CHARLES RIVER ASSOCIATES INC
Form S-3/A
July 31, 2003

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As filed with the Securities and Exchange Commission on July 31, 2003

Registration No. 333-107033

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1
TO

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHARLES RIVER ASSOCIATES INCORPORATED

(Exact name of registrant as specified in its charter)

Massachusetts	**04-2372210**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

200 Clarendon Street, T-33
Boston, Massachusetts 02116
(617) 425-3000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James C. Burrows
President and Chief Executive Officer
Charles River Associates Incorporated
200 Clarendon Street, T-33
Boston, Massachusetts 02116
(617) 425-3000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed without notice. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 31, 2003

PROSPECTUS

2,061,000 Shares

Charles River Associates Incorporated

Common Stock

This is a public offering of 2,061,000 shares of common stock of Charles River Associates Incorporated. We are offering 400,000 shares, and the selling stockholders named in this prospectus are offering 1,661,000 shares. We will not receive any of the proceeds from the sales by the selling stockholders.

Our common stock is quoted on the Nasdaq National Market under the symbol "CRAI." The last reported sale price for our common stock on the Nasdaq National Market on July 29, 2003 was $33.06 per share.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 8.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to CRA	$	$
Proceeds to the selling stockholders	$	$

Of the 1,661,000 shares being offered by the selling stockholders, 100,576 shares are currently represented by options that will be exercised concurrent with the closing of this offering. In order to facilitate an orderly distribution, the underwriters have agreed to include these shares as part of this offering without charging an underwriting discount. The selling stockholders will receive proceeds equal to the public offering price for these shares. The total underwriting discount and total proceeds to the selling stockholders in the table above reflect this arrangement.

We and the selling stockholders have granted the underwriters the option to purchase, in the aggregate, up to an additional 309,150 shares at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments. Of these shares, 47,778 shares are currently represented by options held by the selling stockholders and are subject to the underwriting discount arrangement described in the previous paragraph.

William Blair & Company
Sole Book-Running Manager

Adams, Harkness & Hill, Inc.
Co-Lead Manager

Janney Montgomery Scott LLC

The date of this prospectus is , 2003

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PROSPECTUS SUMMARY

This summary highlights only some of the information in this prospectus. You should read the entire prospectus carefully, including the section entitled "Risk Factors" beginning on page 8 regarding our company and the common stock being sold in this offering. Unless otherwise indicated, the information in this prospectus assumes that the underwriters will not exercise their over-allotment option.

Overview

We are a leading economic and business consulting firm that applies advanced analytic techniques and in-depth industry knowledge to complex engagements for a broad range of clients. Founded in 1965, we work with businesses, law firms, accounting firms, and governments in providing original, authoritative advice and a wide range of services around the world. We combine economic and financial analysis with expertise in litigation and regulatory support, business strategy and planning, market and demand forecasting, policy analysis, and engineering and technology strategy. We are often retained in high-stakes matters, such as multibillion-dollar mergers and acquisitions, new product introductions, major strategy and capital investment decisions, and complex litigation, the outcomes of which often have significant implications or consequences for the parties involved. Matters such as these often require independent analysis, and as a result companies must outsource this work to outside experts. Companies rely on us because we can provide large teams of highly credentialed and experienced economic and finance experts to address complex, high-stakes matters.

We offer consulting services in two broad areas: legal and regulatory consulting, which represents approximately 65% of our services revenues, and business consulting, which represents approximately 35% of our services revenues. We provide our services primarily through our highly credentialed and experienced staff of employee consultants. As of May 16, 2003, we employed 348 consultants, including 97 employee consultants with doctorates and 113 employee consultants with other advanced degrees. Our employee consultants have backgrounds in a wide range of disciplines, including economics, business, corporate finance, materials sciences, and engineering.

Our business is diversified across multiple dimensions, including service offerings, vertical industry coverage, areas of functional expertise, client base, and geography. Through 16 offices located around the world, we provide multiple services across ten areas of functional expertise to hundreds of clients across 12 vertical industries. We believe this diversification reduces our dependence on any particular market, industry, or geographic area.

In our legal and regulatory consulting practice, we work with law firms and businesses involved in litigation and regulatory proceedings, providing expert advice on highly technical issues, such as the competitive effects of mergers and acquisitions, antitrust issues, calculations of damages, measurement of market share and market concentration, liability analysis in securities fraud cases, and the impact of increased regulation. This business is driven primarily by regulatory changes and high-stakes legal proceedings, which typically occur without regard to the business cycle.

In our business consulting practice, we use our expertise in economics, finance, and business analysis to offer our clients such services as strategy development, performance improvement, corporate portfolio analysis, estimation of market demand, new product pricing strategies, valuation of intellectual property and other assets, assessment of competitors' actions, and analysis of new sources of supply.

Our analytical expertise in advanced economic and financial methods is complemented by our in-depth expertise in specific industries, including aerospace and defense, chemicals, electric power and other energy industries, financial services, healthcare, materials and manufacturing, media, oil and gas, pharmaceuticals, sports, telecommunications, and transportation.

We have completed thousands of engagements for clients around the world, including domestic and foreign corporations; federal, state, and local government agencies; governments of foreign countries; public and private utilities; and national and international trade associations. Our client base is diverse, with our top ten clients in fiscal 2002 accounting for approximately 25% of our revenues and no single client accounting for more than 5% of our revenues.

Since our initial public offering in April 1998, we have experienced significant growth. Our revenues have grown from $44.8 million in fiscal 1997 to $130.7 million in fiscal 2002, an increase of approximately 192%, or a compound annual growth rate of 24% per year. Since our initial public offering, we have increased the number of our offices from three to 16, including seven international offices. We have increased the number of our consultants from 120 to 348 at the end of our second fiscal quarter in 2003, and those with doctorates or other advanced degrees from 73 to 210. We have also increased our practice areas and expanded our vertical industry coverage. We have accomplished this growth through a combination of internal expansion and six acquisitions.

Businesses are operating in an increasingly competitive and complex environment. Companies must constantly gather, analyze, and use available information to enhance their business strategies and operational efficiencies. As a result, companies are increasingly relying on sophisticated economic and financial analysis to solve complex problems and improve decision-making. Economic and financial models provide the tools necessary to analyze a variety of issues confronting businesses, such as interpretation of sales data, effects of price changes, valuation of assets, assessment of competitors' activities, evaluation of new products, and analysis of supply limitations. Governments are also relying, to an increasing extent, on economic and finance theory to measure the effects of anticompetitive activity, evaluate mergers and acquisitions, change regulations, implement auctions to allocate resources, and establish transfer pricing rules. Finally, litigants and law firms are using economic and finance theory to help determine liability and to calculate damages in complex and high-stakes litigation. As the need for complex economic and financial analysis becomes more widespread, we believe that companies and governments are turning to outside consultants for access to the specialized expertise, experience, and prestige that are not available to them internally.

Competitive Strengths

Our competitive strengths include:

Strong Reputation for High-Quality Consulting; High Level of Repeat Business. For more than 37 years, we have been a leader in providing sophisticated economic analysis and original, authoritative advice to clients involved in complex litigation and regulatory proceedings. As a result, we believe we have established a strong reputation among leading law firms and business clients as a preferred source of expertise in economics, finance, business, and strategy consulting, as evidenced by our high level of repeat business and significant referrals from existing clients.

Highly Educated, Experienced, and Versatile Consulting Staff. We believe our most important asset is our base of employee consultants, particularly our senior consultants. Of our 348 employee consultants as of May 16, 2003, 224 were either vice presidents, principals, associate principals, or senior associates, nearly all of whom have a doctorate or other advanced degree. Many of these senior employee consultants are nationally or internationally recognized as experts in their respective fields.

Global Presence. We deliver our services through a global network of 16 coordinated offices, including nine domestic and seven international offices. Our international offices are in Brussels, Dubai, London, Melbourne, Mexico City, Toronto, and Wellington, New Zealand. We believe our global presence provides us with a competitive advantage to address complex issues that span countries and continents.

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Established Corporate Culture. Our success has resulted in part from our established corporate culture. We believe we attract consultants because of our more than 37-year history, our strong reputation, the credentials, experience, and reputation of our employee consultants, the opportunity to work on an array of matters with a broad group of renowned outside experts, and our collegial atmosphere. We believe our corporate culture has also contributed to our ability to integrate acquisitions successfully.

Access to Leading Academic and Industry Experts. To enhance the expertise we provide to our clients, we maintain close working relationships with a select group of renowned outside experts. Depending on client needs, we use outside experts for their specialized expertise, assistance in conceptual problem-solving, and expert witness testimony. Outside experts also generate business for us and provide us access to other leading academic and industry experts. By establishing affiliations with prestigious outside experts, we further enhance our reputation as a leading source of sophisticated economic and financial analysis.

Demonstrated Success with Acquisitions. Since fiscal 1998, we have made six acquisitions. These acquisitions have contributed to our growth in revenues, number of consultants, geographic presence, vertical industry coverage, and areas of functional expertise. In each case, we have been able to integrate these acquisitions into our culture and retain the key consultants.

Growth Strategy

Our growth strategy is to:

Attract and Retain High Quality Consultants. Since our employee consultants are our most important asset, our ability to attract and retain highly credentialed and experienced consultants both to work on engagements and to generate new business is crucial to our success.

Leverage Investments in Areas of Functional Expertise, Vertical Industry Coverage, and Geographic Presence. Since 1998, we have made significant investments in the expansion of our business, including acquisitions, the addition of areas of functional expertise and vertical industry coverage, and the opening of several offices. We have significantly increased our global presence with the addition of seven international offices. In recent quarters, we have begun to see the benefits of this expansion as we have grown revenues without making commensurate increases in staff and general and administrative expenses, leading to improved operating margins. We intend to continue to leverage the investments in expertise and infrastructure we have made in recent years.

Continue to Build Brand Equity and Increase Marketing Activities. Although we have historically relied primarily on our reputation and client referrals for new business, we have expanded marketing activities such as attendance at selected conferences, seminars, and public speaking engagements in order to attract new clients and increase our exposure.

Establish Relationships with Additional Outside Experts. We intend to develop additional relationships with leading academic and industry experts. Outside experts help us serve our clients better, provide us with new sources of business, and expand our network of academic affiliations.

Pursue Strategic Acquisitions. We intend to continue to expand our operations through the acquisition of complementary businesses. Given the highly fragmented nature of the consulting industry, we believe that there are numerous opportunities to acquire small consulting firms.

Other Information

Our majority-owned software subsidiary, NeuCo, develops and markets a family of neural network software tools and complementary application consulting services that are currently focused on

electricity generation by utilities. In fiscal 2002 and the twenty-four weeks ended May 16, 2003, NeuCo's revenues accounted for approximately 3% of our revenues.

Our principal executive offices are located at 200 Clarendon Street, T-33, Boston, Massachusetts 02116, and our telephone number is (617) 425-3700.

The Offering

Common stock offered:

By CRA	400,000 shares
By the selling stockholders	1,661,000 shares
Total	2,061,000 shares
Common stock to be outstanding after the offering	9,815,146 shares
Use of proceeds	We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital and possible acquisitions. We will not receive any proceeds from the shares sold by the selling stockholders.
Nasdaq National Market symbol	CRAI

The number of shares of common stock to be outstanding after the offering is based on the number of shares outstanding as of July 7, 2003 and also reflects our issuance of 100,576 shares of common stock upon the exercise of options by the selling stockholders concurrent with the closing of this offering. This number excludes:

- options outstanding on July 7, 2003 to purchase 1,871,286 shares of common stock, excluding options to purchase 100,576 shares of common stock that will be exercised concurrent with the closing of this offering;

options to purchase an additional 497,005 shares of common stock that may be granted under our stock option plan after July 7, 2003;

additional options that may be authorized under a provision of our stock option plan that automatically increases the number of shares available for issuance under the plan on an annual basis by the lesser of 400,000 shares or 4% of the number of shares of common stock outstanding at the end of each fiscal year; and

211,777 shares of common stock issuable under our employee stock purchase plan after July 7, 2003.

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Summary Consolidated Financial Data

You should read the following summary consolidated financial data together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes in this prospectus. The consolidated statement of operations data include the results of operations attributable to the following acquisitions of certain assets and liabilities from the respective dates of acquisition:

The Tilden Group (December 15, 1998);

FinEcon (February 25, 1999);

the consulting business of Dr. Gordon C. Rausser (October 18, 2000);

certain assets from PA Consulting Group, Inc. (July 18, 2001);

the North American operations of the Chemicals and Energy Vertical practice, or the CEV business, of the former Arthur D. Little, Inc. (Arthur D. Little, Inc. is now known as Dehon, Inc.) (April 29, 2002); and

the U.K. operations of the CEV business (May 10, 2002).

Each of these acquisitions was accounted for under purchase accounting.

The adjusted consolidated balance sheet data as of May 16, 2003 reflect the sale of the 400,000 shares of common stock we are offering at an assumed public offering price of $33.06 per share (based on the last reported sale price on July 29, 2003), after deducting the estimated underwriting discount and estimated offering expenses payable by us, and our issuance of 100,576 shares of common stock upon the exercise of options by the selling stockholders concurrent with the closing of this offering for an aggregate exercise price of approximately $1.4 million.

	Fiscal year ended					Twenty-four weeks ended	
	Nov. 28, 1998	**Nov. 27, 1999**	**Nov. 25, 2000**	**Nov. 24, 2001**	**Nov. 30, 2002**	**May 10, 2002**	**May 16, 2003**

	Fiscal year ended					Twenty-four weeks ended	
	(52 weeks)	(52 weeks)	(52 weeks)	(52 weeks)	(53 weeks)		
	(in thousands, except per share data)						
Consolidated statement of operations data:							
Revenues	$ 52,971	$ 73,970	$ 82,547	$ 109,804	$ 130,690	$ 52,218	$ 75,030
Costs of services	31,695	42,320	46,439	65,590	80,659	31,943	46,959
Gross profit	21,276	31,650	36,108	44,214	50,031	20,275	28,071
Income from operations	9,342	14,202	13,393	12,658	13,431	5,215	8,461
Net income(1)	$ 6,365	$ 9,030	$ 8,839	$ 7,439	$ 8,436	$ 3,567	$ 5,029
Net income per share:							
Basic	$ 0.84	$ 1.07	$ 1.01	$ 0.82	$ 0.93	$ 0.39	$ 0.56
Diluted	$ 0.84	$ 1.05	$ 1.01	$ 0.81	$ 0.91	$ 0.38	$ 0.54
Weighted average number of shares outstanding:							
Basic	7,570	8,477	8,728	9,107	9,047	9,046	9,015
Diluted	7,620	8,571	8,774	9,218	9,283	9,301	9,260

(1) From fiscal 1988 to April 1998, we were taxed under subchapter S of the Internal Revenue Code. As an S corporation, we were not subject to federal and some state income taxes. Our S corporation status terminated upon the closing of our initial public offering on April 28, 1998.

	As of May 16, 2003	
	Actual	As adjusted
	(in thousands)	
Consolidated balance sheet data:		
Cash and cash equivalents	$ 23,302	$ 36,670
Total current assets	75,322	88,690
Total assets	120,271	133,639
Total current liabilities	31,835	31,835
Total long-term debt	413	413
Total stockholders' equity	83,836	97,204

	Nov. 28, 1998	Nov. 27, 1999	Nov. 25, 2000	Nov. 24, 2001	Nov. 30, 2002	May 16, 2003
Operating statistics:						
Consultants	145	210	255	293	353	348
Offices	5	6	12	12	16	16

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as the other information contained in this prospectus, in evaluating our business before purchasing any of our common stock. If any of these risks, or other risks not presently known to us or that we currently believe are not significant, develops into an actual event, then our business, financial condition, and results of operations could be adversely affected. If that happens, the market price of our common stock could decline, and you may lose all or part of your investment.

Risks related to our business

We depend upon only a few key employees to generate revenue

Our business consists primarily of the delivery of professional services, and accordingly, our success depends heavily on the efforts, abilities, business generation capabilities, and project execution capabilities of our employee consultants. In particular, our employee consultants' personal relationships with our clients are a critical element in obtaining and maintaining client engagements. If we lose the services of any employee consultant or if our employee consultants fail to generate business or otherwise fail to perform effectively, that loss or failure could adversely affect our revenues and results of operations. Our employee consultants generated engagements that accounted for approximately 67% of our revenues in fiscal 2001 and 69% in fiscal 2002. Our top five employee consultants generated approximately 19% of our revenues in fiscal 2001 and 16% in fiscal 2002. We do not have any employment agreements with our employee consultants, and they can terminate their relationships with us at will and without notice. The non-competition and non-solicitation agreements that we have with some of our employee consultants offer us only limited protection and may not be enforceable in every jurisdiction.

Our failure to manage growth successfully could adversely affect our revenues and results of operations

Any failure on our part to manage growth successfully could adversely affect our revenues and results of operations. Over the last several years, we have continued to open offices in new geographic areas, including foreign locations, and to expand our employee base as a result of internal growth and acquisitions. We expect that this trend will continue over the long term. Opening and managing new offices often requires extensive management supervision and increases our overall selling, general, and administrative expenses. Expansion creates new and increased management, consulting, and training responsibilities for our employee consultants. Expansion also increases the demands on our internal systems, procedures, and controls, and on our managerial, administrative, financial, marketing, and other resources. We depend heavily upon the managerial, operational, and administrative skills of our officers, particularly James C. Burrows, our President and Chief Executive Officer, to manage our expansion. New responsibilities and demands may adversely affect the overall quality of our work.

Our entry into new lines of business could adversely affect our results of operations

If we attempt to develop new practice areas or lines of business outside our core economic and business consulting services, those efforts could harm our results of operations. Our efforts in new practice areas or new lines of business involve inherent risks, including risks associated with inexperience and competition from mature participants in the markets we enter. Our inexperience may result in costly decisions that could harm our business. For example, NeuCo, our majority-owned software subsidiary, was not profitable in four of the last five fiscal years, which harmed our results of operations in those years.

