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|   |                |      |   |
|---|----------------|------|---|
| John V. Miller<br>4/10/67<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 2003 | Vice President (since 2003), previously<br>Vice President (since 1999), prior ther<br>analyst (since 1996) of Nuveen Advisory<br>Chartered Financial Analyst. |
|---|----------------|------|---|

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|   |                |      |   |
|---|----------------|------|---|
| Edward F. Neild, IV<br>7/7/65<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 1996 | Managing Director (since 2002) of Nuvee<br>LLC; Managing Director (since 1997), fo<br>President (since 1996) of Nuveen Adviso<br>Nuveen Institutional Advisory Corp.; Ma<br>of Nuveen Asset Management, Inc. (since<br>Chartered Financial Analyst. |
|---|----------------|------|---|

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|   |                |      |   |
|---|----------------|------|---|
| Thomas J. O'Shaughnessy<br>9/4/60<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 1999 | Vice President (since 2002), formerly,<br>Vice President (since 1998), of Nuveen<br>prior thereto, portfolio manager. |
|---|----------------|------|---|

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|  |                |      |  |
|--|----------------|------|--|
| Daniel S. Solender<br>10/27/65<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 2003 | Vice President of Nuveen Advisory Corp.<br>previously, Principal and portfolio man<br>Group (1999-2003); prior thereto, Assis<br>of the Nuveen Advisory Corp.; Chartered |
|--|----------------|------|--|

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|   |                |      |  |
|---|----------------|------|--|
| Thomas C. Spalding<br>7/31/51<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Vice President | 1982 | Vice President of Nuveen Advisory Corp.<br>Institutional Advisory Corp.; Chartered |
|---|----------------|------|--|

- (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 trustee of the Adviser.
- (2) Directors serve a one-year term until his/her successor is elected. The year first elected or appointed represents the year in which the Director was first elected or appointed to any fund in the Nuveen Complex.
- (3) Officers serve a one-year term through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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### 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

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shares acquired and the price per share, and the total number of shares you own.

### HOW SHARES ARE PURCHASED

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

### FLEXIBILITY

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

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

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

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

### Fund INFORMATION

#### BOARD OF DIRECTORS/TRUSTEES

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

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Sheila W. Wellington

### FUND MANAGER

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

### CUSTODIAN

State Street Bank & Trust  
Boston, MA

### TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

### LEGAL COUNSEL

Chapman and Cutler LLP  
Chicago, IL

### INDEPENDENT AUDITORS

Ernst & Young LLP  
Chicago, IL

### PROXY VOTING POLICIES AND PROCEDURES

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

### POLICY CHANGE

On November 14, 2002, the Board adopted a policy that allows these Funds, in addition to investments in municipal bonds, to invest up to 5% of its net assets (including assets attributable to preferred shares, if any) in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided Nuveen Advisory determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer. This policy is a non-fundamental policy of each Fund which means that it can be changed at any time by the Board of Trustees without vote of the shareholders.

### GLOSSARY OF TERMS USED IN THIS REPORT

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

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

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

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

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

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

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Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the fiscal year ended October 31, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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### Serving Investors FOR GENERATIONS

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

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

Managing \$80 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

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

Distributed by

NUVEEN INVESTMENTS, LLC | 333 West Wacker Drive | Chicago, Illinois 60606  
| [www.nuveen.com](http://www.nuveen.com)

## ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The registrant has posted such code of ethics on its website at [www.nuveen.com/etf](http://www.nuveen.com/etf).

## ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's board of directors has determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its audit committee. The registrant's audit committee financial expert is William E. Bennett, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Bennett was formerly Executive Vice President and Chief Credit Officer of First Chicago Corporation and its principal subsidiary, The First National Bank of Chicago. As part of his role as Chief Credit Officer, Mr. Bennett set policy as to accrual of assets/loans; designated performing/non-performing assets; set the level of reserves against the credit portfolio; and determined the carrying value of credit related assets and exposure. Among other things, Mr. Bennett was also responsible for the oversight of the internal analysis function including setting ground rules for the review and preparation of financial analysis and financial statements for use in making credit and risk decisions for clients. Mr. Bennett has significant experience reviewing, analyzing and evaluating financial statements of domestic and international companies in a variety of industries with complex accounting issues.

## ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

## ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

## ITEM 6. [RESERVED]

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, Nuveen Advisory Corp. (the "Adviser") would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

## ITEM 8. [RESERVED]



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## ITEM 9. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

## ITEM 10. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because posted on registrant's website at [www.nuveen.com/etf](http://www.nuveen.com/etf).

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Insured Dividend Advantage Municipal Fund  
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By (Signature and Title)\* /s/ Jessica R. Droeger

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Jessica R. Droeger  
Vice President and Secretary

Date: January 8, 2004  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman

-----  
Gifford R. Zimmerman  
Chief Administrative Officer  
(Principal Executive Officer)

Date: January 8, 2004  
-----

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

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

Date: January 8, 2004  
-----

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