Clients can terminate engagements with us at any time

Many of our engagements depend upon disputes, proceedings, or transactions that involve our clients. Our clients may decide at any time to seek to resolve the dispute or proceeding, or abandon the transaction. Our engagements can therefore terminate suddenly and without advance notice to us. If an engagement is terminated unexpectedly, our employee consultants working on the engagement could be underutilized until we assign them to other projects. In addition, because much of our work is project-based rather than recurring in nature, our consultants' utilization depends on our ability to secure additional engagements on a continual basis. Accordingly, the termination or significant reduction in the scope of a single large engagement could reduce our utilization and have an immediate adverse impact on our revenues and results of operations.

We depend on our antitrust and mergers and acquisitions consulting business

We derived approximately 36% of our revenues in fiscal 2000 and 2001, and 29% in fiscal 2002, from engagements in our antitrust and mergers and acquisitions practice areas. Any substantial reduction in the number or size of our engagements in these practice areas could adversely affect our revenues and results of operations. We derived the great majority of these revenues from engagements relating to enforcement of United States antitrust laws. Changes in federal antitrust laws, changes in judicial interpretations of these laws, or less vigorous enforcement of these laws as a result of changes in political appointments or priorities or for other reasons could substantially reduce our revenues from engagements in this area. In addition, adverse changes in general economic conditions, particularly conditions influencing the merger and acquisition activity of larger companies, could adversely affect engagements in which we assist clients in proceedings before the U.S. Department of Justice and the U.S. Federal Trade Commission. The continuing economic slowdown is adversely affecting mergers and acquisitions activity, which is reducing the number and scope of our engagements in this practice area. Any continuation or worsening of the downturn could cause this trend to intensify, which would adversely affect our revenues and results of operations.

We derive our revenues from a limited number of large engagements

We derive a significant portion of our revenues from a limited number of large engagements. If we do not obtain a significant number of new large engagements each year, our business, financial condition, and results of operations could suffer. Our ten largest engagements accounted for approximately 21% of our revenues in fiscal 2000 and 17% in each of fiscal 2001 and 2002. Our ten largest clients accounted for approximately 29%, 28%, and 25% of our revenues in those years, respectively. In general, the volume of work we perform for any particular client varies from year to year, and a major client in one year may not hire us again.

We enter into fixed-price engagements

We derive a significant portion of our revenues from fixed-price contracts. These contracts are more common in our business consulting practice, and would likely grow in number with any expansion of that practice. If we fail to estimate accurately the resources required for a fixed-price project or fail to satisfy our contractual obligations in a manner consistent with the project budget, we might generate a smaller profit or incur a loss on the project. On occasion, we have had to commit unanticipated additional resources to complete projects, and we may have to take similar action in the future, which could adversely affect our revenues and results of operations.

Our business could suffer if we are unable to hire additional qualified consultants as employees

Our business continually requires us to hire highly qualified, highly educated consultants as employees. Our failure to recruit and retain a significant number of qualified employee consultants

could limit our ability to accept or complete engagements and adversely affect our revenues and results of operations. Relatively few potential employees meet our hiring criteria, and we face significant competition for these employees from our direct competitors, academic institutions, government agencies, research firms, investment banking firms, and other enterprises. Many of these competing employers are able to offer potential employees significantly greater compensation and benefits or more attractive lifestyle choices, career paths, or geographic locations than we can. Competition for these employee consultants has increased our labor costs, and a continuation of this trend could have a material adverse effect on our margins and results of operations.

We depend on our outside experts

We depend on our relationships with our exclusive outside experts. In fiscal 2001 and fiscal 2002, six of our exclusive outside experts generated engagements that accounted for approximately 28% and 21% of our revenues in those years, respectively. We believe that these outside experts are highly regarded in their fields and that each offers a combination of knowledge, experience, and expertise that would be very difficult to replace. We also believe that we have been able to secure some engagements and attract consultants in part because we could offer the services of these outside experts. Most of these outside experts can limit their relationships with us at any time for any reason. These reasons could include affiliations with universities with policies that prohibit accepting specified engagements, the pursuit of other interests, and retirement.

As of May 16, 2003, we had non-competition agreements with 28 of our outside experts. The limitation or termination of any of their relationships with us, or competition from any of them after these agreements expire, could harm our reputation, reduce our business opportunities and adversely affect our revenues and results of operations.

To meet our long-term growth targets, we need to establish ongoing relationships with additional outside experts who have reputations as leading experts in their fields. We may be unable to establish relationships with any additional outside experts. In addition, any relationship that we do establish may not help us meet our objectives or generate the revenues or earnings that we anticipate.

Acquisitions may disrupt our operations or adversely affect our results

We regularly evaluate opportunities to acquire other businesses. The expenses we incur evaluating and pursuing acquisitions could have a material adverse effect on our results of operations. If we acquire a business, we may be unable to manage it profitably or successfully integrate its operations with our own. Moreover, we may be unable to realize the financial, operational, and other benefits we anticipate from any acquisition. Competition for future acquisition opportunities in our markets could increase the price we pay for businesses we acquire and could reduce the number of potential acquisition targets. Further, acquisitions may involve a number of special financial and business risks, such as:

- charges related to any potential acquisition from which we may withdraw;
- diversion of our management's time, attention, and resources;
- decreased utilization during the integration process;
- loss of key acquired personnel;
- increased costs to improve or coordinate managerial, operational, financial, and administrative systems;
- dilutive issuances of equity securities;
- the assumption of legal liabilities;

- amortization of acquired intangible assets;
- potential write-offs related to the impairment of goodwill;
- difficulties in integrating diverse corporate cultures; and
- additional conflicts of interests.

Our international operations create special risks

We may continue our international expansion, and our international revenues may account for an increasing portion of our revenues in the future. Our international operations carry special financial and business risks, including:

- greater difficulties in managing and staffing foreign operations;
- cultural differences that adversely affect utilization;
- currency fluctuations that adversely affect our financial position and operating results;
- unexpected changes in trading policies, regulatory requirements, tariffs, and other barriers;

- greater difficulties in collecting accounts receivable;
- longer sales cycles;
- restrictions on the repatriation of earnings;
- potentially adverse tax consequences, such as trapped foreign losses;
- less stable political and economic environments; and
- civil disturbances or other catastrophic events that reduce business activity.

Particularly as a result of the acquisition of the CEV business, we conduct a portion of our business in the Middle East. The recent military conflict in the region has significantly interrupted our business operations in that region and has slowed the flow of new opportunities and proposals, which ultimately could adversely affect our revenues and results of operations.

If our international revenues increase relative to our total revenues, these factors could have a more pronounced effect on our operating results.

Potential conflicts of interests may preclude us from accepting some engagements

We provide our services primarily in connection with significant or complex transactions, disputes, or other matters that are usually adversarial or that involve sensitive client information. Our engagement by a client may preclude us from accepting engagements with the client's competitors or adversaries because of conflicts between their business interests or positions on disputed issues or other reasons. Accordingly, the nature of our business limits the number of both potential clients and potential engagements. Moreover, in many industries in which we provide consulting services, particularly in the telecommunications industry, there has been a continuing trend toward business consolidations and strategic alliances. These consolidations and alliances reduce the number of potential clients for our services and increase the chances that we will be unable to continue some of our ongoing engagements or accept new engagements as a result of conflicts of interests.

Maintaining our professional reputation is crucial to our future success

Our ability to secure new engagements and hire qualified consultants as employees depends heavily on our overall reputation as well as the individual reputations of our employee consultants and principal outside experts. Because we obtain a majority of our new engagements from existing clients or

from referrals by those clients, any client that is dissatisfied with our performance on a single matter could seriously impair our ability to secure new engagements. Given the frequently high-profile nature of the matters on which we work, any factor that diminishes our reputation or the reputations of any of our employee consultants or outside experts could make it substantially more difficult for us to compete successfully for both new engagements and qualified consultants.

Intense competition from other economic and business consulting firms could hurt our business

The market for economic and business consulting services is intensely competitive, highly fragmented, and subject to rapid change. We may be unable to compete successfully with our existing competitors or with any new competitors. In general, there are few barriers to entry into our markets, and we expect to face additional competition from new entrants into the economic and business consulting industries. In the legal and regulatory consulting market, we compete primarily with other economic and financial consulting firms and individual academics. In the business consulting market, we compete primarily with other business and management consulting firms, specialized or industry-specific consulting firms, the consulting practices of large accounting firms, and the internal professional resources of existing and potential clients. Many of our competitors have national or international reputations as well as significantly greater personnel, financial, managerial, technical, and marketing resources than we do, which could enhance their ability to respond more quickly to technological changes, finance acquisitions, and fund internal growth. Some of our competitors also have a significantly broader geographic presence than we do.

Our engagements may result in professional liability

Our services typically involve difficult analytical assignments and carry risks of professional and other liability. Many of our engagements involve matters that could have a severe impact on the client's business, cause the client to lose significant amounts of money, or prevent the client from pursuing desirable business opportunities. Accordingly, if a client is dissatisfied with our performance, the client could threaten or bring litigation in order to recover damages or to contest its obligation to pay our fees. Litigation alleging that we performed negligently or otherwise breached our obligations to the client could expose us to significant liabilities and tarnish our reputation.

Risks related to the offering

Fluctuations in our quarterly revenues and results of operations could depress the market price of our common stock

We may experience significant fluctuations in our revenues and results of operations from one quarter to the next. If our revenues or net income in a quarter fall below the expectations of securities analysts or investors, the market price of our common stock could fall significantly. Our results of operations in any quarter can fluctuate for many reasons, including:

- the number of weeks in our fiscal quarter;
- the number, scope, and timing of ongoing client engagements;
- the extent to which we can reassign employee consultants efficiently from one engagement to the next;
- employee hiring;
- the extent of fees discounting or cost overruns;
- fluctuations in revenues and results of operations of our software subsidiary, NeuCo;
- severe weather conditions and other factors affecting employee productivity; and

- collectibility of receivables.

Because we generate the majority of our revenues from consulting services that we provide on an hourly fee basis, our revenues in any period are directly related to the number of our employee consultants, their billing rates, and the number of billable hours they work in that period. We have a limited ability to increase any of these factors in the short term. Accordingly, if we underutilize our consultants during one part of a fiscal period, we may be unable to compensate by augmenting revenues during another part of that period. In addition, we are occasionally unable to utilize fully any additional consultants that we hire, particularly in the quarter in which we hire them. Moreover, a significant majority of our operating expenses, primarily office rent and salaries, are fixed in the short term. As a result, if our revenues fail to meet our projections in any quarter, that could have a disproportionate adverse effect on our net income. For these reasons, we believe our historical results of operations are not necessarily indicative of our future performance.

We will have broad discretion in using the proceeds of this offering

We intend to use all of our proceeds from this offering for working capital and general corporate purposes, including potential acquisitions. Accordingly, we will have broad discretion in using our proceeds. You will not have the opportunity to evaluate the economic, financial, or other information that we will use to determine how to use our proceeds. We may use our proceeds for purposes that do not result in any increase in our market value or improve our results of operations.

The price of our common stock may be volatile

Our stock price has been volatile. From May 10, 2002, the end of the second quarter of our last fiscal year, to July 29, 2003, the trading price of our common stock ranged from $11.35 to $35.09. Many factors may cause the market price of our common stock to fluctuate significantly, including:

- variations in our quarterly results of operations;
- the hiring or departure of key personnel or outside experts;
- changes in our professional reputation;
- the introduction of new services by us or our competitors;
- acquisitions or strategic alliances involving us or our competitors;
- changes in accounting principles;
- changes in the legal and regulatory environment affecting clients;
- changes in estimates of our performance or recommendations by securities analysts;
- future sales of shares of common stock in the public market; and
- market conditions in the industry and the economy as a whole.

In addition, the stock market has recently experienced extreme price and volume fluctuations. These fluctuations are often unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our common stock. When the market price of a company's stock drops significantly, stockholders often institute securities class action litigation against that company. Any litigation against us could cause us to incur substantial costs, divert the time and attention of our management and other resources, or otherwise harm our business.

Our charter and by-laws and Massachusetts law may deter takeovers

Our articles of organization and by-laws and Massachusetts law contain provisions that could have anti-takeover effects and that could discourage, delay, or prevent a change in control or an acquisition that many stockholders may find attractive. These provisions may also discourage proxy contests and make it more difficult for our stockholders to take some corporate actions, including the election of directors. These provisions could limit the price that investors might be willing to pay for shares of our common stock.

FORWARD-LOOKING STATEMENTS

Except for historical facts, the statements in this prospectus and in the documents we incorporate by reference are forward-looking statements. Forward-looking statements are merely our current predictions of future events. These statements are inherently uncertain, and actual events could differ materially from our predictions. Important factors that could cause actual events to vary from our predictions include those discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." We assume no obligation to update our forward-looking statements to reflect new information or developments. We urge readers to review carefully the risk factors described in this prospectus and in the other documents that we file with the Securities and Exchange Commission. You can read these documents at *www.sec.gov*.

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USE OF PROCEEDS

We estimate that our net proceeds from the sale of the 400,000 shares of common stock we are offering will be approximately $12.0 million, after deducting the estimated underwriting discount and estimated offering expenses we expect to pay and assuming a public offering price of $33.06 per share (based on the last reported sale price on July 29, 2003).

We intend to use our net proceeds from the offering for general corporate purposes, including working capital and possible acquisitions of and investments in complementary businesses. We regularly evaluate acquisition and investment opportunities, and, at any given time, we may be in various stages of due diligence or preliminary discussions with respect to a number of potential transactions. In addition, we may enter into non-binding letters of intent from time to time, but we are not currently subject to any definitive agreement with respect to any transaction material to our operations or otherwise engaged in any discussions so advanced as to make a transaction material to our operations reasonably probable.

Pending these uses, we intend to invest our net proceeds from the offering in investment-grade, short-term, interest-bearing instruments.

We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. For risks associated with our use of proceeds, see "Risk Factors We will have broad discretion in using the proceeds of this offering."

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

We first offered our common stock to the public on April 23, 1998. Since that time, our common stock has been quoted on the Nasdaq National Market under the symbol "CRAI." The following table provides, for the periods indicated, the high and low sale prices for our common stock as reported on the Nasdaq National Market.

	High		Low	
Fiscal year ended November 24, 2001:				
First quarter	$	10.63	$	7.25
Second quarter	$	11.00	$	7.75
Third quarter	$	18.18	$	10.61
Fourth quarter	$	20.40	$	12.70
Fiscal year ended November 30, 2002:				
First quarter	$	22.29	$	18.65
Second quarter	$	21.99	$	13.30
Third quarter	$	20.05	$	11.62
Fourth quarter	$	17.40	$	11.35
Fiscal year ending November 29, 2003:				
First quarter	$	16.78	$	13.04
Second quarter	$	22.91	$	15.51
Third quarter (through July 29, 2003)	$	35.09	$	18.77

On July 29, 2003, the closing sale price of our common stock as reported on the Nasdaq National Market was $33.06 per share. On that date, we had approximately 67 holders of record of our common stock. This number does not include stockholders for whom shares were held in a "nominee" or "street" name.

We currently intend to retain any future earnings to finance our operations and therefore do not anticipate paying any cash dividends in the foreseeable future. In addition, the terms of our bank line of credit place restrictions on our ability to pay cash dividends on our common stock.

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CAPITALIZATION

The following table summarizes our capitalization as of May 16, 2003 on an actual basis and as adjusted to reflect our sale of 400,000 shares of common stock at an assumed public offering price of $33.06 per share (based on the last reported sale price on July 29, 2003), after deducting the estimated underwriting discount and estimated offering expenses we expect to pay, and to reflect our issuance of 100,576 shares of common stock upon the exercise of options by the selling stockholders concurrent with the closing of this offering for an aggregate exercise price of approximately $1.4 million. You should read this information in conjunction with our consolidated financial statements and the related notes beginning on page F-1.

Amounts representing common stock outstanding on May 16, 2003 exclude the following:

- options outstanding on May 16, 2003 to purchase 1,939,869 shares of common stock, excluding options to purchase 100,576 shares of common stock that will be exercised concurrent with the closing of this offering;
- options to purchase an additional 710,910 shares of common stock that may be granted under our stock option plan after May 16, 2003;
- additional options that may be authorized under a provision of our stock option plan that automatically increases the number of shares available for issuance under the plan on an annual basis by the lesser of 400,000 shares or 4% of the number of shares of common stock outstanding at the end of each fiscal year; and
- 211,777 shares of common stock issuable under our employee stock purchase plan after May 16, 2003.

	As of May 16, 2003	
	Actual	As adjusted
	(in thousands, except share data)	
Notes payable to former stockholders, net of current portion	$ 413	$ 413
Stockholders' equity:		
Preferred stock, no par value; 1,000,000 shares authorized; none outstanding		
Common stock, no par value; 25,000,000 shares authorized; 9,032,082 shares issued and outstanding, actual; 9,532,658 shares issued and outstanding, as adjusted	45,571	58,939
Receivable from stockholder	(4,500)	(4,500)
Deferred compensation	(37)	(37)
Retained earnings	42,246	42,246
Foreign currency translation	556	556

	As of May 16, 2003	
Total stockholders' equity	83,836	97,204
Total capitalization	$ 84,249	$ 97,617

For information on the notes payable described in this table, see note 7 of the notes to our audited consolidated financial statements.

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SELECTED CONSOLIDATED FINANCIAL DATA

We have derived the following selected consolidated financial data as of November 24, 2001 and November 30, 2002 and for each of the fiscal years in the three-year period ended November 30, 2002 from our consolidated financial statements included in this prospectus beginning on page F-1, which have been audited by Ernst & Young LLP, independent auditors. We have derived the following selected consolidated financial data as of November 28, 1998, November 27, 1999, and November 25, 2000, and for the fiscal years ended November 28, 1998 and November 27, 1999 from our consolidated financial statements not included in this prospectus, which have also been audited by Ernst & Young LLP. We have derived the following selected consolidated financial data as of May 16, 2003 and for the twenty-four weeks ended May 10, 2002 and May 16, 2003 from our unaudited consolidated financial statements. We have prepared our unaudited consolidated financial statements on the same basis as our audited financial statements. In the opinion of our management, the unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information. The results of operations for the twenty-four weeks ended May 16, 2003 are not necessarily indicative of future operating results. You should read the selected consolidated financial data together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes beginning on pages 19 and F-1.

	Fiscal year ended	
	Nov. 28, 1998	Nov. 27, 1999
	(52 weeks)	(52 weeks)
	(in thousands, except per share data)	
Consolidated statement of operations data(1):		
Revenues	$ 52,971	$
Costs of services	31,695	

42,320d 4/04 at 103.00 AAA 1,541,880 Obligation Revenue Bonds, Breton Village Green Project, Series 1993, 5.625%, 10/15/18 - FSA Insured Mount Cleme Michigan, FHA-Insured Section 8 Multifamily Housing Revenue Refunding Bonds, Clinton Place Project, Series 1992A: 965 6.600%, 6/01/13 6/04 at 101 6.600%, 6/01/22 6/04 at 101.00 AAA 1,523,340 24 PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS -- TAX OBLIGATION/GENERAL - 30.4% $ 3,000 A District, Wayne County, 5/13 at 100.00 AA+ $ 3,097,380 Michigan, General Obligation Bonds, Series 2003, 5.000%, 5/01/29 2,500 Anchor Bay School Distric 5/11 at 100.00 AA+ 2,605,525 Counties, Michigan, Unlimited Tax General Obligation Refunding Bonds, Series 2001, 5.000%, 5/01/21 1,475 Anchor Bay Scho St. Clair 11/13 at 100.00 AA+ 1,554,650 Counties, Michigan, General Obligation Bonds, Series 2003, 5.000%, 5/01/21 1,000 Central Montcalm Public Schools, M at 100.00 AAA 1,112,070 Counties, Michigan, General Obligation Unlimited Tax School Building and Site Bonds, Series 1999, 5.750%, 5/01/24 - MBIA Insured Schools, Macomb County, Michigan, 5/11 at 100.00 AA+ 1,414,050 General Obligation Bonds, Series 2001, 5.000%, 5/01/26 Detroit School District, Wayne Co Obligation Bonds, Series 2002A: 1,815 6.000%, 5/01/20 - FGIC Insured No Opt. Call AAA 2,195,678 750 6.000%, 5/01/21 - FGIC Insured No Opt. Call AA School District, Wayne County, Michigan, 5/13 at 100.00 AAA 2,604,150 General Obligation Bonds, Series 2003B, 5.000%, 5/01/23 - FGIC Insured 500 Detroit County, Michigan, 5/12 at 100.00 AAA 549,475 Unlimited Tax School Building and Site Improvement General Obligation Bonds, Series 2001A, 5.500%, 5/01 East Lansing Building Authority, Ingham and Clinton 4/11 at 100.00 AA 4,042,565 Counties, Michigan, Unlimited Tax General Obligation Building Autho 5.375%, 4/01/25 2,000 Howell Public Schools, Livingston County, Michigan, 11/13 at 100.00 AA+ 2,095,000 General Obligation Bonds, Series 2003, 5.000% School District, Ingham County, Michigan, General 5/14 at 100.00 AA+ 1,049,440 Obligation Bonds, Series 2004, 5.000%, 5/01/22 (WI, settling 2/10/04) Michi Bonds, Environmental Protection Program, Series 2003A: 1,000 5.250%, 5/01/20 5/13 at 100.00 AA+ 1,094,600 2,000 5.250%, 5/01/21 5/13 at 100.00 AA+ 2, Community Schools, Allegan County, Michigan, 11/12 at 100.00 AA+ 2,594,876 General Obligation Bonds, Series 2002, 5.000%, 5/01/28 380 Reeths-Pu

Fiscal year ended

County, Michigan, 5/05 at 101.00 AAA 402,591 School Building and Site Refunding Bonds, Series 1995, 5.750%, 5/01/15 - FGIC Insured South Lyon Comm
Washtenaw and Livingston Counties, Michigan, General Obligation Bonds, Series 2003: 2,350 5.250%, 5/01/19 - FGIC Insured 11/12 at 100.00 AAA 2,553,228
FGIC Insured 11/12 at 100.00 AAA 1,683,675 2,830 Warren Consolidated School District, Macomb and 5/13 at 100.00 AA+ 3,065,852 Oakland Counties, Mich
Refunding Bonds, Series 2003, 5.250%, 5/01/20 --
OBLIGATION/LIMITED - 26.7% 7,000 Detroit-Wayne County Stadium Authority, Michigan, 2/07 at 102.00 AAA 7,331,310 Limited Tax General Oblig
Stadium Bonds, Series 1997, 5.250%, 2/01/27 - FGIC Insured 1,500 Michigan State Building Authority, Revenue Bonds, 10/10 at 100.00 AA 1,641,810 Facilities
5.375%, 10/15/20 Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2001-I: 2,570 5.500%, 10/15/19 10/11 at 100
5.000%, 10/15/24 10/11 at 100.00 AA 6,715,670 5,000 Michigan State Building Authority, Revenue Refunding 10/13 at 100.00 AAA 5,244,700 Bonds, F
2003-II, 5.000%, 10/15/22 - MBIA Insured 1,000 Michigan State, Certificates of Participation, New 9/11 at 100.00 AAA 1,077,710 Center Development, In
9/01/21 - MBIA Insured 1,500 Michigan State, Comprehensive Transportation Revenue 11/11 at 100.00 AAA 1,587,675 Refunding Bonds, Series 2001A,
Insured 25 Nuveen Michigan Premium Income Municipal Fund, Inc. (NMP) (continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCI
MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- TAX OBLIGATION/LIMITED (continued) $ 1,0
and Transportation Authority, 7/16 at 100.00 A $ 1,017,380 Highway Revenue Bonds, Series 1996Y, 5.000%, 7/01/36 4,670 Wayne County, Michigan, Limited
12/11 at 101.00 AAA 4,819,487 Airport Hotel Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 2001A, 5.000%, 1
-- TRANSPORTATION - 3.2% 1,000 Puerto Rico
Facilities Revenue 6/04 at 101.00 CCC 785,070 Bonds, American Airlines, Inc. Project, Series 1993A, 6.300%, 6/01/23 (Alternative Minimum Tax) 2,000 W
Airport Revenue Bonds, 12/08 at 101.00 AAA 2,016,680 Detroit Metropolitan Wayne County Airport, Series 1998A, 5.000%, 12/01/28 (Alternative Minimu
1,000 Wayne County, Michigan, Airport Revenue Bonds, Detroit 12/08 at 101.00 AAA 1,014,450 Metropolitan Wayne County Airport, Series 1998B, 4.875%, 1
-- U.S. GUARANTEED - 24.7% 395 Puerto Rico, Th
Tobacco Settlement 7/10 at 100.00 AAA 442,222 Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) 2,000 Detroit, Michigan, S
Revenue 1/10 at 101.00 AAA 2,362,860 Bonds, Series 1999A, 5.875%, 7/01/27 (Pre-refunded to 1/01/10) - FGIC Insured 1,370 Detroit, Michigan, Sewerage D
7/07 at 101.00 AAA 1,546,086 Bonds, Series 1997A, 5.500%, 7/01/20 (Pre-refunded to 7/01/07) - MBIA Insured 1,385 Detroit, Michigan, Water Supply Sy
100.00 AAA 1,592,362 Revenue Bonds, Series 2001A, 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured 4,000 Detroit, Michigan, Water Supply Sy
101.00 AAA 4,698,520 Revenue Bonds, Series 1999A, 5.750%, 7/01/26 (Pre-refunded to 1/01/10) - FGIC Insured 2,500 Kalamazoo Hospital Finance Authority,
at 102.00 AAA 2,781,050 Revenue Refunding and Improvement Bonds, Bronson Methodist Hospital, Series 1996, 5.750%, 5/15/16 (Pre-refunded to 5/15/0
Michigan Municipal Bond Authority, Drinking Water Revolving 10/09 at 101.00 AAA 2,329,740 Fund Revenue Bonds, Series 1999, 5.500%, 10/01/21 (Pre-refu
Michigan State Hospital Finance Authority, Hospital Revenue 5/04 at 101.00 AAA 3,073,140 Refunding Bonds, St. John's Hospital, Series 1993A, 6.000%, 5/
2,500 Michigan State Hospital Finance Authority, Revenue 11/09 at 101.00 AAA 2,996,875 Bonds, Ascension Health Credit Group, Series 1999A, 6.125%, 1
11/15/09) 1,240 Milan Area Schools, Washtenaw and Monroe Counties, 5/10 at 100.00 AAA 1,445,394 Michigan, General Obligation Bonds, Series
(Pre-refunded to 5/01/10) - FGIC Insured 620 Reeths-Puffer Schools, Muskegon County, Michigan, 5/05 at 101.00 AAA 661,546 School Building and Site
1995, 5.750%, 5/01/15 (Pre-refunded to 5/01/05) - FGIC Insured 1,000 Rochester Community School District, Oakland and Macomb 5/10 at 100.00 AAA 1,172,
General Obligation Bonds, Series 2000I, 5.750%, 5/01/19 (Pre-refunded to 5/01/10) - FGIC Insured 1,500 Romulus Community Schools, Wayne County, Michig
1,741,080 Unlimited Tax General Obligation School Building and Site Bonds, Series 1999, 5.750%, 5/01/25 (Pre-refunded to 5/01/09) - FGIC Insured 2,500
District, Oakland County, Michigan, 5/10 at 100.00 AAA 2,939,100 Unlimited Tax General Obligation School Building and Site Bonds, Series 2000, 5.800%,
5/01/10) - FGIC Insured -- UTILITIES - 18.8% 1,000
Agency, Revenue Bonds, 1/12 at 100.00 AAA 1,052,530 Combustion Turbine 1 Project, Series 2001A, 5.250%, 1/01/27 - AMBAC Insured 1,000 Michigan South
Power Supply No Opt. Call Baa1 1,088,350 System Revenue Bonds, Series 2000, 6.000%, 5/01/12 3,500 Michigan Strategic Fund, Collateralized Limited C
AAA 3,581,935 Revenue Refunding Bonds, Consumers Power Company Project, Series 1993B, 5.800%, 6/15/10 - CAPMAC Insured 3,000 Michigan Strategic F
Revenue No Opt. Call Aaa 3,342,330 Refunding and Remarketing Bonds, Detroit Edison Company, Series 1995CC, 4.850%, 9/01/30 (Mandatory put 9
OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- UTILITIES (continued) $ 5,000 Michigan Strate
Limited Obligation 9/11 at 100.00 A- $ 5,177,050 Revenue Refunding Pollution Control Bonds, Detroit Edison Company, Series 2001C, 5.450%, 9/01/29 3,000 M
Limited Obligation Revenue 12/12 at 100.00 AAA 3,143,820 Refunding Bonds, Detroit Edison Company, Series 2002C, 5.450%, 12/15/32 (Alternative Minimu
1,000 Michigan Strategic Fund, Collateralized Limited Obligation 9/09 at 102.00 AAA 1,056,090 Revenue Refunding Pollution Control Bonds, Detroit Edison C
5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured 2,500 Monroe County, Michigan, Pollution Control Revenue Bonds, 6/04 at 101.00 AAA 2
Company Project, Series 1992CC, 6.550%, 6/01/24 (Alternative Minimum Tax) - MBIA Insured 1,500 Wyandotte, Michigan, Electric Revenue Refunding Bond
1,663,395 Series 2002, 5.375%, 10/01/17 - MBIA Insured --
SEWER - 4.7% 1,500 Detroit, Michigan, Sewage Disposal System Revenue No Opt. Call AAA 1,707,165 Bonds, Second Lien, Series 2001B, 5.500%, 7/01/
Detroit, Michigan, Sewage Disposal System Revenue 7/13 at 100.00 AAA 2,577,575 Refunding Bonds, Senior Lien, Series 2003A, 5.000%, 7/01/32 - FS
Michigan, Water Supply System Senior Lien Revenue 7/11 at 100.00 AAA 1,375,306 Bonds, Series 2001A, 5.250%
-- $ 164,310 Total Long-Term Investments (cost
173,812,087 ============-- Other Assets Less Lia
-- Preferred Shares, at Liquidation Valu
-- Net Assets Applicable to Common Shar
==
shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of th
redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. (WI)
when-issued basis. See accompanying notes to financial statements. 27 Nuveen Michigan Dividend Advantage Municipal Fund (NZW) Portfolio of INVESTM
(Unaudited) PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- EDUCATION AND CIVIC ORGANIZATIONS -
Higher Education Facilities Authority, Limited 9/11 at 100.00 Aaa $ 1,185,443 Obligation Revenue Refunding Bonds, Kettering University, Series 2001, 5.0
Insured 1,010 Michigan Technological University, General Revenue Bonds, 10/13 at 100.00 AAA 1,073,196 Series 2004A, 5.000%, 1
-- HEALTHCARE - 16.2% 1,000 Kent Hospital Finan
Revenue Bonds, 7/11 at 101.00 AA 1,036,240 Spectrum Health, Series 2001A, 5.250%, 1/15/21 1,200 Michigan State Hospital Finance Authority, Hospital 1/0
Revenue Refunding Bonds, Sinai Hospital, Series 1995, 6.625%, 1/01/16 500 Michigan State Hospital Finance Authority, Hospital Revenue 5/06 at 102.00 A1

Fiscal year ended

Bonds, Henry Ford Health System, Series 1995A, 5.250%, 11/15/20 750 Michigan State Hospital Finance Authority, Hospital 11/11 at 101.00 A1 773,002 Re
Sparrow Obligated Group, Series 2001, 5.625%, 11/15/31 1,800 Royal Oak, Michigan, Hospital Finance Authority, Hospital 11/11 at 100.00 AAA 1,863,954 I
Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured --
HOUSING/MULTIFAMILY - 5.6% 1,700 Michigan Housing Development Authority, GNMA Collateralized 8/12 at 102.00 Aaa 1,771,060 Limited Obligati
Revenue Bonds, Cranbrook Apartments, Series 2001A, 5.400%, 2/20/31 (Al
--- HOUSING/SINGLE FAMILY - 4.2%
Development Authority, Single Family 1/11 at 100.00 AAA 1,320,713 Mortgage Revenue Bonds, Series 2001, 5.300%, 12/01/16 (Alternative Minimu
--- TAX OBLIGATION/GENERAL - 54.2% 1,000
Wayne County, Michigan, General 5/13 at 100.00 AAA 1,078,510 Obligation Bonds, Series 2002A, 5.375%, 5/01/24 - FGIC Insured 1,000 Detroit School
Michigan, Unlimited 5/12 at 100.00 AAA 1,098,950 Tax School Building and Site Improvement General Obligation Bonds, Series 2001A, 5.500%, 5/01/21 - FS
Area Schools, Shiawasee County, Michigan, General 5/07 at 100.00 AAA 1,071,110 Obligation Bonds, Series 1997, 5.375%, 5/01/23 - FGIC Insured 1,000 Gar
Wayne County, Michigan, 5/11 at 100.00 AA+ 1,028,400 General Obligation Refunding Bonds, Series 2001, 5.000%, 5/01/26 1,300 Harper Creek Community
County, 5/11 at 100.00 AA+ 1,342,965 Michigan, General Obligation Bonds, Series 2001, 5.125%, 5/01/31 2,200 Huron School District, Wayne and Monroe
AAA 2,331,098 Michigan, General Obligation Bonds, Series 2001, 5.375%, 5/01/26 - FSA Insured 1,500 Huron Valley School District, Oakland and Livin
100.00 AA+ 1,544,565 Michigan, General Obligation Bonds, Series 2001, 5.000%, 5/01/27 28 PRINCIPAL OPTIONAL CALL MARKET AMOUNT (
PROVISIONS* RATINGS** VALUE -- TAX OB
(continued) $ 1,050 Lawton Community Schools, Van Buren County, Michigan, 11/11 at 100.00 AA+ $ 1,148,616 General Obligation Bonds, Series 2001, 5.500
Area Community Schools, Oakland and Lapeer 11/11 at 100.00 AA+ 1,118,440 Counties, Michigan, General Obligation Bonds, Series 2001, 5.500%, 5/01/
Schools, Ionia County, Michigan, General 11/11 at 100.00 AA+ 1,028,070 Obligation Bonds, Series 2001, 5.000%, 5/01/29 1,000 Puerto Rico Public Improven
Bonds, 7/11 at 100.00 A- 1,021,610 Series 2002A, 5.125%, 7/01/31 500 Warren Building Authority, Michigan, Limited Tax General 11/10 at 100.00 AAA 52
Series 2001, 5.150%, 11/01/22 - FGIC Insured Washtenaw County, Michigan, Limited Tax General Obligation Bonds, Sylvan Township Water and Wastewater S
5.000%, 5/01/19 - MBIA Insured 5/09 at 100.50 AAA 531,255 800 5.000%, 5/01/20 - MBIA Insured 5/09 at 100.50 AAA 842,704 1,300 Willow Run Commun
County, 5/11 at 100.00 AA+ 1,354,873 Michigan, General Obligation Bonds, Serie
--- TAX OBLIGATION/LIMITED - 29.0% 1,30
Authority, Kent County, Michigan, 10/11 at 100.00 AAA 1,351,012 Limited Tax General Obligation Bonds, Series 2001, 5.125%, 10/01/26 - MBIA Insur
Building Authority, Revenue Refunding 10/11 at 100.00 AA 1,244,982 Bonds, Facilities Program, Series 2001-I, 5.000%, 10/15/24 2,000 Michigan State Trun
Bonds, 11/11 at 100.00 AAA 2,064,040 Series 2001A, 5.000%, 11/01/25 1,450 Muskegon County, Michigan, Limited Tax General Obligation 7/11 a
Wastewater Management System 2 Revenue Bonds, Series 2002, 5.000%, 7/01/26 - FGIC Insured 1,000 Puerto Rico Public Finance Corporation, Commonwe
1,166,300 Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 1,750 Wayne County, Michigan, Limited Tax General Obligation 12/11 at 101.00 AAA 1,806,01
Bonds, Detroit Metropolitan Wayne County Airport, Series 2001A, 5.000%, 1
--- U.S. GUARANTEED - 11.1% 515 Detroit,
System Senior Lien Revenue 7/11 at 100.00 AAA 592,106 Bonds, Series 2001A, 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured 1,000 Michigan Mu
Drinking Water Revolving 10/10 at 101.00 AAA 1,196,520 Fund Revenue Bonds, Series 2000, 5.875%, 10/01/17 (Pre-refunded to 10/01/10) 500 Puerto Rico
Authority, Special 10/10 at 101.00 AAA 548,720 Obligation Bonds, Series 2000A, 5.500%, 10/01/40 1,000 Rochester Community School District, Oakland and M
AA+*** 1,170,300 Counties, Michigan, General Obligation Bonds, Series 2001II, 5.500%, 5/01/22 (P
--- UTILITIES - 11.5% 1,235 Michigan Public
Bonds, Combustion 1/12 at 100.00 AAA 1,306,630 Turbine 1 Project, Series 2001A, 5.250%, 1/01/24 - AMBAC Insured 2,215 Michigan Strategic Fun
Obligation 9/11 at 100.00 A- 2,299,901 Revenue Refunding Pollution Control Bonds, Fixed-Rate Conversion, Detroit Edison Company, Series 1999C, 5.65
Minimum Tax) 29 Nuveen Michigan Dividend Advantage Municipal Fund (NZW) (continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) P
CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
--- WATER AND SEWER - 8.5% $ 1,000 Detroit, Mic
System Revenue Bonds, No Opt. Call AAA $ 1,138,110 Second Lien, Series 2001B, 5.500%, 7/01/29 - FGIC Insured Detroit, Michigan, Water Supply Syst
Bonds, Series 2001A: 1,000 5.000%, 7/01/30 - FGIC Insured 7/11 at 100.00 AAA 1,027,710 485 5.250%, 7/01/33 - FGIC Insured 7/11
--- $ 44,165 Total Long-Term Investments (cos
46,439,972 =============--- SHORT-TERM INVESTM
Rico Government Development Bank, Adjustable A-1 500,000 Refunding Bonds, Variable Rate Demand Obligations, Series 1985, 0.900%, 12
--- $ 500 Total Short-Term Investments
=============--- Total Investments (cost $44,816,1
--- Other Assets Less L
--- Preferred Shares, at Liquidation Valu
--- Net Assets Applicable to Common Sha
===
shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of th
redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. *** Se
escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Suc
considered to be equivalent to AAA rated securities. + Security has a maturity of more than one year, but has variable rate and demand features which qualify it
The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index. See accompanying notes to
Nuveen Ohio Quality Income Municipal Fund, Inc. (NUO) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MA
DESCRIPTION(1) PROVISIONS* RATINGS** VALUE --
STAPLES - 2.5% $ 4,295 Puerto Rico, The Children's Trust Fund, Tobacco Settlement 5/12 at 100.00 BBB $ 4,105,762 Asset-Backed Refunding Bonds, Serie
--- EDUCATION AND CIVIC ORGANIZATIONS
Education Student Loan Revenue Bonds, 6/07 at 102.00 AAA 3,852,282 Supplemental Student Loan Program, Series 1997A-1, 5.850%, 12/01/19 (Alternative M
Insured 1,000 Ohio Higher Education Facilities Commission, Revenue Bonds, 12/04 at 102.00 AAA 1,056,300 University of Dayton Project, Series 1994, 5
Insured 1,200 Ohio Higher Education Facilities Commission, Revenue 9/06 at 101.00 Ba1 1,209,108 Bonds, University of Findlay Project, Series 1996, 6.12
Higher Education Facilities Commission, General 10/13 at 100.00 AA 1,837,395 Revenue Bonds, Oberlin College, Series 2003, 5.125%, 10/01/24 1,200 Ohio S
Receipts Bonds, 12/12 at 100.00 AA 1,247,628 Series 2002A, 5.125%, 12/01/31 3,000 Ohio State University, General Receipts Bonds, 6/13 at 100.00 AA

Fiscal year ended

5.250%, 6/01/22 -- HEALTHCARE - 21.5% 1,000 C
Hospital Improvement and Revenue 2/07 at 102.00 AAA 1,112,330 Refunding Bonds, MetroHealth System Project, Series 1997, 5.625%, 2/15/17 - MBIA
County, Ohio, Revenue Refunding Bonds, 7/13 at 100.00 A1 2,130,900 Cleveland Clinic Health System, Series 2003A, 6.000%, 1/01/32 4,500 Erie County,
Revenue Bonds, 8/12 at 101.00 A 4,582,980 Firelands Regional Medical Center, Series 2002A, 5.625%, 8/15/32 1,700 Franklin County, Ohio, Hospital Reve
100.00 AAA 1,734,714 Health Corporation, Series 2003C, 5.000%, 5/15/33 - MBIA Insured Franklin County, Ohio, Hospital Revenue Refunding and Improv
Hospital Project, Series 1996A: 1,000 5.750%, 11/01/20 11/06 at 101.00 Aa2 1,038,030 1,500 5.875%, 11/01/25 11/06 at 101.00 Aa2 1,549,185 2,500 Marion
Revenue Refunding and 5/06 at 102.00 BBB+ 2,662,725 Improvement Bonds, The Community Hospital, Series 1996, 6.375%, 5/15/11 2,405 Miami County,
Revenue Refunding 5/06 at 102.00 BBB+ 2,517,145 and Improvement Bonds, Upper Valley Medical Center, Series 1996A, 6.250%, 5/15/16 1,500 Montgomery
Facilities Revenue 4/06 at 102.00 AAA 1,639,170 Refunding and Improvement Bonds, Kettering Medical Center, Series 1996, 5.625%, 4/01/16 - MBIA Ins
County, Ohio, Hospital Facilities Revenue 4/10 at 101.00 A3 3,344,070 Bonds, Kettering Medical Center, Series 1999, 6.750%, 4/01/18 6,000 Parma Com
Association, Ohio, 11/08 at 101.00 A- 6,067,140 Hospital Revenue Refunding and Improvement Bonds, Series 1998, 5.375%, 11/01/29 2,500 Richland County,
Revenue 11/10 at 101.00 A- 2,657,875 Improvement Bonds, MedCentral Health System Obligated Group, Series 2000B, 6.375%, 11/15/30 1,500 Steubenville,
Revenue Refunding 10/10 at 100.00 A3 1,611,225 and Improvement Bonds, Trinity Health System, Series 2000, 6.375%, 10/01/20 1,705 Tuscarawas County,
Revenue 10/11 at 101.00 AA 1,856,830 Bonds, Union Hospital Project, Series 2001, 5.750%, 10/01/21 - RAAI Insured 31 Nuveen Ohio Quality Income Mun
(continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROV
VALUE -- HOUSING/MULTIFAMILY - 11.5% $
Ohio, GNMA Collateralized Mortgage 2/04 at 103.00 Aaa $ 1,391,108 Revenue Bonds, S.E.M. Villa II Project, Series 1994A, 5.950%, 2/20/30 1,000 Cuyahog
Collateralized Mortgage 9/10 at 102.00 Aaa 1,025,510 Revenue Bonds, West Tech Apartments Project, Series 2002A, 5.350%, 3/20/33 (Alternative Minimu
County, Ohio, GNMA Collateralized Loan 6/08 at 105.00 Aaa 1,545,768 Multifamily Housing Revenue Bonds, Water Street Associates Project, Series
(Alternative Minimum Tax) Cuyahoga County, Ohio, GNMA Collateralized Multifamily Housing Mortgage Revenue Bonds, Longwood Phase One Associates L
2,475 5.350%, 1/20/21 (Alternative Minimum Tax) 7/11 at 102.00 Aaa 2,591,028 2,250 5.450%, 1/20/31 (Alternative Minimum Tax) 7/11 at 102.00 Aaa 2,3
County, Ohio, GNMA Collateralized Multifamily 9/12 at 102.00 Aaa 1,037,570 Housing Revenue Bonds, Livingston Park, Series 2002A, 5.350%, 9/20/27 985
FHA-Insured Multifamily Housing 1/05 at 103.00 Aa 1,003,882 Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/2
Tax) 4,060 Lucas Northgate Housing Development Corporation, 7/04 at 102.00 Aaa 4,141,809 Ohio, FHA-Insured Mortgage Revenue Refunding Bonds, Northga
Assisted Project, Series 1999A, 6.000%, 7/01/24 - MBIA Insured 3,265 Ohio Housing Finance Agency, Multifamily Housing Revenue 12/09 at 100.00 AAA 3
Lake Apartments Project, Series 1999C, 6.150%, 12/01/24 (Alternative Minin
-- HOUSING/SINGLE FAMILY - 7.1% 190 Ohio H
GNMA Mortgage-Backed 9/09 at 100.00 Aaa 194,269 Securities Program, Residential Mortgage Revenue Bonds, Series 2000A-1, 6.350%, 9/01/31 (Alternati
Ohio Housing Finance Agency, GNMA Mortgage-Backed 9/07 at 102.00 Aaa 2,281,856 Securities Program, Residential Mortgage Revenue Bonds, Series 19
(Alternative Minimum Tax) 4,365 Ohio Housing Finance Agency, GNMA Mortgage-Backed 3/08 at 101.50 AAA 4,528,251 Securities Program, Residential M
Series 1998A-1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured 3,525 Ohio Housing Finance Agency, GNMA Mortgage-Backed 9/08 at 102.00 A
Program, Residential Mortgage Revenue Bonds, Series 1997B, 5.400%, 9/01/29 (Alternative Minimum Tax) 860 Ohio Housing Finance Agency, GNMA M
100.00 Aaa 889,085 Securities Program, Residential Mortgage Revenue Bonds, Series 2002D, 5.400%, 9/01/34 (Al
-- LONG-TERM CARE - 0.6% 1,000 Marion C
Facilities Revenue 5/04 at 102.00 BBB- 1,013,560 Refunding and Improvement Bonds, United Church Homes, Inc. Project, Series
-- TAX OBLIGATION/GENERAL - 42.8% 1,00
District, Darke County, Ohio, 12/10 at 102.00 Aaa 1,104,460 General Obligation Bonds, Series 2000, 5.500%, 12/01/22 - MBIA Insured 1,000 Bay Village Ci
General Obligation 12/10 at 100.00 Aa2 1,028,790 Unlimited Tax School Improvement Bonds, Series 2001, 5.000%, 12/01/25 270 Berea City School District, C
6/04 at 102.00 AAA 276,672 Unlimited Tax School Improvement Bonds, Series 1993, 7.500%, 12/15/06 - AMBAC Insured 2,140 Butler County, Ohio, Gene
12/12 at 101.00 Aa3 2,300,650 Bonds, Series 2002, 5.250%, 12/01/22 Butler County, Ohio, General Obligation Bonds, Series 2002: 1,345 5.000%, 12/01/21 -
100.00 Aaa 1,423,669 1,200 5.000%, 12/01/22 - MBIA Insured 12/12 at 101.00 Aaa 1,262,304 3,560 Canal Winchester Local School District, Franklin
3,668,188 Fairfield Counties, Ohio, School Facilities Construction and Improvement Bonds, Series 2001B, 5.000%, 12/01/28 - FGIC Insured 1,000 Cincinn
Hamilton County, Ohio, 12/11 at 100.00 AAA 1,123,040 General Obligation Bonds, Series 2001, 5.375%, 12/01/15 - MBIA Insured 2,600 Cincinnati City S
County, Ohio, 12/12 at 100.00 AAA 2,806,622 General Obligation Bonds, Series 2002, 5.250%, 6/01/21 - FSA Insured 32 PRINCIPAL OPTIONAL CALL MA
DESCRIPTION(1) PROVISIONS* RATINGS** VALUE --
OBLIGATION/GENERAL (continued) $ 5,000 Cincinnati City School District, Hamilton County, Ohio, 12/13 at 100.00 AAA $ 5,174,500 General Oblig
Facilities Construction and Improvement, Series 2003, 5.000%, 12/01/31 - FSA Insured 1,000 Dublin, Ohio, Unlimited Tax Various Purpose Improvement 12/10 a
Bonds, Series 2000A, 5.000%, 12/01/20 1,300 Franklin County, Ohio, Limited Tax General Obligation 12/08 at 102.00 AAA 1,445,821 Refunding Bonds, Series
2,000 Garfield Heights City School District, Cuyahoga County, 12/11 at 100.00 Aaa 2,063,580 Ohio, General Obligation School Improvement Bonds, Series 2
MBIA Insured 1,000 Hilliard School District, Ohio, General Obligation School 12/10 at 101.00 AAA 1,117,000 Improvement Bonds, Series 2000, 5.750%,
1,160 Kenston Local School District, Geauga County, Ohio, 6/13 at 100.00 Aaa 1,217,733 General Obligation Bonds, Series 2003, 5.000%, 12/01/22 - MBIA
City School District, Montgomery County, Ohio, 12/13 at 100.00 AAA 5,592,834 General Obligation Bonds, Series 2003, 5.000%, 12/01/30 - FGIC Insured 2,0
District, Butler County, Ohio, 6/11 at 100.00 Aaa 2,076,860 Unlimited Tax General Obligation School Improvement and Refunding Bonds, Series 2001, 5
Insured 1,750 London City School District, Ohio, General Obligation 12/11 at 100.00 Aaa 1,803,060 School Facilities Construction and Improvement Bonc
12/01/29 - FGIC Insured 2,500 Louisville City School District, Ohio, General Obligation 12/11 at 100.00 Aaa 2,575,800 Bonds, Series 2001, 5.000%, 12/01/
Massillon City School District, Ohio, General 12/12 at 100.00 Aaa 1,635,397 Obligation Bonds, Series 2003, 5.250%, 12/01/21 - MBIA Insured 2,335 Milford E
District, Ohio, General 12/11 at 100.00 Aaa 2,425,178 Obligation Bonds, Series 2001, 5.125%, 12/01/30 - FSA Insured 1,260 Morgan Local School District, M
12/10 at 101.00 AA- 1,429,067 Washington Counties, Ohio, Unlimited Tax General Obligation School Improvement Bonds, Series 2000, 5.750%, 12/01/22
School District, Ohio, Unlimited Tax No Opt. Call AAA 765,122 General Obligation School Improvement Bonds, Series 1994, 9.700%, 12/01/04 - AMBAC Insu
Obligation Bonds, Infrastructure 2/13 at 100.00 AA+ 3,142,830 Improvements, Series 2003F, 5.000%, 2/01/23 2,720 Pickerington Local School District, Fairfie
100.00 AAA 2,802,661 Counties, Ohio, School Facilities Construction and Improvement General Obligation Bonds, Series 2001, 5.000%, 12/01/28 - FGIC In
School District, Franklin and Licking Counties, 6/12 at 100.00 Aaa 1,239,425 Ohio, General Obligation Bonds, Series 2002, 5.500%, 12/01/17 - FGIC Insurec
District, Franklin and Licking Counties, 6/11 at 100.00 Aaa 325,245 Ohio, General Obligation Bonds, Series 2000, 6.000%, 12/01/20 - FGIC Insured 1,44
General Obligation Bonds, 12/11 at 100.00 AAA 1,489,867 Series 2001, 5.000%, 12/01/27 - FGIC Insured 1,825 Princeton City School District, Butler Count
AAA 1,890,171 General Obligation Bonds, Series 2003, 5.000%, 12/01/30 - MBIA Insured 2,830 Springfield Township, Hamilton County, Ohio, Various 12/11 a
Purpose Limited Tax General Obligation Bonds, Series 2002, 5.250%, 12/01/27 2,000 Strongsville, Ohio, General Obligation Bonds, Series 2001, 12/11 at 100.00

Fiscal year ended

12/01/21 - FGIC Insured 70 Strongsville, Ohio, Limited Tax General Obligation Various 12/06 at 102.00 Aa2 78,117 Purpose Improvement Bonds, Series 1996,
Sugarcreek Local School District, Athens County, Ohio, General 12/13 at 100.00 Aaa 2,123,920 Obligation Bonds, Series 2003, 5.250%, 12/01/27 - MB
Arlington City School District, Ohio, General 12/06 at 101.00 AAA 1,070,030 Obligation Improvement Bonds, Series 1996, 5.250%, 12/01/22 - MBIA Ins
Township, Butler County, Ohio, General 12/13 at 100.00 Aaa 1,036,590 Obligation Bonds, Series 2003, 5.000%, 12/01/28 - MBIA Insured 2,000 Westerv
Franklin and Delaware 6/11 at 100.00 AAA 2,058,760 Counties, Ohio, Various Purpose General Obligation Bonds, Series 2001, 5.000%, 12/01/27 - MBIA
Quality Income Municipal Fund, Inc. (NUO) (continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MA
DESCRIPTION(1) PROVISIONS* RATINGS** VALUE --
OBLIGATION/GENERAL (continued) $ 1,000 Westlake, Ohio, Various Purpose General Obligation 12/08 at 101.00 Aaa $ 1,138,270 Improvement and Refun
5.550%, 12/01/17 -- TAX OBLIGATION/LIMITED
Ohio, Tax Increment Financing Bonds, Easton 6/09 at 101.00 AAA 1,268,287 Project, Series 1999, 4.875%, 12/01/24 - AMBAC Insured New Albany Com
Community Facilities Revenue Refunding Bonds, Series 2001B: 1,000 5.500%, 10/01/15 - AMBAC Insured 4/12 at 100.00 AAA 1,134,220 1,000 5.500%, 10/0
4/12 at 100.00 AAA 1,125,630 475 Ohio Department of Transportation, Certificates 4/04 at 100.00 AA 475,641 of Participation, Rickenbacker Internationa
Series 1996, 6.125%, 4/15/15 (Alternative Minimum Tax) 1,000 Puerto Rico Highway and Transportation Authority, 7/16 at 100.00 A 1,017,380 Highway Reven
5.000%, 7/01/36 -- TRANSPORTATION - 9.2% (
System Revenue Bonds, Series 2000A: 1,780 5.250%, 1/01/16 - FSA Insured 1/10 at 101.00 AAA 1,929,662 2,500 5.000%, 1/01/31 - FSA Insured 1/10 at 101.0
Cleveland, Ohio, Parking Facilities Revenue Refunding 9/06 at 102.00 AAA 3,740,141 Bonds, Series 1996, 5.500%, 9/15/22 - MBIA Insured 3,000 Dayton
Bonds, James M. Cox 12/13 at 100.00 AA 3,072,720 International Airport, Series 2003C, 5.250%, 12/01/23 (Alternative Minimum Tax) - RAAI Insured 1,50
Facilities Revenue Refunding Bonds, 2/08 at 102.00 BB+ 1,252,350 Emery Air Freight Corporation and Emery Worldwide Airlines, Inc. - Guarantors, Series
2,000 Ohio Turnpike Commission, Revenue Bonds, Series 1998A, No Opt. Call AAA 2,311,720 5.500%
-- U.S. GUARANTEED - 17.0% 2,550 Puerto Ri
Fund, Tobacco Settlement 7/10 at 100.00 AAA 2,854,853 Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) 2,000 Cleveland, Oh
First Mortgage Revenue 11/04 at 102.00 AAA 2,133,780 Bonds, Series 1994A, 7.000%, 11/15/24 (Pre-refunded to 11/15/04) - MBIA Insured 1,980 Fran
Mortgage Revenue, OCLC, Inc. 6/04 at 103.00 AAA 2,251,102 Project, Series 1979, 7.500%, 6/01/09 2,100 Lakota Local School District, Butler County, O
100.00 AAA 2,289,609 Tax General Obligation School Improvement Bonds, Series 1994, 6.250%, 12/01/14 (Pre-refunded to 12/01/05) - AMBAC Ins
Corporation for Housing, FHA-Insured 2/09 at 102.00 Aa2*** 5,081,603 Section 8 Mortgage Loan Revenue Refunding Bonds, Series 1999G, 5.950%, 2/01/24 (
1,000 Ohio Water Development Authority, Fresh Water 6/05 at 102.00 AAA 1,082,350 Development Revenue Bonds, Series 1995, 5.900%, 12/01/21 (Pr
AMBAC Insured 1,220 Plain Local School District, Franklin and Licking Counties, 6/11 at 100.00 Aaa 1,461,475 Ohio, General Obligation Bonds, Series
(Pre-refunded to 6/01/11) - FGIC Insured 1,300 Puerto Rico Public Improvement, General Obligation 7/07 at 101.50 A-*** 1,478,776 Refunding Bonds, Serie
(Pre-refunded to 7/01/07) 2,000 Southwest Regional Ohio Water District, Waterworks 12/05 at 101.00 AAA 2,191,080 System Revenue Bonds, Series
(Pre-refunded to 12/01/05) - MBIA Insured 1,000 Sylvania City School District, Ohio, Unlimited Tax General 12/05 at 101.00 AAA 1,091,920 Obligation Bon
12/01/15 (Pre-refunded to 12/01/05) - FGIC Insured 2,000 Wayne Local School District, Warren County, Ohio, Unlimited 12/06 at 101.00 AAA 2,265,720
School Improvement Bonds, Series 1996, 6.100%, 12/01/24 (Pre-refunded to 12/01/06) - AMBAC Insured 3,000 West Clermont Local School District, Clermon
100.00 AAA 3,257,280 Unlimited Tax General Obligation School Improvement Bonds, Series 1995, 6.000%, 12/01/18 (Pre-refunded to 12/01/05) - AMBAC
OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- UTILITIES - 9.6% $ 4,000 Wadswort
Improvement Revenue 2/12 at 100.00 Aaa $ 4,176,160 Bonds, American Municipal Power Ohio, Inc., Series 2002, 5.000%, 2/15/22 - MBIA Insured Ohio A
Authority, Revenue Refunding Bonds, JMG Funding Limited Partnership Project, Series 1994: 2,000 6.375%, 1/01/29 (Alternative Minimum Tax) - AMBAC
AAA 2,100,580 4,000 6.375%, 4/01/29 (Alternative Minimum Tax) - AMBAC Insured 10/04 at 102.00 AAA 4,201,160 3,000 Ohio Air Quality Development Au
4/07 at 102.00 AAA 3,199,020 JMG Funding Limited Partnership Project, Series 1997, 5.625%, 1/01/23 (Alternative Minimum Tax) - AMBAC Insured 1,900 O
Authority, Solid Waste Disposal 9/08 at 102.00 N/R 1,800,497 Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Al
-- WATER AND SEWER - 13.4% Cincinnati, Ohio
Bonds, Series 2001: 1,000 5.500%, 12/01/17 6/11 at 100.00 AA+ 1,124,370 6,010 5.000%, 12/01/18 6/11 at 100.00 AA+ 6,414,112 3,000 5.000%, 12/01
3,175,830 1,000 5.000%, 12/01/20 6/11 at 100.00 AA+ 1,050,130 2,000 Cincinnati, Ohio, Water System Revenue Bonds, 6/11 at 100.00 AA+ 2,080,140 Series
1,000 Cleveland, Ohio, Waterworks First Mortgage Revenue No Opt. Call AAA 1,137,330 Refunding and Improvement Bonds, Series 1993G, 5.500%, 1/01/2
Cleveland, Ohio, Waterworks Revenue Refunding and 1/08 at 101.00 AAA 1,023,870 Improvement Bonds, Series 1998I, 5.000%, 1/01/28 - FSA Insu
Waterworks First Mortgage Revenue 1/06 at 102.00 AAA 43,389 Refunding and Improvement Bonds, Series 1996H, 5.750%, 1/01/26 - MBIA Insured 2,110
Sewer System Improvement 6/10 at 101.00 AAA 2,351,214 Revenue Bonds, Metropolitan Sewer District of Greater Cincinnati, Series 2000A, 5.750%, 12/01/2
Ohio Water Development Authority, Water Pollution 6/14 at 100.00 AAA 3,131,550 Control Loan Fund Revenue Bonds, Water Quality, Serie
-- $ 222,690 Total Long-Term Investments (cost
235,262,165 ============-- Other Assets Less Lia
-- Preferred Shares, at Liquidation Valu
-- Net Assets Applicable to Common Shar
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shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of th
redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. *** Se
escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Suc
considered to be equivalent to AAA rated securities. N/R Investment is not rated. See accompanying notes to financial statements. 35 Nuveen Ohio Dividend Ad
(NXI) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROV
VALUE -- CONSUMER STAPLES - 1.7% S
Children's Trust Fund, Tobacco Settlement 5/12 at 100.00 BBB $ 1,099,331 Asset-Backed Refunding Bonds, Serie
-- EDUCATION AND CIVIC ORGANIZATIO
Higher Education Facilities Commission, Revenue 12/10 at 101.00 AAA 1,082,470 Bonds, University of Dayton Project, Series 2000, 5.500%, 12/01/25 - AM
Higher Education Facilities Commission, Revenue 11/11 at 101.00 AA 2,102,000 Bonds, Denison University Project, Series 2001, 5.200%, 11/01/26 2,65
Facilities Commission, Revenue 5/12 at 100.00 A2 2,706,392 Bonds, Ohio Northern University Project, Series 2002, 5.000%, 5/01/22 3,150 Student Lo
Cincinnati, Ohio, 7/04 at 100.00 A 3,157,276 Student Loan Subordinated Revenue Refunding Bonds, Series 1992D, 6.600%, 7/01/05 (Alternative Minimum
Cincinnati, Ohio, General Receipts Bonds, 6/11 at 101.00 AAA 2,264,780 Series 2001A, 5.750%, 6/01/17 - FGIC Insured 2,735 University of Cincinnati, Ohio,

Fiscal year ended

6/12 at 100.00 AA- 2,979,974 Series 2002F, 5.375%, 6/01/19 --
HEALTHCARE - 21.6% 1,300 Akron, Bath and Copley Joint Township Hospital District, 5/04 at 102.00 Baa1 1,312,519 Ohio, Hospital Facilities Revenu
System Project, Series 1993A, 5.500%, 11/15/13 1,100 Cuyahoga County, Ohio, Revenue Refunding Bonds, 7/13 at 100.00 A1 1,171,995 Cleveland Clinic Healt
6.000%, 1/01/32 1,950 Lucas County, Ohio, Hospital Revenue Bonds, ProMedica 11/09 at 101.00 AAA 2,051,381 Healthcare Obligated Group, Series 1
AMBAC Insured 2,500 Miami County, Ohio, Hospital Facilities Revenue Refunding 5/06 at 102.00 BBB+ 2,580,925 and Improvement Bonds, Upper Valle
1996A, 6.375%, 5/15/26 Parma Community General Hospital Association, Ohio, Hospital Revenue Refunding and Improvement Bonds, Series 1998: 2,250 5.
101.00 A- 2,379,623 2,000 5.375%, 11/01/29 11/08 at 101.00 A- 2,022,380 1,000 Richland County, Ohio, Hospital Facilities Revenue 11/10 at 101.00 A- 1,063,1
MedCentral Health System Obligated Group, Series 2000B, 6.375%, 11/15/30 1,500 Tuscarawas County, Ohio, Hospital Facilities Revenue Bonds, 4/04 at 102.0
Hospital Project, Series 1993A, 6.500%, 10/01/21 --
HOUSING/MULTIFAMILY - 7.4% 1,790 Lucas Northgate Housing Development Corporation, 7/04 at 102.00 Aaa 1,827,232 Ohio, FHA-Insured Mortgage Re
Northgate Apartments Section 8 Assisted Project, Series 1999A, 5.950%, 7/01/19 - MBIA Insured 2,885 Ohio Housing Finance Agency, FHA-Insured Mort
3,011,911 Revenue Bonds, Asbury Woods Project, Series
-- HOUSING/SINGLE FAMILY - 7.6% 1,33
Agency, GNMA Mortgage-Backed 8/10 at 100.00 Aaa 1,412,911 Securities Program, Residential Mortgage Revenue Bonds, Series 2000C, 6.050%, 3/01/32 (Al
1,670 Ohio Housing Finance Agency, GNMA Mortgage-Backed 8/10 at 100.00 Aaa 1,700,611 Securities Program, Residential Mortgage Revenue Bonds, Series
(Alternative Minimum Tax) 1,365 Ohio Housing Finance Agency, GNMA Mortgage-Backed 8/10 at 100.00 Aaa 1,472,275 Securities Program, Residential M
Series 2000F, 5.625%, 9/01/16 36 PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- HOUSING/SINGLE FAMILY (continued) $ 35
Agency, GNMA Mortgage-Backed 3/12 at 100.00 Aaa $ 361,837 Securities Program, Residential Mortgage Revenue Bonds, Series 2002D, 5.400%, 9/01/34 (Al
-- LONG-TERM CARE - 4.7% 1,000 Franklin C
Facilities Revenue Bonds, 7/11 at 101.00 BBB 1,071,410 Ohio Presbyterian Retirement Services, Series 2001A, 7.125%, 7/01/29 1,970 Hamilton County, Oh
Improvement 10/08 at 102.00 BBB+ 1,975,772 Revenue Bonds, Twin Towers, Series 1
-- TAX OBLIGATION/GENERAL - 32.4% 1,000
District, Ohio, General Obligation 12/10 at 100.00 Aa2 1,028,790 Unlimited Tax School Improvement Bonds, Series 2001, 5.000%, 12/01/25 1,000 Centerville, C
Limited Tax Bonds, 12/11 at 100.00 Aa3 1,038,620 Capital Facilities Improvement, Series 2001, 5.125%, 12/01/26 Jackson City School District, Jackson Coun
General Obligation School Improvement Bonds, Series 2001: 880 5.500%, 12/01/22 - MBIA Insured 6/11 at 100.00 Aaa 962,685 935 5.500%, 12/01/23 - MBI
Aaa 2,000 Lakota Local School District, Butler County, Ohio, 6/11 at 100.00 Aaa 2,076,860 Unlimited Tax General Obligation School Improvement and Refund
5.125%, 12/01/26 - FGIC Insured 2,000 Medina City School District, Medina County, Ohio, 12/09 at 100.00 AAA 2,101,880 Unlimited Tax General Ob
Construction Bonds, Series 1999, 5.250%, 12/01/28 - FGIC Insured 1,000 Nordonia Hills City School District, Ohio, School 12/10 at 101.00 AAA 1,076,380 Imp
2000, 5.450%, 12/01/25 - AMBAC Insured 1,850 Swanton Local School District, Fulton County, Ohio, General 12/11 at 101.00 AAA 1,959,113 Obligation Bon
12/01/25 - FGIC Insured 1,275 Sycamore Community School District, Hamilton County, 12/09 at 101.00 AAA 1,317,088 Ohio, Unlimited Tax General Obligat
Bonds, Series 1999, 5.000%, 12/01/23 - MBIA Insured 1,485 West Chester Township, Butler County, Ohio, Various 11/11 at 101.00 Aaa 1,662,561 Purp
Obligation Refunding Bonds, Series 2001, 5.500%, 12/01/17 - AMBAC Insured 1,000 West Holmes Local School District, Ohio, School 6/07 at 101.00 AAA
Bonds, Series 1997, 5.375%, 12/01/23 - MBIA Insured 2,500 Westerville City School District, Franklin and Delaware 6/11 at 100.00 AAA 2,573,450 Counties
General Obligation Bonds, Series 2001, 5.000%, 12/01/27 - MBIA Insured 2,965 Franklin County, Worthington, Ohio, Various Purpose 12/11 at 100.00 AA+ 3
General Obligation Bonds, Series 2001, 5.375%, 12/01/21 --
OBLIGATION/LIMITED - 12.8% 2,000 Ohio, Higher Education Capital Facilities, Appropriation 2/11 at 100.00 AA+ 2,097,060 Bonds, 2001A-II, 5.000%, 2/
Municipal Finance Agency, Loan Pool Bonds, 8/09 at 101.00 AAA 4,682,240 Series 1999A, 6.000%, 8/01/16 - FSA Insured 1,400 Virgin Islands Public F
Receipts 10/10 at 101.00 BBB 1,584,730 Tax Loan Notes, Series 1
-- TRANSPORTATION - 7.5% 2,000 Clevelan
Revenue Refunding 12/09 at 101.00 B- 1,662,860 Bonds, Continental Airlines, Inc., Series 1999, 5.700%, 12/01/19 (Alternative Minimum Tax) 2,000 Ohi
Revenue Bonds, 2/11 at 100.00 AA 2,141,300 Series 2001A, 5.500%, 2/15/26 1,000 Toledo-Lucas County Port Authority, Ohio, Revenue No Opt. Call Ba
Bonds, CSX Transportation, Inc. Project, Series 1992, 6.450%, 12/15/21 --
UTILITIES - 17.2% 1,440 Wadsworth, Ohio, Electric System Improvement Revenue 2/12 at 100.00 Aaa 1,575,662 Bonds, American Municipal Power Ohio, In
2/15/17 - MBIA Insured 37 Nuveen Ohio Dividend Advantage Municipal Fund (NXI) (continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) P
CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- UTILITIES (continued) $ 910 Lebanon, Ohio, E
Revenue Bonds, 12/10 at 101.00 AAA $ 1,017,216 Series 2001, 5.500%, 12/01/18 - AMBAC Insured 2,000 Ohio Air Quality Development Authority, Pollutio
A3 2,043,860 Revenue Bonds, Columbus Southern Power Company Project, Series 1985A, 6.250%, 12/01/20 2,000 Ohio Air Quality Development Authority,
Baa2 2,051,200 Refunding Bonds, Dayton Power and Light Company Project, Series 1995, 6.100%, 9/01/30 2,000 Ohio Air Quality Development Authority, Re
101.00 AAA 2,075,620 Bonds, Ohio Power Company Project, Series 1999C, 5.150%, 5/01/26 - AMBAC Insured 1,500 Ohio Air Quality Development Aut
12/04 at 100.00 Baa2 1,541,850 Revenue Refunding Bonds, Ohio Edison Company Project, Series 1999C, 5.800%, 6/01/16 (Mandatory put 12/01/04) 1,000 C
Authority, Solid Waste Disposal 9/08 at 102.00 N/R 947,630 Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Al
-- WATER AND SEWER - 9.9% 2,000 Akron, Ohio
Revenue Refunding 12/06 at 101.00 AAA 2,203,900 Bonds, Series 1997, 5.550%, 12/01/16 - MBIA Insured 1,700 Cincinnati, Ohio, Water System Revenue Bo
1,790,728 Series 2001, 5.125%, 12/01/21 2,375 Ohio Water Development Authority, Water Development 12/13 at 100.00 Aaa 2,488,620 Community Assis
Bonds, Series 2003, 5.000%, 12/01/23 - MBIA Insured --
Long-Term Investments (cost $89,868,421) - 144.7% 94,459,486 ============--
SHORT-TERM INVESTMENTS - 1.1% 685 University of Toledo, Ohio, General Receipts Variable Rate A-1+ 685,000 Demand Obligations, Series 2002,
Insured+ -- $ 685 Total Short-Term Investments
============-- Total Investments (cost $90,553,42
-- Other Assets Less Lia
-- Preferred Shares, at Liquidation Valu
-- Net Assets Applicable to Common Sha
==
shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of th

Fiscal year ended

redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. N/R I
Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that curr
changes periodically based on market conditions or a specified market index. See accompanying notes to financial statements. 38 Nuveen Ohio Dividend Adva
(NBJ) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROV
VALUE --- CONSUMER STAPLES - 10.9% S
Children's Trust Fund, Tobacco Settlement 5/12 at 100.00 BBB $ 2,055,271 Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 3,000 Ohio State S
Disposal Facilities, 11/11 at 100.00 A+ 3,100,230 Revenue Bonds, Anheuser-Busch Project, Series 2001, 5.500%, 11/01/35 (Alt
--- EDUCATION AND CIVIC ORGANIZATIONS -
Education Facilities Commission, Revenue 12/11 at 100.00 Baa1 2,234,110 Bonds, Wittenberg University Project, Series
--- HEALTHCARE - 22.8% 1,685 Akron, Bath and
Hospital District, No Opt. Call Baa1 1,772,957 Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1998A, 5.000%, 11/15/08 1
Hospital Facilities Revenue Bonds, 8/12 at 101.00 A 1,024,960 Firelands Regional Medical Center, Series 2002A, 5.500%, 8/15/22 1,850 Lorain County,
Refunding and 10/11 at 101.00 AA- 1,933,861 Improvement Bonds, Catholic Healthcare Partners, Series 2001A, 5.400%, 10/01/21 2,000 Richland County,
Revenue 11/10 at 101.00 A- 2,126,300 Improvement Bonds, MedCentral Health System Obligated Group, Series 2000B, 6.375%, 11/15/30 3,670 Tuscarawas
Facilities Revenue Bonds, 10/11 at 101.00 AA 3,967,013 Union Hospital Project, Series 2001, 5.750%, 1
--- HOUSING/MULTIFAMILY - 2.2% 1,000 Frankli
Collateralized Multifamily 5/12 at 102.00 Aaa 1,060,170 Housing Mortgage Revenue Bonds, Agler Project, Series 2002A, 5.550%, 5/20/22 (Alt
--- HOUSING/SINGLE FAMILY - 5.1% 2,03
Agency, GNMA Mortgage-Backed 9/10 at 100.00 Aaa 2,097,149 Securities Program Residential Mortgage Revenue Bonds, Series 2001A, 5.500%, 9/01/34 (Alt
290 Ohio Housing Finance Agency, GNMA Mortgage-Backed 3/12 at 100.00 Aaa 299,808 Securities Program Residential Mortgage Revenue Bonds, Series
(Alternative Minimum Tax) --- LONG-TERM CARE
County, Ohio, Healthcare Facilities Improvement 10/08 at 102.00 BBB+ 1,951,500 Revenue Bonds, Twin Towers, Series 1
--- TAX OBLIGATION/GENERAL - 51.8% 1,000 C
Obligation Bonds, Series 2003, 8/13 at 100.00 AAA 1,103,420 5.250%, 8/01/18 - FGIC Insured 1,750 Fairfield City School District, Ohio, General Obligatio
1,922,375 Refunding Bonds, Series 2001, 5.375%, 12/01/19 - FGIC Insured 1,000 Greater Cleveland Regional Transit Authority, Ohio, General 12/11
Obligation Capital Improvement Bonds, Series 2001A, 5.125%, 12/01/21 - MBIA Insured 1,500 Hamilton Local School District, Franklin County, Ohio, 12/11 at
Unlimited Tax General Obligation School Facilities Construction and Improvement Bonds, Series 2001, 5.000%, 12/01/28 - FGIC Insured Lebanon City School D
Ohio, General Obligation Bonds, Series 2001: 4,000 5.500%, 12/01/21 - FSA Insured 12/11 at 100.00 AAA 4,394,040 2,000 5.000%, 12/01/29 - FSA Insur
2,060,640 39 Nuveen Ohio Dividend Advantage Municipal Fund 2 (NBJ) (continued) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIP
MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
--- TAX OBLIGATION/GENERAL (continued) $ 2,4
Limited Tax General Obligation Justice 12/12 at 100.00 Aaa $ 2,647,843 Center Bonds, Series 2002, 5.500%, 12/01/22 - FGIC Insured 1,000 Medina City
County, Ohio, Unlimited 12/09 at 100.00 AAA 1,050,940 Tax General Obligation School Building Construction Bonds, Series 1999, 5.250%, 12/01/28 - FGI
Exempted Village School District, Ohio, General 12/11 at 100.00 Aaa 3,115,860 Obligation Bonds, Series 2001, 5.125%, 12/01/30 - FSA Insured 1,000 Ohio, C
Facilities, General Obligation 9/11 at 100.00 AA+ 1,049,360 Bonds, Series 2001B, 5.000%, 9/15/21 1,960 Portage County, Ohio, General Obligation Bond
2,024,641 Series 2001, 5.000%, 12/01/25 - FGIC Insured 1,000 Powell, Ohio, General Obligation Bonds, Series 2002, 12/12 at 100.00 AAA 1,087,000 5.500%,
1,500 Strongsville, Ohio, General Obligation Bonds, Series 2001, 12/11 at 100.00 Aaa 1,572,705 5.000%,
--- TAX OBLIGATION/LIMITED - 16.5% 1,700 H
Ohio, Limited Tax General 11/11 at 101.00 Aaa 1,758,956 Obligation Bonds, One Renaissance Center Acquisition, Series 2001, 5.000%, 11/01/26 - AMBAC
Local School District, Lorain County, Ohio, 5/13 at 100.00 A 996,270 Certificates of Participation, Series 2003, 5.000%, 11/01/30 2,500 Ohio State Higher Edu
No Opt. Call AAA 2,883,550 Appropriation Bonds, Series II 2002A, 5.500%, 12/01/09 - MBIA Insured 1,000 Puerto Rico Highway and Transportation Aut
1,093,720 Highway Revenue Refunding Bonds, Series 2002E, 5.750%, 7/01/24 1,000 Summit County Port Authority, Ohio, Revenue Bonds, 12/11 at 100.0
Theatre Project, Series 2001, 5.500%, 12/01/26 - AMBAC Insured ---
TRANSPORTATION - 7.9% 3,495 Cleveland, Ohio, Airport System Revenue Bonds, 1/10 at 101.00 AAA 3,745,242 Series 2000A, 5.250%
--- UTILITIES - 16.9% 2,000 Ohio Municipal Elec
Beneficial 2/14 at 100.00 AAA 2,095,700 Interest Certificates, Joint Venture 5, Belleville Hydroelectric Project, American Municipal Power, Inc., Series 200
settling 2/17/04) - AMBAC Insured 2,500 Ohio Air Quality Development Authority, Revenue Refunding 5/09 at 101.00 AAA 2,594,525 Bonds, Ohio Power C
1999C, 5.150%, 5/01/26 - AMBAC Insured 1,500 Ohio Air Quality Development Authority, Pollution Control 12/04 at 100.00 Baa2 1,541,850 Revenue Refund
Company Project, Series 1999C, 5.800%, 6/01/16 (Mandatory put 12/01/04) 1,900 Ohio Water Development Authority, Solid Waste Disposal 9/08 at 102.00
Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alt
--- WATER AND SEWER - 8.0% 2,000 Akron, Ohio
Revenue Refunding 12/06 at 101.00 AAA 2,203,900 Bonds, Series 1997, 5.550%, 12/01/16 - MBIA Insured 1,500 Ohio Water Development Authority, Wate
100.00 AAA 1,572,704 Revenue Bonds, Fresh Water Series 2001A, 5.000%,
--- $ 67,955 Total Long-Term Investments (cos
71,615,432 ============--- 40 PRINCIPAL MA
DESCRIPTION(1) RATINGS** VALUE ---
INVESTMENTS - 1.1% $ 500 Puerto Rico Government Development Bank, Adjustable A-1 $ 500,000 Refunding Bonds, Variable Rate Demand Obligation
12/01/15 - MBIA Insured+ --- $ 500 Total Short
$500,000) 500,000 ============--- Total Investments (cos
72,115,432 --- Other Assets Less Liabi
--- Preferred Shares, at Liquidation Valu
--- Net Assets Applicable to Common Sha
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shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of the
redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. N/R Inve
Security purchased on a when-issued basis. + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a shor

Fiscal year ended

disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index. See accompanying notes to financi
Ohio Dividend Advantage Municipal Fund 3 (NVJ) Portfolio of INVESTMENTS January 31, 2004 (Unaudited) PRINCIPAL OPTIONAL CALL MA
DESCRIPTION(1) PROVISIONS* RATINGS** VALUE --
STAPLES - 6.2% $ 2,150 Puerto Rico, The Children's Trust Fund, Tobacco Settlement 5/12 at 100.00 BBB $ 2,055,271 Asset-Backed Refunding Bonds, Serie
-- EDUCATION AND CIVIC ORGANIZATIO
Higher Education Facilities Commission, Revenue Bonds, 5/12 at 100.00 A2 1,260,889 Ohio Northern University Project, Series 2002, 5.750%, 5/01/16 2,000
Facilities Commission, Revenue 10/12 at 100.00 AA 2,187,180 Bonds, Case Western Reserve University Project, Series 2002B, 5.500%, 10/01/22 1,000 Ohio S
Receipts Bonds, 12/09 at 101.00 AA 1,125,810 Series 1999A, 5.800%, 12/01/29 1,000 Ohio State University, General Receipts Bonds, 12/12 at 100.00 AA
5.125%, 12/01/31 -- HEALTHCARE - 22.4% 845
Joint Township Hospital District, No Opt. Call Baa1 889,109 Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1998A, 5.00
County, Ohio, Hospital Facilities Revenue Bonds, 8/12 at 101.00 A 1,793,680 Firelands Regional Medical Center, Series 2002A, 5.500%, 8/15/22 1,425 Mo
Hospital Facilities Revenue Bonds, 4/10 at 101.00 A3 1,588,433 Kettering Medical Center, Series 1999, 6.750%, 4/01/18 1,000 Montgomery County, Ohio, F
9/11 at 100.00 AA 1,114,020 Health Initiatives, Series 2001, 5.500%, 9/01/12 1,000 Parma Community General Hospital Association, Ohio, 11/08 at 101.0
Revenue Refunding and Improvement Bonds, Series 1998, 5.375%, 11/01/29 1,000 Richland County, Ohio, Hospital Facilities Revenue 11/10 at 101.00 A-
Bonds, MedCentral Health System Obligated Group, Series 2
-- HOUSING/SINGLE FAMILY - 9.5% 650 Ohio H
GNMA Mortgage-Backed 8/10 at 100.00 Aaa 687,934 Securities Program, Residential Mortgage Revenue Bonds, Series 2000C, 6.050%, 3/01/32 (Alternative Mi
Housing Finance Agency, GNMA Mortgage-Backed 8/10 at 100.00 Aaa 1,038,697 Securities Program, Residential Mortgage Revenue Bonds, Series
(Alternative Minimum Tax) 1,320 Ohio Housing Finance Agency, GNMA Mortgage-Backed 8/10 at 100.00 Aaa 1,423,739 Securities Program, Residential M
Series 2000F, 5.625%, 9/01/16 -- TAX OBLIGATI
2,000 Canal Winchester Local School District, Franklin and 12/08 at 102.00 AAA 2,116,040 Fairfield Counties, Ohio, Unlimited Tax General Obligation Scho
Series 1998, 5.300%, 12/01/25 - FGIC Insured 1,475 Eaton City School District, Preble County, Ohio, General 12/12 at 101.00 Aaa 1,678,801 Obligation Bon
12/01/21 - FGIC Insured 2,000 Granville Exempt Village School District, Ohio, 12/11 at 100.00 Aa3 2,143,800 General Obligation Bonds, Series 2001, 5.500%,
Ohio, General Obligation Bonds, Series 2002, 12/12 at 100.00 AA- 1,086,320 5.375%, 12/01/22 1,000 Kenston Local School District, Geauga County, C
1,049,770 General Obligation Bonds, Series 2003, 5.000%, 12/01/22 - MBIA Insured 1,270 Lorain, Ohio, General Obligation Bonds, Series 2002, 12/12
5.125%, 12/01/26 - AMBAC Insured 1,190 Miami East Local School District, Miami County, Ohio, 12/12 at 100.00 AAA 1,231,531 General Obligation Bon
12/01/29 - FSA Insured 1,000 Ohio, Common Schools Capital Facilities, General Obligation 9/11 at 100.00 AA+ 1,049,760 Bonds, Series 2001B, 5.000%,
OPTIONAL CALL MARKET AMOUNT (000) DESCRIPTION(1) PROVISIONS
-- TAX OBLIGATION/GENERAL (continued) $ 1
School District, Fairfield and Franklin 12/11 at 100.00 AAA $ 1,653,057 Counties, Ohio, School Facilities Construction and Improvement General Obliga
5.250%, 12/01/20 - FGIC Insured 1,130 Solon, Ohio, General Obligation Refunding and Improvement 12/12 at 100.00 AA+ 1,213,790 Bonds, Series
-- TAX OBLIGATION/LIMITED - 21.1% 1,00
District, Lorain County, Ohio, 5/13 at 100.00 A 996,270 Certificates of Participation, Series 2003, 5.000%, 11/01/30 2,000 Ohio State Higher Education Capita
AAA 2,306,840 Appropriation Bonds, Series II 2002A, 5.500%, 12/01/09 - MBIA Insured 1,250 Ohio State Building Authority, State Facilities Bonds, 4/12 a
Administrative Building Fund Projects, Series 2002A, 5.500%, 4/01/18 - FSA Insured 2,000 Puerto Rico Public Buildings Authority, Guaranteed No C
Government Facilities Revenue Bonds, Series 1993L, 5.500%
-- TRANSPORTATION - 9.2% 1,140 Colu
Authority, Ohio, Airport No Opt. Call AAA 1,275,364 Improvement Revenue Bonds, Port Columbus International Airport Project, Series 1998B, 5.250%, 1/0
1,550 Ohio Turnpike Commission, Revenue Bonds, No Opt. Call AAA 1,791,583 Series 1998A, 5.500%
-- UTILITIES - 4.9% 1,500 Wadsworth, Ohio, Elect
Revenue 2/12 at 100.00 Aaa 1,641,315 Bonds, American Municipal Power Ohio, Inc., Series 2002, 5.250%,
-- WATER AND SEWER - 13.0% 1,000 Akron, Ohio
Revenue Refunding 12/06 at 101.00 AAA 1,101,950 Bonds, Series 1997, 5.550%, 12/01/16 - MBIA Insured 1,500 Hamilton County, Ohio, Sewer System Reve
100.00 AAA 1,638,165 and Improvement Bonds, Metropolitan Sewer District of Greater Cincinnati, Series 2001A, 5.250%, 12/01/18 - MBIA Insured 1,500 C
Authority, Water Development 12/11 at 100.00 AAA 1,572,703 Revenue Bonds, Fresh Water Series 2001A, 5.000%,
-- $ 45,325 Total Long-Term Investments (cos
48,864,694 ============-- Other Assets Less L
-- Preferred Shares, at Liquidation Valu
-- Net Assets Applicable to Common Sha
==
shown in the Portfolio of Investments are based on net assets applicable to Common shares. * Optional Call Provisions: Dates (month and year) and prices of th
redemption. There may be other call provisions at varying prices at later dates. ** Ratings: Using the higher of Standard & Poor's or Moody's rating. See accomp
statements. 43 Statement of ASSETS AND LIABILITIES January 31, 2004 (Unaudited) MICHIGAN MICHIGAN MICHIGAN QUALITY PREMIUM DIVIDE
ADVANTAGE (NUM) (NMP) (NZW) -- ASSET
value (cost $256,220,830, $163,420,257 and $44,816,139, respectively) $277,469,567 $173,812,087 $46,939,972 Cash 19,422 1,783,705 30,772 Interest receiva
552,755 Other assets 7,810 638 695 -- Total assets 2
47,524,194 -- LIABILITIES Cash overdraft -- -- --
purchased -- 1,050,590 -- Accrued expenses: Management fees 153,098 96,990 14,102 Other 58,522 79,205 27,719 Preferred share dividend
-- Total liabilities 2
-- Preferred shares, at liquidation value 94,000,000
-- Net assets applicable to Common shares $18

==
Common shares outstanding 11,658,8
==
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)

Fiscal year ended

==
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: --
Common shares, $.01 par value per share $ 116,589 $ 77,271 $ 20,593 Paid-in surplus 163,031,554 108,021,163 29,142,656 Undistributed net investment inco
303,814 Accumulated net realized gain (loss) from investments 63,636 693,730 (109,642) Net unrealized appreciation of investments 21,248,7
-- Net assets applicable to Common shares $18

==
Authorized shares: Common 200,000,000 200,000,000 Unlimited Preferred 1,000,(
==
See accompanying notes to financial statements. 44 OHIO OHIO OHIO OHIO QUALITY DIVIDEND DIVIDEND DIVIDEND INCOME ADVAN
ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) --
market value (cost $222,099,988, $90,553,421, $69,270,039 and $46,278,752, respectively) $235,262,165 $95,144,486 $72,115,432 $48,864,694 Cash 345
Interest receivable 2,778,241 1,219,445 788,018 609,683 Other as
-- Total assets 238,386,437 96,367,38
--- LIABILITIES Cash overdraft -- 77,877 -- --
purchased -- -- 2,117,760 -- Accrued expenses: Management fees 130,330 28,618 21,282 14,830 Other 128,596 20,896 21,504 12,794 Preferred share divide
2,369 906 -- Total liabilities 262,463 1
-- Preferred shares, at liquidation value 77,000,00
16,500,000 -- Net assets applicable to Comn
$65,237,830 $
==
Common shares outstanding 9,650,135 4,225,
==
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) $ 16.70
==
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: --
Common shares, $.01 par value per share $ 96,501 $ 42,253 $ 31,146 $ 21,574 Paid-in surplus 146,157,039 59,955,000 44,130,563 30,524,360 Undistribute
1,627,602 701,488 458,289 107,571 Accumulated net realized gain (loss) from investments 80,655 (51,976) (24,160) (2,663) Net unrealized appreciation of
4,591,065 2,845,393 2,585,942 -- Net assets appli
$161,123,974 $65,237,830 $
==
Authorized shares: Common 200,000,000 Unlimited Unlimited Unlimited Preferred 1,000,000 Unlimi
==
See accompanying notes to financial statements. 45 Statement of OPERATIONS Six Months Ended January 31, 2004 (Unaudited) MICHIGAN MICHIGAN
PREMIUM DIVIDEND INCOME INCOME ADVANTAGE
-- INVESTMENT INCOME $ 7,041,27
-- EXPENSES Management fees 893,589 572,508 1
auction fees 118,579 70,643 20,278 Preferred shares - dividend disbursing agent fees 10,081 10,081 5,042 Shareholders' servicing agent fees and expenses 15,99
fees and expenses 34,024 25,589 7,026 Directors'/Trustees' fees and expenses 3,347 2,237 298 Professional fees 9,546 8,142 4,995 Shareholders' reports - printi
15,057 8,362 1,224 Stock exchange listing fees 7,897 5,591 95 Investor relations expense 2,978 992 1,869 Other expe
-- Total expenses before custodian fee credit and
1,127,673 722,966 197,894 Custodian fee credit (7,732) (9,409) (4,280) Expense reim
-- Net expenses 1,1
-- Net investment income 5,921,
-- REALIZED AND UNREALIZED GAIN (LOSS)
Net realized gain (loss) from investments 505,848 2,218,700 25,514 Change in net unrealized appreciation (depreciation) of investments 10,619,
-- Net gain from investments 11,125,
-- DISTRIBUTIONS TO PREFERRED SHA
investment income (325,239) (135,433) (52,712) From accumulated net realized gains from investme
-- Decrease in net assets applicable to Common sha
Preferred shareholders (420,680) (255,504) (52,712) --
assets applicable to Common shares from operations $16,626,09
==
See accompanying notes to financial statements. 46 OHIO OHIO OHIO OHIO QUALITY DIVIDEND DIVIDEND DIVIDEND INCOME ADVAN
ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) -- INV
6,123,960 $2,445,174 $1,725,145 $1,166,296 -- E
fees 765,612 310,180 229,930 160,223 Preferred shares - auction fees 97,134 39,288 30,275 20,814 Preferred shares - dividend disbursing agent fees 1
Shareholders' servicing agent fees and expenses 17,523 803 480 625 Custodian's fees and expenses 34,145 9,892 6,444 4,021 Directors'/Trustees' fees and exp
Professional fees 7,198 5,905 5,383 4,708 Shareholders' reports - printing and mailing expenses 2,662 2,764 2,842 5,307 Stock exchange listing fees 5,669 195
expense 3,770 2,991 3,520 2,609 Other expenses 10,930 4,976 4,220 4,634 --
Total expenses before custodian fee credit and expense reimbursement 962,896 382,968 289,034 208,730 Custodian fee credit (10,582) (2,349) (3,834) (2,457) E
(143,160) (106,121) (73,949) -- Net expenses 9
132,324 -- Net investment income 5,171,646 2,207,
-- REALIZED AND UNREALIZED GAIN (LOSS)
Net realized gain (loss) from investments 2,156,277 (51,960) 7,571 (2,587) Change in net unrealized appreciation (depreciation) of investments 4,972,725 3,374,
-- Net gain from investments 7,129,002 3,322,

Fiscal year ended

-- DISTRIBUTIONS TO PREFERRED SHA
investment income (210,338) (121,858) (89,754) (58,042) From accumulated net realized gains from investments (143
-- Decrease in net assets applicable to Common sha
Preferred shareholders (353,483) (127,162) (89,754) (68,860) --
in net assets applicable to Common shares from operations $11,947,165 $5,403,551
==
See accompanying notes to financial statements. 47 Statement of CHANGES IN NET ASSETS (Unaudited) MICHIGAN MICHIGAN MICHIGAN QUA
PREMIUM INCOME (NMP) DIVIDEND ADVANTAGE (NZW) --------------------------- --------------------------- --------------------------- SIX MONT
MONTHS ENDED YEAR ENDED ENDED YEAR ENDED ENDED YEAR ENDED 1/31/04 7/31/03 1/31/04
-- OPERATIONS Net investment income $ 5
3,804,940 $ 7,932,887 $ 1,007,825 $ 2,041,873 Net realized gain (loss) from investments 505,848 1,537,864 2,218,700 1,797,104 25,514 43,512 Change in net
(depreciation) of investments 10,619,598 (4,630,793) 3,821,717 (4,692,253) 1,967,450 (463,571) Distributions to Preferred Shareholders: From net inves
(882,566) (135,433) (551,440) (52,712) (141,482) From accumulated net realized gains from investments (95,441) (1
-- Net increase in net assets applicable to Commo
16,626,097 7,986,122 9,589,853 4,486,298 2,948,077 1,480,332 --
DISTRIBUTIONS TO COMMON SHAREHOLDERS From net investment income (5,534,691) (10,738,262) (3,711,856) (6,995,623) (920,387) (1,770,278
realized gains from investments (1,232,780) (1,195,839) (3,007,819) -- -- -- --
Decrease in net assets applicable to Common shares from distributions to Common shareholders (6,767,471) (11,934,101) (6,719,675) (6,995,62
-- CAPITAL SHARE TRANSACTIONS Common sh
sale of shares -- -- -- -- 3,771 -- Net proceeds from shares issued to shareholders due to reinvestment of distributions 402,420 503,555 336,523 108,017 8,17
offering costs -- -- -- -- (1,870) 50,657 -- Net increase
applicable to Common shares from capital share transactions 402,420 503,555 336,52
-- Net increase (decrease) in net assets appli
10,261,046 (3,444,424) 3,206,701 (2,401,308) 2,037,776 (235,945) Net assets applicable to Common shares at the beginning of period 176,186,062 1
119,819,687 29,443,488 29,679,433 -- Net asset
shares at the end of period $186,447,108 $176,186,062 $120,625,080 $117,418,379 $
==
Undistributed net investment income at the end of period $ 1,986,592 $ 1,925,191 $ 1,441,086 $ 1,483,4
==
See accompanying notes to financial statements. 48 OHIO OHIO OHIO QUALITY INCOME (NUO) DIVIDEND ADVANTAGE (NXI) DIVIDEND
--------------------------- --------------------------- --------------------------- SIX MONTHS SIX MONTHS SIX MONTHS ENDED YEAR ENDED ENDED Y
YEAR ENDED 1/31/04 7/31/03 1/31/04 7/31/03 1/31/04 7/31/03 --
OPERATIONS Net investment income $ 5,171,646 $ 10,568,139 $ 2,207,715 $ 4,444,153 $ 1,546,066 $ 3,127,428 Net realized gain (loss) from investments 2,1
156,618 7,571 393,224 Change in net unrealized appreciation (depreciation) of investments 4,972,725 (3,005,456) 3,374,958 (1,154,603) 2,813,440 (1,127,584) D
Shareholders: From net investment income (210,338) (735,656) (121,858) (307,940) (89,754) (236,527) From accumulated net realized gains from investme
(5,459) -- -- -- Net increase in net assets applicable
operations 11,947,165 7,569,690 5,403,551 3,132,769 4,277,323 2,156,541 --
DISTRIBUTIONS TO COMMON SHAREHOLDERS From net investment income (4,841,930) (9,454,399) (2,042,394) (3,865,874) (1,423,198) (2,710,84
realized gains from investments (2,042,158) -- (71,806) (43,462) -- -- --
Decrease in net assets applicable to Common shares from distributions to Common shareholders (6,884,088) (9,454,399) (2,114,200) (3,909,336)
-- CAPITAL SHARE TRANSACTIONS Common sh
sale of shares -- -- 3,328 -- 3,771 -- Net proceeds from shares issued to shareholders due to reinvestment of distributions 649,192 945,060 23,229 115,397 7,567
offering costs -- -- (1,664) 36,823 (1,870) 45,457 -- N
net assets applicable to Common shares from capital share transactions 649,192 945,060 24,89
-- Net increase (decrease) in net assets appli
5,712,269 (939,649) 3,314,244 (624,347) 2,863,593 (495,471) Net assets applicable to Common shares at the beginning of period1 55,411,705 156,351,35
44,577,638 45,073,109 -- Net assets applicable to C
of period $161,123,974 $155,411,705 $65,237,830 $61,923,586 $
==
Undistributed net investment income at the end of period $ 1,627,602 $ 1,508,224 $ 701,488 $ 658,0
==
See accompanying notes to financial statements. 49 Statement of CHANGES IN NET ASSETS (Unaudited) (continued) OHIO DIVIDEND
-------------------------- SIX MONTHS ENDED YEAR E
-- OPERATIONS Net investment income $ 1,
realized gain (loss) from investments (2,587) 305,202 Change in net unrealized appreciation (depreciation) of investments 2,119,569 (942,414) Distributions to
From net investment income (58,042) (149,564) From accumulated net realized gains from invest
-- Net increase in net assets applicable to Commo
3,082,094 1,281,037 -- DISTRIBU
SHAREHOLDERS From net investment income (944,891) (1,889,785) From accumulated net realized gains from investme
-- Decrease in net assets applicable to Common sha
Common shareholders (1,090,938) (2,011,133) --
TRANSACTIONS Common shares: Net proceeds from sale of shares -- -- Net proceeds from shares issued to shareholders due to reinvestment of distributio
shares offering costs (1,400) (23,189) -- Net increase
applicable to Common shares from capital share transactions 442 (19,650) --
Net increase (decrease) in net assets applicable to Common shares 1,991,598 (749,746) Net assets applicable to Common shares at the beginning of period
-- Net assets applicable to Common shares at the en

Fiscal year ended

==

Undistributed net investment income at the end of pe

==

See accompanying notes to financial statements. 50 Notes to FINANCIAL STATEMENTS (Unaudited) 1. GENERAL INFORMATION AND SIGNIF POLICIES The state Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Michigan Quality Inc. (NUM), Nuveen Michigan Premium Income Municipal Fund, Inc. (NMP), Nuveen Michigan Dividend Advantage Municipal Fund (NZW), Nuveen Ohio Q Fund, Inc. (NUO), Nuveen Ohio Dividend Advantage Municipal Fund (NXI), Nuveen Ohio Dividend Advantage Municipal Fund 2 (NBJ) and Nuveen O Municipal Fund 3 (NVJ). Common shares of Michigan Quality Income (NUM), Michigan Premium Income (NMP), and Ohio Quality Income (NUO) are traded Exchange while Common shares of Michigan Dividend Advantage (NZW), Ohio Dividend Advantage (NXI), Ohio Dividend Advantage 2 (NBJ) and Ohio Divi are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management inve Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a diversified portfolio of mun by state and local government authorities within a single state. The following is a summary of significant accounting policies followed by the Funds in the prep statements in accordance with accounting principles generally accepted in the United States. Securities Valuation The prices of municipal bonds in each Fund's 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 m pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, i securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. If it is determined that market prices for a security are unavaila 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 r qualifying them as short-term securities are valued at amortized cost, which approximates market value. Securities Transactions Securities transactions are recor Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segreg value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At January 31, 2004, there were no such outstanding purchas the Funds. Investment Income Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is reco 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 Cod investment companies and to distribute all of its net investment income to its share holders. Therefore, no federal income tax provision is required. Furtherm satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such distributed to shareholders of the Funds. Dividends and Distributions to Common Shareholders Dividends from tax-exempt net investment income are declar capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital g to the extent they exceed available capital loss carryforwards. 51 Notes to FINANCIAL STATEMENTS (Unaudited) (continued) Distributions to Common sh 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 distrib accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States. Preferred Shares Th outstanding $25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in one or more Series. The dividend rate on each Series may change 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 Se Fund is as follows: MICHIGAN MICHIGAN MICHIGAN QUALITY PREMIUM DIVIDEND INCOME INCOME ADVANTAGE

--- Number of shares: Series M -- 840 -- Series W -- -- 640 Series TH 3,200 1

== OHIO OHIO OHIO OHIO QUALITY DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) -- shares: Series M 680 -- -- -- Series T -- -- -- 660 Series W -- 1,240 -- -- Series TH 1,400 -- -- -- Series TH2 1,000 --

-- To

== Derivative Financial Instruments The Fun derivative financial instruments including futures, forward, swap, and option contracts, and other financial instruments with similar characteristics. Although the invest in such financial instruments, and may do so in the future, they did not make any such investments during the six months ended January 31, 2004. Custodi 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 wit arrangements are an alternative to overnight investments. Use of Estimates The preparation of financial statements in conformity with accounting principles United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial sta amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from thos SHARES Transactions in Common shares were as follows: MICHIGAN QUALITY MICHIGAN PREMIUM MICHIGAN DIVIDEND INCOME (ADVANTAGE (NZW) ----------------------- ---------------------- ----------------------- SIX MONTHS SIX MONTHS SIX MONTHS ENDED YEAR ENDED ENDED YEAR ENDED 1/31/04 7/31/03 1/31/04 7/31/03 1/31/04 7/31/03 --

shares issued to shareholders due to reinvestment of distributions 24,859 30,5

==

OHIO DIVIDEND OHIO DIVIDEND INCOME (NUO) ADVANTAGE (NXI) ADVANTAGE 2 (NBJ) ----------------------- ---------------------- ------------------- MONTHS SIX MONTHS ENDED YEAR ENDED ENDED YEAR ENDED ENDED YEAR ENDED 1/31/04 7/31/03 1/31/04

--- Common shares issued to shareholders due to reinvestmen

54,

==

ADVANTAGE 3 (NVJ) ---------------------- SIX MONTHS ENDED YEAR

-- Common shares issued to shareholders due to reinvestment

== 3. SECURIT

Purchases and sales (including maturities) of investments in long-term municipal securities during the six months ended January 31, 2004, were as follows: M MICHIGAN QUALITY PREMIUM DIVIDEND INCOME INCOME ADVANTAGE (NUM) (NMP) (NZW) ---

Purchases $20,604,319 $32,929,485 $3,197,669 Sales and maturities 18,763,8

== OHIO OHIO OHIO OHIO QUALITY DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) --

$43,954,962 $2,463,775 $3,192,490 $1,007,580 Sales and maturities 42,936,261 1,71

Fiscal year ended

== 53 Notes to FINANCIAL STATEMENTS (U
INCOME TAX INFORMATION The following information is presented on an income tax basis. Differences between amounts for financial statement and fed
are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses
At January 31, 2004, the cost of investments were as follows: MICHIGAN MICHIGAN MICHIGAN QUALITY PREMIUM DIVIDEND INCOME INCOME
(NMP) (NZW) -- Cost of investments $256,249,126 $1
== OHIO OHIO OHIO OHIO QUALITY
DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) ---
investments $222,055,629 $90,479,273 $69,258,559 $46,273,867 ==
unrealized appreciation and gross unrealized depreciation of investments at January 31, 2004, were as follows: MICHIGAN MICHIGAN MICHIGAN
DIVIDEND INCOME INCOME ADVANTAGE (NUM) (NMP) (NZW) ---
Appreciation $22,737,841 $11,981,234 $2,424,194 Depreciation (1,517,40
--- Net unrealized appreciation of investments $21,220,441
== O
QUALITY DIVIDEND DIVIDEND DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (N
--- Gross unrealized: Appreciation $13,577,219 $4,815,446 $3,000,614
(370,683) (150,233) (143,741) (39,261) --- Net unrealized appreciation of
$4,665,213 $2,856,873 $2,590,827 ===
54 The tax components of undistributed net investment income and net realized gains at July 31, 2003, the Funds' last fiscal year end, were as follows: M
MICHIGAN QUALITY PREMIUM DIVIDEND INCOME INCOME ADVANTAGE
--- Undistributed net tax-exempt income $2,666,458 $1,800,842 $421,408 U
income * 30,661 71,709 40 Undistributed net long-term capital gain
== O
QUALITY DIVIDEND DIVIDEND DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (N
--- Undistributed net tax-exempt income $2,254,018 $930,678 $650,895 $2
ordinary income * 17,867 1,707 838 156,789 Undistributed net long-term capital g
== * Net ord
taxable market discount income and net short-term capital gains, if any. The tax character of distributions paid during the fiscal year ended July 31, 2003, the F
was designated for purposes of the dividends paid deduction as follows: MICHIGAN MICHIGAN MICHIGAN QUALITY PREMIUM DIVIDEND INCOME IN
(NUM) (NMP) (NZW) --- Distributions from net tax-exempt income
$1,902,369 Distributions from net ordinary income * -- -- -- Distributions from net long-term cap
== O
QUALITY DIVIDEND DIVIDEND DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (N
--- Distributions from net tax-exempt income $10,147,481 $4,155,41
Distributions from net ordinary income * -- -- -- 137,104 Distributions from net long-term ca
== * Net ord
taxable market discount income and net short-term capital gains, if any. 55 Notes to FINANCIAL STATEMENTS (Unaudited) (continued) At July 31, 2003, t
end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not ap
will expire as follows: MICHIGAN OHIO DIVIDEND DIVIDEND ADVANTAGE ADVANTAGE 2 (NZW) (NBJ) ---
Expiration year: 2011 $135,162 $21,436 ---
== Ohio Dividend Advantage 2 (NBJ) elected to
from investments incurred from November 1, 2002 through July 31, 2003 ("post-October losses") in accordance with Federal income tax regulations. Ohio Divi
had $10,421 of post-October losses that were treated as having arisen on the first day of the current fiscal year. 5. MANAGEMENT FEE AND OTHER T
AFFILIATES Under Michigan Quality Income's (NUM), Michigan Premium Income's (NMP) and Ohio Quality Income's (NUO) investment management
Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc., each Fund pays an annual management fee, payable monthly, at the rate
are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows: AVERAGE DAILY NET ASSE
ASSETS ATTRIBUTABLE TO PREFERRED SHARES) MANAGEMENT FEE -- For the f
For the next $125 million .6375 For the next $250 million .6250 For the next $500 million .6125 For the next $1 billion .6000 For the next $3 billion .5875 For
.5750 == Under Michigan Dividend Advantage's
Advantage's (NXI), Ohio Dividend Advantage 2's (NBJ) and Ohio Dividend Advantage 3's (NVJ) investment management agreements with the Adviser, e
management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferre
follows: AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES
-- For the first $125 million .6500% For the next $125 million .6375 For the next $250 million
million .6125 For the next $1 billion .6000 For net ass
== The management fee compensates the Advis
advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated wi
officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. 56 For the first ten years of Ohio Dividend Advantag
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 expense
the time periods set forth below: YEAR ENDING YEAR ENDING MARCH 31, MARCH 31, ---
2002 .30 2008 .20 2003 .30 2009 .15 2004 .30 2010 .10 20
== * From the commencement of operations. The A
reimburse Ohio Dividend Advantage (NXI) for any portion of its fees and expenses beyond March 31, 2011. For the first ten years of Michigan Dividend Adva
Dividend Advantage 2's (NBJ) operations, the Adviser has agreed to reimburse the Funds, as a percentage of average daily net assets (including net assets attributa
for fees and expenses in the amounts and for the time periods set forth below: YEAR ENDING YEAR ENDING SEPTEMBE
-- 2001* .30% 2007 .25% 2002 .30 2008 .20 2003 .30 2009 .15 2004 .30 2010 .10 20
== * From the commencement of operations. The A
reimburse Michigan Dividend Advantage (NZW), and Ohio Dividend Advantage 2 (NBJ) for any portion of their fees and expenses beyond September 30, 2011.

Fiscal year ended

Ohio Dividend Advantage 3's (NVJ) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets
shares), for fees and expenses in the amounts and for the time periods set forth below: YEAR ENDING YEAR ENDING M
-- 2002* .30% 2008 .25% 2003 .30 2009 .20 2004 .30 2010 .15 2005 .30 2011 .10 200
== * From the commencement of operations. The A
reimburse Ohio Dividend Advantage 3 (NVJ) for any portion of its fees and expenses beyond March 31, 2012. 57 Notes to FINANCIAL STATEMENTS (U
SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS The Funds declared Common share dividend distributions from their tax-exemp
which were paid on March 1, 2004, to shareholders of record on February 15, 2004, as follows: MICHIGAN MICHIGAN MICHIGAN QUALITY PREMIUM
INCOME ADVANTAGE (NUM) (NMP) (NZW) -- Dividend per sha
== OHIO OHIO OHIO OHIO QUALITY I
DIVIDEND INCOME ADVANTAGE ADVANTAGE 2 ADVANTAGE 3 (NUO) (NXI) (NBJ) (NVJ) --
share $.0835 $.0810 $.0770 $.0730 == 58 I
(Unaudited) 59 Financial HIGHLIGHTS (Unaudited) Selected data for a Common share outstanding throughout each period: Investment Opera
--- ------------------------------ Distributions Distributions from Net from Net Beginning Net Investment Ca
Common Realized/ Income to Gains to Income to Gains to Share Net Unrealized Preferred Preferred Common Common Net Asset Investment Investment Sha
Value Income Gain (Loss) holders+ holders+ To
==
MICHIGAN QUALITY INCOME (NUM) -- Y
$15.14 $ .51 $.97 $(.03) $(.01) $1.44 $(.48) $(.11) $ (.59) 2003 15.48 1.04 (.27) (.08) (.01) .68 (.92) (.10) (1.02) 2002 15.32 1.11 .15 (.11) (.02) 1.13 (.90) (.07) (
(.29) (.01) 1.68 (.88) (.02) (.90) 2000 15.20 1.19 (.53) (.30) (.02) .34 (.92) (.08) (1.00) 1999 15.91 1.15 (.63) (.21) (.02) .29 (.92) (.06) (.98) MICHIGAN PREM
-- Year Ended 7/31: 2004(b) 15.24 .49 .79 (.02) (.
2003 15.56 1.03 (.37) (.07) -- .59 (.91) -- (.91) 2002 15.31 1.05 .16 (.11) -- 1.10 (.85) -- (.85) 2001 14.24 1.07 1.07 (.25) -- 1.89 (.82) -- (.82) 2000 14.68 1.07
(.83) 1999 15.30 1.05 (.64) (.21) -- .20 (.82) -- (.82) MICHIGAN DIVIDEND
-- Year Ended 7/31: 2004(b) 14.30 .49 .98 (.03) -
14.42 .99 (.20) (.07) -- .72 (.86) -- (.86) 2002(a) 14.33 .76 .22
==
Total Returns ------------------- Based Offering on Costs and Ending Common Preferred Common Based Share Share Share Ending on Net Underwriting Net As
Discounts Value Value Value** Value** ==
INCOME (NUM) -- Year Ended 7/31: 2004(b) $ -- $15.99 $16.3400 9.65% 9.55% 2003 --
2002 -- 15.48 16.1000 11.18 7.68 2001 -- 15.32 15.4200 17.11 11.90 2000 -- 14.54 14.0000 (9.92) 2.51 1999 (.02) 15.20 16.6875 2.18 1.62 MICHIGAN PREM
-- Year Ended 7/31: 2004(b) -- 15.61 15.9700 13.63 8.25 2003 -- 15.24 14.8500 2.64 3.71 200
7.40 2001 -- 15.31 14.7100 17.81 13.61 2000 -- 14.24 13.2500 (6.16) 2.95 1999 -- 14.68 15.0625 5.95 1.23 MICHIGAN DIVIDEND
-- Year Ended 7/31: 2004(b) -- 15.29 15.6600 6.81 10.16 2003 .02 14.30 15.1000 9.19
14.6500 2.00 5.21 == R
-- Before Credit/Reimbursement After Credit/Reimbursement***
---------------------------- Ratio of Net Ratio of Net Ratio of Investment Ratio of Investment Ending Expenses Income to Expenses Income to Net to Average Aver
Assets Net Assets Net Assets Net Assets Net Assets Applicable Applicable Applicable Applicable Applicable Portfolio to Common to Common to Common
Turnover Shares (000) Shares++ Shares++ S
==
QUALITY INCOME (NUM) -- Year Ended 7/31: 2004(b) $
1.21%* 6.42%* 7% 2003 176,186 1.24 6.56 1.24 6.57 15 2002 179,630 1.28 7.29 1.27 7.29 19 2001 176,664 1.30 7.79 1.29 7.80 20 2000 167,429 1.29 8.29 1.2
1.19 7.28 1.19 7.28 21 MICHIGAN PREMIUM INCOME (NMP) --
2004(b) 120,625 1.19* 6.26* 1.18* 6.28* 19 2003 117,418 1.21 6.49 1.20 6.50 18 2002 119,820 1.25 6.82 1.24 6.83 9 2001 117,784 1.24 7.24 1.23 7.25 15 2000
7.74 34 1999 112,851 1.29 6.82 1.28 6.83 9 MICHIGAN DIVIDEND
-- Year Ended 7/31: 2004(b) 31,481 1.28* 6.05* .80* 6.53* 4 20
6.61 2 2002(a) 29,679 1.
==
End of Period --- Aggregate Liquidation Amount and Market Asset Outstanding Value Coverage (0
=== MICHIGAN QUA
--- Year Ended 7/31: 2004(b) $94,000 $25,000 $74,587 2003 94,000 25,000 71,858 2002 94,000 25,000 72,
71,985 2000 94,000 25,000 69,529 1999 94,000 25,000 71,434 MICHIGAN PREMIUM INCOME (NMP) ---
2004(b) 56,000 25,000 78,850 2003 56,000 25,000 77,419 2002 56,000 25,000 78,491 2001 56,000 25,000 77,582 2000 56,000 25,000 73,913 1999 56,000 25,
DIVIDEND ADVANTAGE (NZW) --- Year Ended 7/31: 2004(b) 16,000 25,000 74,189 2003 16,000 25,00
25,000 71,374 === * Annualized. ** Total Investment Return on Market V
of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Val
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 sh
annualized. *** After custodian fee credit and expense reimbursement, where applicable. + The amounts shown are based on Common share equivalents. ++
effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares. (a) For the pe
(commencement of operations) through July 31, 2002. (b) For the six months ended January 31, 2004. See accompanying notes to financial statements. 60
HIGHLIGHTS (Unaudited) (continued) Selected data for a Common share outstanding throughout each period: Investment Opera
--- ------------------------------ Distributions Distributions from Net from Net Beginning Net Investment Ca
Common Realized/ Income to Gains to Income to Gains to Share Net Unrealized Preferred Preferred Common Common Net Asset Investment Investment Sha
Value Income Gain (Loss) holders+ holders+ To
==
OHIO QUALITY INCOME (NUO) -- Year Ended 7/3
$ .73 $(.02) $(.01) $1.24 $(.50) $(.21) $(.71) 2003 16.36 1.10 (.22) (.08) -- .80 (.99) -- (.99) 2002 16.10 1.14 .18 (.13) -- 1.19 (.93) -- (.93) 2001 15.52 1.20 .56 (
2000 16.13 1.21 (.56) (.29) -- .36 (.97) -- (.97) 1999 16.65 1.21 (.51) (.24) -- .46 (.98) -- (.98) OHIO DIVIDEND

Fiscal year ended

--- Year Ended 7/31: 2004(d) 14.66 .52 .79 (.03) -- 1.
14.83 1.05 (.23) (.07) -- .75 (.92) (.01) (.93) 2002 14.57 1.06 .19 (.12) -- 1.13 (.87) -- (.87) 2001(a) 14.33 .29 .35 (.04) -- .60 (.22) -- (.22) OHIO DIVIDEND
--- Year Ended 7/31: 2004(d) 14.31 .50 .91 (.03) -
14.48 1.00 (.23) (.08) -- .69 (.87) -- (.87) 2002(b) 14.33 .78 .23 (.08) -- .93 (.62) -- (.62) OHIO DIVIDEND
--- Year Ended 7/31: 2004(d) 14.48 .48 1.00 (.03) (.
2003 14.83 .97 (.29) (.07) (.01) .60 (.88) (.06) (.94) 2002(c) 14.33 .25 .65
===
Total Returns ------------------- Based Offering on Costs and Ending Common Preferred Common Based Share Share Share Ending on Net Underwriting Net As
Discounts Value Value Value** Value** ===
INCOME (NUO) --- Year Ended 7/31: 2004(d) $-- $16.70 $18.3100 11.88% 7.79% 2003 -- 1
2002 -- 16.36 18.6200 17.00 7.63 2001 -- 16.10 16.8000 6.86 9.85 2000 -- 15.52 16.6250 (1.80) 2.50 1999 -- 16.13 18.0000 5.09 2.74 OHIO DIVIDEN
--- Year Ended 7/31: 2004(d) -- 15.44 16.0000 15.92 8.83 2003 .01 14.66 14.2600 (.04) 5.0
4.48 8.02 2001(a) (.14) 14.57 15.3500 3.77 3.21 OHIO DIVIDEND ADVANTAGE 2 (NBJ) ---
2004(d) -- 15.23 16.2100 17.16 9.72 2003 .01 14.31 14.2600 3.17 4.74 2002(b) (.16) 14.48 14.6500 1.91 5.58 OHIO DIVIDEND
--- Year Ended 7/31: 2004(d) -- 15.41 15.7400 13.07 10.01 2003 (.01) 14.48 14.4000 .09
15.3000 3.47 5.05 === R
-- Before Credit/Reimbursement After Credit/Reimbursement***
---------------------------- Ratio of Net Ratio of Net Ratio of Investment Ratio of Investment Ending Expenses Income to Expenses Income to Net to Average Aver
Assets Net Assets Net Assets Net Assets Net Assets Applicable Applicable Applicable Applicable Applicable Portfolio to Common to Common to Common
Turnover Shares (000) Shares++ Shares++ S
===
INCOME (NUO) -- Year Ended 7/31: 2004(d) $161,124 1.20%*
19% 2003 155,412 1.22 6.59 1.22 6.60 12 2002 156,351 1.26 7.10 1.24 7.12 26 2001 153,164 1.32 7.58 1.30 7.60 15 2000 147,045 1.31 7.88 1.29 7.89 11 1999
7.27 3 OHIO DIVIDEND ADVANTAGE (NXI) -- Year End
1.19* 6.40* .74* 6.85* 2 2003 61,924 1.23 6.52 .78 6.97 6 2002 62,548 1.24 6.79 .78 7.25 18 2001(a) 61,424 1.15* 5.58* .71* 6.02* 4 OHIO DIVIDEND
-- Year Ended 7/31: 2004(d) 47,441 1.24* 6.14* .77* 6.61* 2 2
6.72 15 2002(b) 45,073 1.25* 6.12* .80* 6.57* 39 OHIO DIVIDEND
-- Year Ended 7/31: 2004(d) 33,237 1.27* 5.84* .81* 6.30* 1 2
6.35 16 2002(c) 31,995
===
End of Period -- Aggregate Liquidation Amount and Market Asset Outstanding Value Coverage (
== OHIO QUALITY INCOME (NUO) ---------------------------------
Year Ended 7/31: 2004(d) $77,000 $25,000 $77,313 2003 77,000 25,000 75,458 2002 77,000 25,000 75,763 2001 77,000 25,000 74,729 2000 77,000 25,000 72,
74,338 OHIO DIVIDEND ADVANTAGE (NXI) -- Year Ended 7/31: 2004(d) 31,000 25,000 77,611 20
2002 31,000 25,000 75,442 2001(a) 31,000 25,000 74,535 OHIO DIVIDEND ADVANTAGE 2 (NBJ) -- Y
24,000 25,000 74,418 2003 24,000 25,000 71,435 2002(b) 24,000 25,000 71,951 OHIO DIVIDEND ADVANTAGE 3 (NVJ) ---
Ended 7/31: 2004(d) 16,500 25,000 75,359 2003 16,500 25,000 72,341 2002(
== * Annualized. ** Total Investment Return on Market Value is the co
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 co
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 sh
annualized. *** After custodian fee credit and expense reimbursement, where applicable. + The amounts shown are based on Common share equivalents. ++
effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares. (a) For the period March 2
of operations) through July 31, 2001. (b) For the period September 25, 2001 (commencement of operations) through July 31, 2002. (c) For the period March 25, 2
operations) through July 31, 2002. (d) For the six months ended January 31, 2004. See accompanying notes to financial statements. 62-63 SPR
AUTOMATICALLY SIDEBAR TEXT: NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINV
NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN Your Nuveen Closed-End Exchange-Traded Fund all
reinvest dividends and/or capital gains distributions in additional fund shares. By choosing to reinvest, you'll be able to invest money regularly and autom
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
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 lo
EASY AND CONVENIENT To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions
the shares acquired and the price per share, and the total number of shares you own. HOW SHARES ARE PURCHASED The shares you acquire by reinvesting
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 a
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
open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Bec
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 ac
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 purcha
participants. These commissions usually will be lower than those charged on individual transactions. FLEXIBILITY You may change your distribution option or
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 accou
fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a $2.50 service fee. You can reinvest whether your shar
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 wh
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 t
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 partic
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
Fund INFORMATION BOARD OF DIRECTORS/TRUSTEES William E. Bennett Robert P. Bremner Lawrence H. Brown Jack B. Evans William C. Hunt
William L. Kissick Thomas E. Leafstrand Peter R. Sawers William J. Schneider Timothy R. Schwertfeger Judith M. Stockdale Sheila W. Wellington FUN
Advisory Corp. 333 West Wacker Drive Chicago, IL 60606 CUSTODIAN State Street Bank & Trust Boston, MA TRANSFER AGENT AND SHAREHOLDER

Fiscal year ended

Bank & Trust Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787 LEGAL COUNSEL Chapman and Cutler LLP Chicago, IL INDE
Ernst & Young LLP Chicago, IL POLICY CHANGE On February 25, 2004, the Board approved policies that would allow each Fund, at the discretion of t
certain types of derivative transactions for the purpose of hedging interest rate risk. There is no guarantee that the Adviser will cause a Fund to enter into such tran
to engage in hedging, there is no guarantee that such hedging will be successful or that it will not reduce the Fund's total return. PROXY VOTING POLICIES
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,
Nuveen Investments at (800) 257-8787; and (ii) on the Commission's website at http://www.sec.gov. GLOSSARY OF TERMS USED IN THIS REPORT Avera
This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (incluc
reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered. Ave
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 va
figure does not account for the likelihood of prepayments or the exercise of call provisions. Leverage-Adjusted Duration: Duration is a measure of a bond or b
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-adj
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 M
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 c
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 e
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. ------
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
January 31, 2004. Any future repurchases will be reported to shareholders in the next annual or semiannual report. * Director for certain of the Funds. 6
GENERATIONS Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For t
Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility. Build
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
continued adherence to proven, long-term investing principles. Managing $80 billion in assets, Nuveen Investments offers access to a number of different as
solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWC
equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.
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 t
before you invest. Distributed by NUVEEN INVESTMENTS, LLC | 333 West Wacker Drive | Chicago, Illinois 60606 | www.nuveen.com ESA-B-0104D ITEM
Not applicable to this filing. ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable to this filing. ITEM 4. PRINCIPAL ACCOUNTANT FEES
applicable to this filing. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. Not applicable to this filing. ITEM 6. SCHEDULE OF INVESTMENT
time. ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANI
filing. ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHA
this time. ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS There were no material changes by which shareholders may reco
registrant's Board of Trustees implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (
this Item. ITEM 10. CONTROLS AND PROCEDURES. (a) The registrant's principal executive and principal financial officers, or persons performing similar fu
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
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
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 (
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) unde
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 a
likely to materially affect, the registrant's internal control over financial reporting. ITEM 11. EXHIBITS. File the exhibits listed below as part of this Form. (a)(
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
applicable because posted on registrant's website at www.nuveen.com/etf. (a)(2) A separate certification for each principal executive officer and principal financia
as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT attached hereto. (a)(3) Any writter
securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to
applicable at this time. (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) unde
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 o
(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 Exchang
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 19
except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto. SIGNATURES Pursuant to the requirements of
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
Nuveen Ohio Quality Income Municipal Fund, Inc. -- By (Signature and Title
-- Jessica R. Droeger Vice President and Secretary Date: April 8, 2004 --
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 be
in the capacities and on the dates indicated. By (Signature and Title)* /s/ Gifford R. Zimmerman --- Gifford R. Zimmerm
Officer (Principal Executive Officer) Date: April 8, 2004 -- By (Signature and T
--- Stephen D. Foy Vice President and Controller (Principal Financial Off
-- * Print the name and title of each signing officer ur